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The Commercial and FINANCIAL CHRONICLE

Reg. U. S. Pat. Office

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"JOTTINGS"

A much more impressive—or plausible, if you prefer—case for life insurance companies buying common stocks was made out at the N. Y. legislative committee hearings last week than you probably gathered from the financial page heads and leads on the story. True, the overwhelming majority of those testifying were against the idea. But the bulk of the testimony was probably for it. Moreover, those who took the traditional opposition view used for the most part traditional and simple arguments, the gist of which was given by Fred Ecker in the opening minutes of his talk; he simply quoted Coolidge's story of the preacher who "talked about sin" and was "against it." Ecker said it was a sin, and he was against it. Proponents, on the other hand, seemed to outflank this argument. They pointed out first that the original Armstrong Committee anti-common-stock recommendation appeared to be based largely on pre-1906 speculative abuses like the control of subsidiary companies, flyers in risky underwriting, speculative buying for re-sale to officers, and other tricky games now banned by law, regulation, and custom. They cited successful common stock investment by the Carnegie Foundation, Leland Stanford, other colleges, British life insurance companies, American fire insurance companies, etc.

Lew Douglas prefaced his remarks by a flat statement that he was neither for nor against the idea. Then he gave a summary of research done by his organization into experience of trust, life, and fire companies and others with common stocks, which he summarized as complicated, conflicting, and contradictory.

Incidentally, the imaginary common stock experience related in the Stock Exchange's September Magazine seemed just too good to be true. Douglas said it seemed to have an element of hindsight and the Committee asked some questions of Howland Davis along that line.

Remember last week your "jotter" said Russian geography was something like the United States turned east for west. Well, Samara, to which part of the Russian government has moved on a bend of the Volga, corresponds roughly to Kansas City. It heads one of the biggest grain provinces in the Volga valley. The rail line divides somewhat below Samara and one line goes northeast over the Urals to Siberia and the other down to Orenburg and Tashkent. Your jotter was there in 1923 with the American Relief Administration Russian Unit. The Quakers were just down the line, at Buzuluk. To judge by a photo in the Trib last week of the main square, the town hasn't changed in 18 years; it is still low, rambling, and dirty. In 1923 it was full of buildings finished or nearly finished in 1917, when a wave of war-time farm prosperity in the Volga Valley had been so to speak, frozen in its tracks by the Soviet revolution. Most of the American feeding problem in 1921-1923 was to distribute the food non-politically

(Continued on page 807)

OUR REPORTER'S REPORT

Discussion in underwriting circles is a bit more on the encouraging side currently now that there are indications that the major life insurance companies are inclined toward a "live and let live" policy in the matter of bidding for new bond issues.

Although it had been expected, almost up to the last minute, that there would be an insurance bid tendered for the Central Illinois Public Service Company's $38,000,000 issue of 30-year 3¾s auctioned on Monday, none appeared. In fact only two bids were made by banking groups.

The absence of insurance company participation in this deal may have given ground for reports which subsequently developed holding that one of the "Big Five" had definitely decided to refrain from bidding except in the case of certain smaller issues.

However, investment bankers were not inclined to go along too strongly on that theory notwithstanding the recent utterances of the heads of several other members of the aforementioned "Big Five" insurance group in objection to the current trend.

Bankers hold to the well-known adage that "one swallow does not make a summer" and they are willing to withhold any opinions until time brings a more thorough test of the situation. They feel incidentally that things would be helped along toward a solution by a revival of activity in the new-issue market more than anything else.

Would Provide Laboratory

A busier market, it is observed, would provide a more dependable laboratory for working out methods and changes which will

(Continued on page 812)

Treasury Offers 1% Notes To Holders Of Maturing RFC And CCC Obligations

Secretary of the Treasury Morgenthau on Oct. 23 offered approximately $500,000,000 of new 1% Treasury Notes of Series A-1946 to holders of outstanding ⅞% notes of Series P of the Reconstruction Finance Corporation, maturing Nov. 1, and the outstanding 1% notes of Series E of the Commodity Credit Corporation, maturing Nov. 15. This refinancing operation, the Secretary said, is in line with the Treasury's plan "to reduce the number of financing operations in the market on behalf of the Government and to simplify the financing program." Mr. Morgenthau added that "it is contemplated that all of the Government-guaranteed issues now outstanding in the hands of the public will eventually be converted into Treasury issues so that the market will ultimately be dealing with but one class of Government obligations." The Secretary had disclosed on Oct. 16 that he was considering a plan whereby the Treasury would do all the borrowing for the Government and then lend the necessary funds to the various Federal agencies. It was pointed out that such a centralized borrowing program would require the Treasury to take over the more than $5,000,000,000 of governmental obligations of various agencies when they fall due and replace them with direct Treasury securities.

The Secretary is reported as stating that "there is no question" but that the Federal debt limit will soon have to be raised considerably above the present $65,000,000,000 statutory limitation. The gross public debt outstanding as of Sept. 30 was $51,346,407,110.

In reporting on Mr. Morgenthau's remarks, Associated Press advices Oct. 16 stated:

(Continued on page 811)

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Unlisted Trading Privileges Under Fire

A bill has been introduced by Representative Oliver of Maine in the House of Representatives which, if passed would put an end to the granting of "Unlisted Trading Privileges" to the Exchanges, in securities that now have good markets Over-the-Counter.

Both the Produce Exchange Securities Market and the New York Real Estate Securities Exchange were products of "Unlisted Trading Privileges" and they have since passed out of existence, probably due to lack of interest by the investing public, as well as to their inferior markets.

The New York Stock Exchange abolished their Unlisted Trading Department in 1909 when a committee appointed by Governor Charles E. Hughes recommended its abolishment.

The Bill introduced by the representative from Maine, will undoubtedly have strong backing from all Over-the-Counter dealers throughout the country.

NASD Dist. 13 Names Nominating Committee

Henry G. Riter, 3rd, Chairman of District No. 13 Committee, National Association of Securities Dealers, Inc., announces the appointment of a Nominating Committee consisting of J. Taylor Foster of Spencer Trask & Co., New York City, Chairman, Malcolm Edgerton of Green, Ellis & Anderson, New York; Rogert W. Putnam of Glenny Roth & Doolittle, Buffalo; John F. Sammon of J. F. Sammon & Co., New York; Frank Stanton of First Boston Corporation, New York.

The vacancies to be filled on the Board of Governors will be caused by the expiration of terms of Perry E. Hall, Morgan Stanley & Co., and Frank Dunne, Dunne & Co. The vacancies on the District No. 13 Committee are caused by the expiration of the terms of office of William J. Minsch, Minsch Monell & Co.; Frank C. Trubee, Jr., Trubee Collins & Co.; Clarence E. Unterberg, C. E. Unterberg & Co.; and Frederick M. Warburg, Kuhn, Loeb & Co.

The present terms of office expire on Jan. 15, 1942.

Nevil Ford Appointed NY State Administrator For The Sale Of Defense Bonds And Stamps

Richard C. Patterson, Jr., Chairman of the New York State Committee for the Sale of Defense Bonds and Stamps announced on Oct. 25 that Nevil Ford, prominent New York banker, has been appointed by Secretary of the Treasury Morgenthau, to serve as State Administrator for New York. Informed of the appointment, Mr. Ford said:

I am signally honored. I am grateful to Secretary Morgenthau for the privilege of working with Chairman Patterson and his distinguished associates in the Treasury Department's campaign to further the sale of Defense Bonds and Stamps. To this end I pledge my best efforts. Certainly, investing in our Government at this time is not only one of the wisest ways to accumulate a financial backlog against the readjustment period following the war but also it is a definite means of curbing the present tendency toward inflation.

As State Administrator, Mr. Ford will act, in New York, as a direct representative of the Defense Savings Staff of the Treasury Department at Washington, giving continuous assistance to hundreds of voluntary committees of citizens organized throughout each of New York's 133 counties.

Mr. Ford is Vice President, Director and member of the Executive Committee of The First Boston Corporation. He has been granted an extended leave of absence by the firm so that he may devote his full time to Defense Savings activities.

Mr. Ford has been active in various committees of the Investment Bankers' Association and is a former senior Vice-Chairman, Governor and member of the executive Committee of the National Association of Securities Dealers, Inc. He has also served as President of the Bond Club of New York.

Suggests Nominations For STANY Officers

The Nominating Committee of the Security Traders Association of New York, Inc., has submitted to the members the following tentative list of nominattions for the year 1942:

President: Stanley Roggenburg, Roggenburg & Co.

First Vice-President: Thomas Hoyt, Stein Bros. & Boyce.

Second Vice-President: Joseph Janareli, Freeman & Co.

Treasurer: George Leone, Frank C. Masterson & Co.

Secretary: Richard Goodman, Cohu & Torrey.

Directors for two years: Harry Reed, Hardy & Hardy; Willis Summers, Hoit, Rose & Troster; and Richard Abbe, Van Tuyl & Abbe.

Gratuity Fund Trustees: Edgar Sheppard, Robinson, Miller & Co.; and Elmer Lally, Hayden, Stone & Co.

National Committeemen: Walter Saunders, The Dominion Securities Corporation; James Musson, B. J. Van Ingen & Co., Inc.; Winthrop Pizzini, B. W. Pizzini & Co.; and P. Fred Fox, P. F. Fox & Co.

National Committeemen Alternates: Cyril Murphy, Mackubin, Legg & Co.; Allison Marsland, Wood, Gundy & Co.; Wellington Hunter, Hunter & Co.; Herbert May, Herbert M. May & Co., and John Reilly, J. F. Reilly & Co.

The annual meeting and election will be held on Dec. 5th at the Produce Exchange Luncheon Club.

H. W. Miller Retires From Clokey & Miller

H. Wisner Miller, a general partner of the firm of Clokey & Miller, 52 Broadway, New York City, will retire on Oct. 31. The firm was established in 1922 by Gerald Clokey & Wisner Miller to deal in bank and insurance stocks and during the succeeding decade while the stock of financial institutions of this nature was enjoying great popularity with investors and speculators throughout the country the firm was outstanding in its activity.

More recently they have devoted their energies to special situations; the most recent and notable being the stock of the Thompson Automatic Arms Corporation, "The Tommy Gun", now the Auto Ordnance Corporation.

Mr. Miller while retiring as a general partner will continue to have his office with the firm, whose personnel will be Gerald Clokey, senior and managing partner, Otto J. Delfs and Edmund Clokey.

Rail Bonds Attractive

Rail bonds are still the most attractive investment according to a bulletin just issued by Strauss Bros., 32 Broadway, New York City. Copies of the bulletin, discussing the situation, may be obtained from Strauss Bros. upon request—ask for Bulletin Service No. 30.

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Subscriptions in United States and Possessions $26.00 per year, $15.00 for 6 months; in Dominion of Canada, $27.50 per year, $15.75 for 6 months. South and Central America, Spain, Mexico and Cuba, $29.50 per year, $16.75 for 6 months; Great Britain, Continental Europe (except Spain), Asia, Australia and Africa, $31.00 per year, $17.50 for 6 months. NOTE: On account of the fluctuations in the rates of exchange, remittances for foreign subscriptions and advertisements must be made in New York funds.

W. R. McCain Elected Chemical Bank Director

W. Ross McCain, President and Director of the Aetna Insurance Company of Hartford, Conn., has been elected a Director of the Chemical Bank & Trust Co. of New York. Mr. McCain is also President and Director of the World Fire & Marine and the Century Indemnity Companies of Hartford, Conn., and the Piedmont Fire Insurance Co. of Charlotte, N. C. He is Chairman of Board of Directors of the Standard Insurance Company of N. Y., the Standard Surety & Casualty Company of N. Y.; and a Director of the Connecticut Mutual Life Insurance Company and the First National Bank of Hartford. He is a Trustee of the Mechanics Savings Bank, Hartford.

W. Ross McCain

Mr. McCain, a native of Arkansas, attended Washington and Lee University and later the University of Arkansas where he graduated with a Master of Arts degree. He is a Phi Betta Kappa from Washington and Lee University, and studied at the University of Bonn, Germany, and the Sorbonne in Paris. He was admitted to the Arkansas Bar in 1903. He is a member of the St. Andrews Society of N. Y., and the Drug & Chemical Club of N. Y.

Corp. Traders Dinner

The Corporation Bond Traders Club of New York held its seventh Annual Fall Dinner at the George Washington Hotel. Oct. 24th. Frederic Snyder, well-known newsman and traveler, spoke on "Current Events and News Ahead of the News."

Tomorrow's Markets Walter Whyte Says—

The market still is saying nothing; pays a little more attention to bad than to good news, but the effect of neither kind lasts long; signs to watch for; details below.

By WALTER WHYTE

The market had two prices of major market news to play with during the past week. The first was the cut in the American Tobacco dividend; the second was the Steel statement.

* * *

So far as the Tobacco dividend news was concerned everybody who watches the market knows what happened. The stock sold off 10 points so quickly that onlookers must have become a little dizzy. It might be pointed out that the rest of the market got stuffy about the Tobacco action and refused to follow suit; a situation if pleasing to holders of other stocks was poor satisfaction to American Tobacco stock owners. Still it's something for pointers-with-pride to do to point to.

* * *

The Steel figures showing nine months earnings as the largest since those grand and glorious days of 1929 made reading of a different sort. Nice, pleasant reading. Anyway that's what it must have been to those who don't own the stock because aside from it's interest as contemporary financial literature, it's intrinsic value has so far been practically nil.

* * *

Tuesday night Big Steel closed at 53⅛. After the bell the news came out over the broad tape. The next day, apparently as a token of respect to the earnings, the stock opened away up—plus ¾ of a point. Yet before the day was over bogged down and hugged the 53 price finally closing under that figure. So much

(Continued on page 812)

N. Y. Security Dealers To Meet To Discuss Hearings On Unlisted Trading Privileges

The New York Security Dealers Association will hold a general meeting at the Bankers Club, 120 Broadway, 40th Floor on Thursday, Nov. 6, 1941 at 3:15 p.m. to which certain non-member houses have been invited.

The meeting will be to discuss the hearings on proposed amendments to the Securities Act of 1933 and the Securities Exchange Act of 1934, which have been started before the House Committee on Interstate and Foreign Commerce. If certain amendments to the Securities Exchange Act, as proposed, are enacted into law, the Association declares, the over-the-counter houses can expect a flood of applications by the Exchanges to expand "Unlisted Trading Privileges" in securities now traded in the Over-the-Counter markets. In this crisis the over-the-counter fraternity must present a united front to oppose any legislation, not in the public interest, that might mean the extinction of established Over-the-Counter markets now serving a useful purpose, the Association maintains.

The meeting will be addressed by Edward E. Chase, President of the Maine Securities Company of Portland, Maine—also a representative of the Security Dealers Association of Maine, and Lt. Col. Edward B. Twombly, Counsel, Committee on Re-employment of Men and of Money of the Commerce & Industry Association of N. Y. (formerly Merchants Association).

Frank Dunne, President of the New York Security Dealers Association, and a member of the Board of Governors of the National Association of Securities Dealers, Inc., will preside.

Admission to the meeting is by card only, and those desiring to attend should communicate with Frank Y. Cannon, Executive Secretary at the Association's office—42 Broadway, New York, Digby 4-1650.

Charles C. Leefe Joins Content, Hano Staff

Content, Hano & Co., 39 Broadway, New York City, members of the New York Stock Exchange, announce that Charles C. Leefe, who has been with B. J. Van Ingen & Co. since 1938, is now associated with them in their Bond Department. From 1934 to 1938, Mr. Leefe was a partner of Gibson, Leefe & Co.

Wall Street Riders To Fete Retiring Officers

Members of the Wall Street Riding Club on Friday, Oct. 31, will tender a testimonial party to two of its retiring officers, Mr. Gerhard H. Struckmann, who served as president for two seasons, and Mrs. Mildred Marsh Butler, the club's secretary for four years. Both Mr. Struckmann and Mrs. Butler remain on the board of directors. In appreciation of their services, gifts will be presented by the new president, Mr. Burton Wander. Miss Frances Weller has succeeded Mrs. Butler as secretary.

Donald James Joins Roe In San Antonio

AUSTIN, TEX. — Donald D. James will become associated with E. J. Roe & Company, Frost National Bank Building, San Antonio, Texas, effective Nov. 1st. Mr. James for the past several years has been engaged in the investment business in Austin as Donald D. James, Inc. In the past he was a principal in the firm of W. P. Fitch & Co. and was manager of the Bond Department for the Alamo National Co. of San Antonio.

Bate & Girvin Are Now With H. L. Schwamm

H. Dudley Bate and Herbert C. Girvin, have become associated with H. L. Schwamm & Co., 60 Broad Street, New York City.

Mr. Bate was formerly in the Bond Trading Department of J. S. Rippel & Co., Newark. Mr. Girvin for the past ten years has been with H. L. Allen & Co., and prior thereto was a partner in Fowler & Girvin.

DIVIDEND NOTICES

The American Tobacco Company

INCORPORATED

111 Fifth Avenue New York City

145TH COMMON DIVIDEND

A dividend of Seventy-five Cents (75¢) per share has been declared upon the Common Stock and Common Stock B of THE AMERICAN TOBACCO COMPANY, payable in cash on December 1, 1941, to stockholders of record at the close of business November 10, 1941. Checks will be mailed.

EDMUND A. HARVEY, *Treasurer*

October 29, 1941

THE ATLANTIC REFINING CO.

COMMON DIVIDEND NUMBER 145

At a meeting of the Board of Directors held October 27, 1941, a dividend of twenty-five cents per share and a special dividend of one dollar per share were declared on the Common Stock of the Company, payable December 15, 1941, to stockholders of record at the close of business November 21, 1941. Checks will be mailed.

W. M. O'CONNOR

October 27, 1941 Secretary

EATON MANUFACTURING COMPANY

CLEVELAND, OHIO

Dividend No. 67

The Board of Directors of Eaton Manufacturing Company has declared a dividend of Seventy-five Cents (75c.) per share of the outstanding common stock of the Company, payable on November 25, 1941, to shareholders of record at the close of business November 5, 1941.

October 24, 1941

H. C. STUESSY, *Secretary*

OTIS ELEVATOR COMPANY

PREFERRED DIVIDEND No. 172

COMMON DIVIDEND No. 136

A quarterly dividend of $1.50 per share on the Preferred Stock and a dividend of 40¢ per share on the no par value Common Stock have been declared, payable December 20, 1941, to stockholders of record at the close of business on November 25, 1941.

Checks will be mailed.

C. A. SANFORD, *Treasurer*

New York, October 22, 1941.

UNITED GAS CORPORATION

$7 Preferred Stock Dividend

At a meeting of the Board of Directors of United Gas Corporation held on October 28, 1941, a dividend of $2.25 per share was declared on the $7 Preferred Stock of the Corporation for payment December 1, 1941, to stockholders of record at the close of business November 7, 1941.

E. H. DIXON, Treasurer.

THE UNITED STATES LEATHER CO.

A dividend of $3.75 per share on its Prior Preference stock to apply on account of dividends in arrears on this date has been declared by the Board of Directors of this Company, payable November 22, 1941 to stockholders of record November 10, 1941.

C. CAMERON, *Treasurer.*

New York, October 29, 1941.

R. E. Samuel Admits Koch

Henry Koch will become a partner in Ralph E. Samuel & Co., members of the New York Stock Exchange, 115 Broadway, New York City, on November 6th.

NOTICE OF REDEMPTION

West Virginia Pulp and Paper Company

First Mortgage Bonds, 3% Series due 1954.

NOTICE IS HEREBY GIVEN that pursuant to the provisions of Article Three of the First Mortgage, dated as of December 1, 1939, from West Virginia Pulp and Paper Company to Irving Trust Company, as Trustee, the undersigned has drawn by lot and will redeem by operation of the sinking fund on December 1, 1941, at its principal office, No. One Wall Street, City of New York, $220,000 principal amount of West Virginia Pulp and Paper Company First Mortgage Bonds, 3% Series due 1954, at 101% of the principal sum thereof, together with accrued interest to December 1, 1941, the Bonds so drawn being identified by number, as follows:

M 6	M1320	M2790	M3923	M5254	M6657
M 11	M1362	M2882	M3948	M5262	M6678
M 15	M1363	M2915	M3951	M5286	M6758
M 34	M1396	M2937	M3952	M5288	M6771
M 40	M1433	M2993	M4010	M5303	M6772
M 78	M1476	M3003	M4052	M5304	M6789
M 81	M1517	M3031	M4114	M5364	M6955
M 96	M1527	M3032	M4159	M5383	M6972
M 102	M1538	M3079	M4218	M5412	M7092
M 173	M1617	M3211	M4290	M5416	M7218
M 246	M1667	M3239	M4343	M5423	M7317
M 320	M1747	M3243	M4446	M5429	M7369
M 321	M1753	M3288	M4500	M5443	M7396
M 333	M1815	M3305	M4555	M5498	M7433
M 361	M1821	M3330	M4586	M5551	M7482
M 549	M1839	M3346	M4587	M5572	M7558
M 628	M1840	M3364	M4588	M5657	M7575
M 634	M1875	M3395	M4592	M5886	M7597
M 668	M1911	M3416	M4640	M5950	M7637
M 675	M1975	M3446	M4716	M6002	M7653
M 730	M2034	M3510	M4773	M6012	M7674
M 734	M2045	M3516	M4866	M6044	M7681
M 783	M2054	M3522	M4912	M6066	M7708
M 801	M2082	M3546	M4927	M6078	M7732
M 819	M2159	M3594	M4970	M6159	M7793
M 836	M2217	M3631	M5000	M6243	M7796
M 851	M2241	M3659	M5010	M6394	M7825
M 860	M2296	M3677	M5025	M6395	M7848
M 917	M2420	M3682	M5040	M6411	M7850
M1027	M2425	M3696	M5059	M6419	M7857
M1030	M2516	M3737	M5099	M6495	M7871
M1143	M2558	M3787	M5132	M6538	M7874
M1190	M2701	M3796	M5146	M6545	M7919
M1250	M2742	M3847	M5152	M6576	M7933
M1263	M2757	M3881	M5167	M6617	M8000
M1294	M2762	M3899	M5175	M6654	
M1308	M2776	M3913	M5224	M6656	

The designated Bonds should be surrendered on or after December 1, 1941 at the Corporate Trust Department of the undersigned in bearer form or, if registered. accompanied by duly executed instruments of transfer, with all coupons thereto attached maturing after December 1, 1941. Coupons maturing on December 1, 1941 should be detached and presented for payment in the usual manner. After December 1, 1941, said Bonds shall cease to bear interest and shall cease to be entitled to the security of the mortgaged property, and the appurtenant coupons maturing subsequent thereto shall be void.

IRVING TRUST COMPANY, as Trustee,

By F. G. HERBST, Vice President.

Dated: New York, October 25, 1941.

Connely To Speak At NJ Bond Club Lunch

Emmett F. Connely, President of the Investment Bankers Association of America, will be guest of honor and speaker at a luncheon meeting of the Bond Club of New Jersey to be held at the Robert Treat Hotel in Newark on Nov. 5, at 12:15 p.m., it was announced by Lee W. Carroll, President of the Club. Mr. Connely's topic will be "The Investment Banker during and after the War." The Board of Governors of the Club will hold an informal reception at 11:45 a.m. in Room D, first floor, to meet Mr. Connely.

Miss. Group Of IBA Elects E. K. Hagemann

ST. LOUIS, MO.—At its annual election, the Mississippi Valley Group of the Investment Bankers Association elected E. K. Hagemann, G. H. Walker & Co., St. Louis, Chairman of the group to succeed W. W. Ainsworth, of the Metropolitan St. Louis Co. Andrew S. Mills, Francis, Bro. & Co., was named Vice-Chairman and Benjamin F. Frick, Stix & Co., Secretary-Treasurer. Officers will be installed in December.

Geo. T. Grady Is Now With Geo. Eustis Co.

(Special to The Financial Chronicle)

CINCINNATI, OHIO—George T. (Whitey) Grady has become associated with Geo. Eustis & Co., Fourth National Bank Building in the capacity of trader. Mr. Grady will also continue several situations in which he has always had a retail interest. He was formerly in the stock trading department of W. P. Clancey & Co., with which he had been associated for six years.

PERSONNEL ITEMS

If you contemplate making additions to your personnel, please send in particulars to the Editor of the Financial Chronicle for publication in this column.

CHICAGO, ILL. — **James F. Lamson** has become connected with **Doyle, O'Connor & Co.**, 135 South La Salle Street. Mr. Lamson was previously with A. G. Becker & Co.

(Special to The Financial Chronicle)

CHICAGO, ILL. — **Walter W. Prosser** has become associated with **J. P. O'Rourke & Co.**, Board of Trade Building. Mr. Prosser was previously with R. H. Smart & Co. and Moore, McLean & McDermott.

(Special to The Financial Chronicle)

CINCINNATI, OHIO.—**Clifford F. Niederman** has joined the staff of **Greene & Brock**, whose main office is located in the Third National Building, Dayton, Ohio. Mr. Niederman was in the past connected with Granberry & Co. and Thomson & McKinnon.

(Special to The Financial Chronicle)

DETROIT, MICH. — **John M. Dyer** is now affiliated with **Paine, Webber & Co.**, Penobscot Building.

(Special to The Financial Chronicle)

FORT WAYNE, IND. — **Frank C. Winey** has become associated with **M. E. Fowler & Co.**, whose main office is located in the Fletcher Trust Building, Indianapolis, Ind.

(Special to The Financial Chronicle)

HARTFORD, CONN. — **Francis J. Conlon**, formerly with Tifft Brothers and Fahnestock & Co., has become affiliated with **The R. F. Griggs Company**, 50 Leavenworth Street, Waterbury, Conn.

(Special to The Financial Chronicle)

HARTFORD, CONN. — **Samuel J. Leventhal** has become associated with **Denton & Company, Inc.**, 64 Pearl Street. In the past Mr. Leventhal was connected with E. A. Robinson & Co.

(Special to The Financial Chronicle)

INDIANAPOLIS, IND. — **Edward W. Zaiser** is now connected with **Haskell, Scott & Jennings, Inc.**, 120 South La Salle Street, Chicago, Ill. Mr. Zaiser was previously with Arthur H. Wyatt and Simons & Co., Inc. In the past he was an officer of Zaiser & Zaiser, Inc. of Indianapolis.

(Special to The Financial Chronicle)

LAGUNA BEACH, CALIF.—**Thresher Ames Rippey, Jr.**, formerly local representative for Davies & Co., is now associated with **Dean Witter & Co.**, 634 South Spring Street, Los Angeles, Calif.

(Special to The Financial Chronicle)

LONG BEACH, CALIF.—**Zeva P. Albert**, formerly with the Morrison Bond Co., Ltd., has become associated with **Protected Investors of America**, whose main office is located in the Russ Building, San Francisco.

(Special to The Financial Chronicle)

LOS ANGELES, CALIF.—**Harold R. Scherer** has rejoined the staff of **Fairman & Co.**, 650 South Spring Street. Mr. Scherer was recently connected with Franklin Wulff & Co., Inc.

(Special to The Financial Chronicle)

LOS ANGELES, CALIF.—**Paul Hallam MacGregor**, previously with O'Melveny, Wagenseller & Durst, is now affiliated with **E. F. Hutton & Company**, 623 South Spring Street.

(Special to The Financial Chronicle)

LOS ANGELES, CALIF.—**Andrew M. Clermont** has become connected with **Franklin Wulff & Co., Inc.**, 650 South Spring Street. Mr. Clermont was previously with Bankamerica Company, and in the past was manager of the corporation trading department of the local office of the Anglo California Co. of San Francisco.

(Special to The Financial Chronicle)

MIAMI, FLA.—**Clifford Walter Snyder** has joined the staff of **Guaranty Underwriters, Inc.**, 138 Shoreland Arcade.

(Special to The Financial Chronicle)

MINNEAPOLIS, MINN.—**John W. Smiley** is now connected with **M. H. Bishop & Co.**, Thorpe Building. In the past Mr. Smiley was active as an individual dealer in Rochester, Minn.

(Special to The Financial Chronicle)

MORRISON, ILL.—**Harley L. Swarts** is now with **H. J. Rendall**, First National Bank Building. Mr. Swarts was formerly with Wilson M. McKim of Sterling, Ill., and prior thereto was with Commercial Investment Discount Co.

(Special to The Financial Chronicle)

OAKLAND, CALIF.—**James B. Green** has been added to the staff of **Geo. H. Grant & Co.**, Central Bank Building.

(Special to The Financial Chronicle)

PASADENA, CALIF. — **John Menzies Barbour** and **Samuel W. Horton** have become associated with **Merrill Lynch, Pierce, Fenner & Beane**, First Trust Building. Mr. Barbour was formerly with R. N. Gregory & Co. and Wm. Cavalier & Co. Mr. Horton was with Bateman, Eichler & Co. and Boothe, Gillette & Co.

(Special to The Financial Chronicle)

PASADENA, CALIF.—**Gunnar H. Allrud** has joined the staff of **O'Melveny, Wagenseller & Durst**, 595 East Colorado Street. In the past Mr. Allrud was manager of the bond department of the local office of Dean Witter & Co.

(Special to The Financial Chronicle)

SAN DIEGO, CALIF.—**Howard Thomas Snedicor** has become associated with **Hope & Co.**, San Diego Trust & Savings Building. Mr. Snedicor was formerly with Franklin Wulff & Co., Inc.

(Special to The Financial Chronicle)

SAN FRANCISCO, CALIF.—**Arthur P. Parsons** is now connected with **H. R. Baker & Co.**, Russ Building. Mr. Parsons was previously with Edgerton, Bourne & Co.

(Special to The Financial Chronicle)

SAN FRANCISCO, CALIF.—**Robert J. Foley** has become affiliated with **Bankamerica Company**, 300 Montgomery Street. Mr. Foley was formerly cashier for Donnellan & Co.

(Special to The Financial Chronicle)

SAN FRANCISCO, CALIF.—**Earl Day** and **Coy A. Guyer** have been added to the staff of **Protected Investors of America**, Russ Building.

(Special to The Financial Chronicle)

SAN FRANCISCO, CALIF.—**Homer B. Percy**, formerly with Denault & Co., is now connected with **Waldron & Company**, 405 Montgomery Street.

(Special to The Financial Chronicle)

SAN FRANCISCO, CALIF.—**R. W. Mason** and **Philip B. Taylor** are now associated with **Franklin Wulff & Co., Inc.**, Russ Building. Mr Taylor was recently with Bacon & Co. and prior thereto was with Franklin Wulff & Co., Freeman, Parrish & Co. and de Fremery & Co. Mr. Mason was previously with Bankamerica Co.

(Special to The Financial Chronicle)

ST. PETERSBURG, FLA.—**Wm. George Norman** has become associated with **Merrill Lynch, Pierce, Fenner & Beane**, Florida National Bank Building.

(Special to The Financial Chronicle)

ST. LOUIS, MO.—**Lee D. Graham** has been added to the staff of **Slayton & Co., Inc.**, Boatmen's Bank Building.

(Special to The Financial Chronicle)

TORRINGTON, CONN.—**Frank Leslie Baldwin** is with **Fahnestock & Co.**, 127 Main Street.

Bond Attractive

An attractive situation is offered by the first mortgage bonds of an operating utility company priced to yield 10% plus, according to a descriptive circular just issued by A. O. Van Suetendael, 15 North Broadway, Yonkers, N. Y., from whom copies may be obtained upon request.

Black Hills Power Stocks On Market

Public offering of 8,500 shares of 5% cumulative preferred stock (par $100) and 100,000 shares of common stock (par $1) of Black Hills Power & Light Co. was made Oct. 29 by Dillon, Read & Co. and associates. The sale of these issues, together with the sale of a new issue of $2,000,000 first mortgage bonds being sold to Dillon, Read & Co., represents the completion of one of the steps in the integration program of Community Power & Light Co., following the recently completed sale of bonds, preferred and common stock of Missouri Utilities Co. The preferred stock is being offered at $100 per share, plus accrued dividends, and the common stock at $16.50 per share. The first mortgage bonds, Series A, 3½%, due 1971, are being sold by Dillon, Read & Co. to Equitable Life Assurance Society of the U. S. at 103¾.

Black Hills Power & Light Co. was recently organized to continue the busines san doperations of the Dakota properties of General Public Utilities, Inc. and the business and operations of the Dakota power properties of Dakota Power Co., both of which have been in the Community Power & Light system. Proceeds to be received by the company from the sale of the bonds and from the sale of 7,350 shares of the common stock will be applied toward the purchase of these properties. The balance of such proceeds will become general funds of the company. The preferred shares and 92,650 of the common shares being offered represent stock issued to General Public Utilities, Inc. as additional consideration for the Dakota properties.

NY Farm Credit School To Be Held Dec. 5-6

The second Farm Credit School, a non-profit educational project sponsored by the New York State Bankers Association in cooperation with the New York State College of Agriculture, will be held at the Agricultural College, Ithaca, Dec. 5 and 6, it was announced on Oct. 27 by F. E. Decker, Chairman of the Association's Committee on Agriculture. The school is designed to promote among commercial bankers a wider appreciation and a more sympathetic understanding of the credit needs of New York State farmers.

Combined with the school will be a Training School for Key Bankers which will consist of a seminar on farmer-banker relations on the afternoon of Dec. 6. Key Bankers, who represent the Committee on Agriculture in farm counties, promote the Committee's program of banker activity and cooperate with 4-H and other farm organizations. The announcement issued by the New York State Bankers' Association says:

> Lectures, panel discussions and round tables on farm financing will feature the school's five sessions. Among the chief speakers will be: Dr. W. I. Myers, head of the Department of Agricultural Economics and Farm Management, New York State College of Agriculture; E. H. Thomson, President, Federal Land Bank of Springfield, Mass.; Nicholas Jamba, Manager, Agricultural Department, National Bank & Trust Co., Norwich; A. G. Brown, Deputy Manager, Agricultural Credit Department, American Bankers Association; Burr P. Cleveland, President, First National Bank of Cortland, Cortland; C. E. Ladd, Dean, New York State Colleges of Agriculture and Home Economics; Otis A. Thompson, President, National Bank & Trust Co., Norwich; and L. R. Simons, Director of Extension, New York State College of Agriculture.

Defaulted RR Bond Index

The defaulted railroad bond index of Pflugfelder, Bampton & Rust, 61 Broadway, New York City, shows the following range for Jan. 1, 1939, to date: High—34 5/6, low—14¾, last 33¼.

RAILROAD SECURITIES

It is not good policy to speak dogmatically of the probable effects of wage increases on individual railroads practically on the eve of the announcement of the Fact Finding Board's conclusions. At this stage of the game anyone's guess is as good as the next one and it is probable that the final decision will provide for varying percentage increases for different classes of employees. Nevertheless, there are various broad principles that will be effective, and should be considered carefully now, regardless of the size and nature of the raise granted. In the absence of data to the contrary, any study must, for the time being, be based on the assumption that the percentage increase will be uniform.

For one thing, there has developed a general feeling that recent wage developments have been more favorable than otherwise to the investor. This is aside from the obvious desire on the part of many government leaders to see wages controlled as a brake to inflation. The care with which the management plan for a temporary emergency sliding scale of wage increases was worked out and presented suggests more than any unsubstantiated hope of a compromise along these lines. Also, the offer of the Board to arbitrate the question is being construed bullishly. It has been held that the recommendations of the Board, while not legally binding, would be effectively binding on the carriers in any event under present conditions. The attempt to make the recommendations actually binding on both parties is therefore taken as an intimation that the result may not be satisfactory to labor. This seems to have been borne out by acceptance of the arbitration offer by management and its rejection by union leaders.

The whole question of wage increases has put an effective dampper on speculative enthusiasm for the rails in recent months, and the pessimism has been growing progressively deeper. It seems that each passing day brought a wider wage increase to the rumor market, while the modifying influences have been getting less and less publicity. These modifying influences should now be considered closely as they will be important in making a quick appraisal of the probable longer term effect of the wage increase when the terms are announced.

Everyone agrees that a wage increase will not be a serious matter under present traffic and earnings conditions, merely shaving the top off the current extraordinary results which are not being reflected in market prices anyway. The danger of wage increases is seen in the effect on earnings when business retreats from boom levels. One important modifying circumstance is that the cost to the railroads of a 10% rise in wages does not amount to 10% of the pay of affected employees. Uncle Sam assumes part of the burden through lower taxes. Under present tax laws, and so long as taxable net income is equivalent to the amount of the aggregate wage increase, the net loss of income to the company is only 69% of the increase granted. Secondly, there are the savings (amount naturally indeterminable) possible through further mechanization and economies on maintenance forces; many payrolls have been padded in the last year or so by heavy extraordinary rehabilitation. Finally, and highly important in trying to evaluate what individual roads might do under traffic conditions as they existed during recent recession years but with the higher wages, is the extent to which reductions in fixed charges offset the wage increases.

In the following tabulation we show a 10% wage increase (1941) payrolls which include executive salaries not coming into the present controversy) together with re-

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Central Illinois Bonds Offered

Following award at competitive bidding Monday, Oct. 27, public offering of $38,000,000 first mortgage, Series A, 3⅜% bonds of Central Illinois Public Service Co. was made Oct. 29 by an investment group headed by Halsey, Stuart & Co., Inc. and including 46 additional members. The bonds, which mature in 1971, are being offered at 107 and accrued interest. Other principal members of the underwriting group are: Glore, Forgan & Co.; A. G. Becker & Co.; Harris, Hall & Co. (Inc.); Blyth & Co., Inc.; Central Republic Co., and Lehman Bros.

Proceeds from the sale of the bonds, together with company funds, are to be used to retire at 105¾, $38,000,000 first mortgage, Series A, 3¾% bonds due in 1968. On completion of present financing plans, the company's capital structure will consist of the $38,000,000 first mortgage, series A, 3⅜% bonds now being offered; $9,000,000 of 2, 2¾ and 3% unsecured notes, which will replace an equal amount of 3½s and 4% serial debentures; 278,797 shares of $6 cumulative preferred stock, (no par); 5,922 shares of 6% cumulative preferred stock ($100 par), and 260,343 shares ($40 par) common stock.

Central Illinois Public Service is principally engaged in the generation and sale of electric energy to 173,900 customers in 493 communities and adjacent rural areas in 61 counties in central and southern Illinois. Other activities include the distribution of natural gas water and heat, a cold storage business and the sale of gas and electric appliances and equipment.

Bank and Insurance Stocks

This Week — Insurance Stocks

Should trustees in New York State be permitted to purchase insurance stocks?

Interesting data for the affirmative on this question were presented on Oct. 20th at hearing before the Joint Committee of the N. Y. State Legislature, by Mr. George Geyer, who emphasized the reasons why insurance stocks, apart from other common stocks, should be considered prudent for trustees:

1. Operations of each insurance company are supervised by insurance departments of every State. One of primary functions of such regulation is to assure fair rates, to assure profitability of operations and build up protection against losses and disasters.

2. Every insurance company is required to file annually extremely comprehensive statement of operations in every State. An exhaustive fund of complete information is available.

3. Insurance is one of the oldest and most indispensable industries. Of the 85 companies whose stocks are generally available for public investment, 45 or more than 50%, have been in business for over 50 years. There is no senior or funded debt and common stock is sole capital obligation, in the great majority of cases.

4. Insurance is the only industry having high degree of immunity from cyclical influences. The premium income and earning power of the insurance business is much less dependent on general prosperity of any given period and less dependent on general income of the country than other industries.

For example, the volume of construction, inventories, automobile output, etc. in any given period is not controlling—it is the total accumulation of wealth in the form of real estate, capital goods, etc. that controls premium volume. Thus, while automobile production in given years may fluctuate widely, the trend of fire and casualty automobile premiums follows the upward trend in total number of cars in use. It is this stability of "sales" (premium income) that makes insurance stocks more stable for trustee investment than stocks of companies in general.

5. Insurance stocks are stable and consistent dividend producers. Of the 85 insurance stocks generally available for investment, 79 stocks (93%), are paying dividends; 25 (30%) have been paying dividends in every year for 50 years or longer; and 41 (50%), in every year for the last 20 years.

6. Insurance stocks are less susceptible to speculative market influences. Of course, insurance stocks fluctuate in market value—but results with insurance stocks on the whole have been very favorable for bona fide long term investors.

An equal investment of $1,000 in each of the 18 fire insurance stocks in the Standard-Poor's Index in 1920 would have appreciated 325% in 1929. At lowest prices for securities, in 1932, the 1920 investment in insurance stocks on April 1, 1932 would have been 90% of original value; on July 1, 1932, 49% of original value; but by Oct. 1, 1932, would have recovered to 88½% of original value. Therefore, except for a very brief period in 1932, the buyer of insurance stocks 20 years ago, even in 1932, would have had 90% of his investment intact in market value.

By 1936, the original investment would have shown appreciation of 115%; and on Oct. 1, 1941, market value would have been 205% of original 1920 investment. Over the 20-year period, in only one year, 1932, was the market value lower.

The experience with income was even more favorable. At the worst year for income, 1933, dividend income for the 18 fire stocks was 96½% of the 1921 income. In 1929, income was 93% higher than 1921; 1932, 14% higher; and 1940, 35½% greater than 1921. Average annual income over the 20-year period was 8.09%.

For the purpose of indicating this was not an exceptional showing, a 1926-1940 study of fire and casualty stocks shows that dividends increased 81% in 1929 over 1926; in the worst year (1933) were only 12% lower than 1926, generally regarded as a normal year; and in 1940, were 40% greater than 1926. Market value declined at low of 1932 depression to 23% of 1926 prices but quickly recovered and by 1940, was 88% of 1926 prices. Today, market value is approximately equal to 1926.

Thus, if the 1926 investment had been left intact, it would be worth just as much today, and the holder would have collected 40% more income than in 1926.

7. The growth factor, if insurance stocks are held over a period of years, results in very steady accretion of value. A group of 35 leading fire insurance companies for 1933-1940 showed average annual growth of 5¾% in net worth, after payment of dividends. (Casualty companies on same basis showed 14% per annum accretion). Dividends were only 80% of investment income, all other earnings being retained in the business; thus increasing equity of stockholders and broadening the base of funds available for additional purchase of income-producing securities.

If a trustee, therefore, looks at intrinsic value rather than market value, he would be better off today than at top of boom in 1929—of 70 fire and casualty companies, 33 currently have greater net worth than 1929 and 47 have either greater or 90% or over of 1929 net worth.

These are cogent and compelling reasons why stocks of fire and casualty companies possessing adequate capital and surplus and conservative diversification of investments would be of great assistance to trustees in working out the problem of better return for life tenants without sacrificing conservatism and stability of value of principal.

(A "legal list" per se or statutory safeguards do not relieve a trustee from due care as a prudent investor in exercising judgment and timing, and "a bond" is no safer necessarily than "a stock." The real test is the safety of intrinsic value and stability of earning power and dividends of the security involved. On these fundamentals, leading insurance company stocks appear to rank with the best securities available, as the above data illustrate.

Farm Foreclosures

Farm foreclosure sales were the lowest in seven years, during the year ending June 30—a year that showed a sizable expansion in the use of mortgage credit by farmers—the Department of Agriculture said on Oct. 16. A drop of 30% in farm foreclosure sales and an increase of 8% in the dollar volume of farm mortgage lending took place in the fiscal year 1941, compared with the previous year, according to A. G. Black, Governor of the Farm Credit Administration.

From the Department's announcement we also quote:

Foreclosure by individuals—20%—showed the least decline. Insurance companies, with a drop of 44%, and Farm Credit Administration creditors, 38%, show the most. Improvement in farm income and remedial measures adopted in 1940, when more than 100,000 land bank and Commissioner loans were reamortized, are credited with providing the major impetus to the drop in foreclosures by the Farm Credit Administration.

A total of $811,700,000 in farm mortgage loans was made throughout the country in the 1941 fiscal year—an increase of almost $58,000,000 over the previous year. Although the number of farm real estate mortgages recorded in 1941 increased slightly over the previous year, the second quarter of 1941 shows a drop of 6% compared with the same months last year.

Dividends on Bank Stock Are Taxable

The United States Supreme Court declined on Oct. 13 to review a Minnesota Supreme Court decision holding that dividends of the First Bank Stock Corp., insofar as they are derived from dividends from national bank stock, are subject to the Minnesota income tax. As to the case involved the Chicago "Journal of Commerce" in its Oct. 14 issue reported as follows from Washington:

The First Bank Stock Corp. owns a controlling interest in 33 State and national banks in Minnesota, North Dakota, South Dakota and Montana and obtains much of its income from its stock investments in those banks.

Federal law permits the taxation of national banks in one of four forms. The form selected by Minnesota is the taxation of the stock of such banks. No other form of levy on national banks is permitted.

H. H. Irvine, a holder of First Bank Stock Corp. stock, contended that the taxation of the corporation's dividends, to the extent that they came from national bank dividends, was an attempt to tax the latter a second time in violation of national banking statutes.

The State Supreme Court ruled, however, that the Bank Stock Corporation is "an economic unit wholly distinguishable from that of the subsidiary banks" and a "non-conductor" of the qualified immunity from State taxation enjoyed by the banks themselves.

Payroll Deduction Plans

The New York State Bankers Association on Oct. 21 urged all its members to set up Defense Savings Bonds payroll deduction plans which will enable as many of their employes as may wish to do so to purchase Defense Savings Bonds by allowing regular deductions to be made from their salaries and wages each pay day. The Association is distributing to members booklets which describe procedure to be followed in instituting payroll deduction plans, together with sample cards by which employes may authorize salary deductions to be made for this purpose.

JOTTINGS

(Continued from First Page)

and to keep the Communists from getting control of it for their own political purposes.

Look for pressure for higher Mid-Continent crude oil prices to continue until it is successful. With the blow-off in Illinois over, there are now no big flush fields coming in while on the other hand consumption is outrunning anticipations. There is insufficient wild-catting, and both the regular field wells and the strippers are being squeezed by higher wages and costs. While we have enormous underground reserves, the point is that the "optimum withdrawal rate" will soon be reached, and after that any increase in the rate of flow or pumping will hurt the wells. Then the answer will have to be either more fields, or some lid on consumption, or increased imports from Mexico and South America. Then, too, the Russians may lose their oil and want ours.

For those who fear that the emergency is going to bring an all-out "socialization" or "managerial revolution" to American industry through taxes, etc., there is some solace in some overseas developments. Proposals are being discussed in Britain to "put profits back into war" because the present war profits tax discourages corporate economies and initiative, while there seems to be some kind of a move in Germany toward "re-privatization" of government-owned banks. If these represent an underlying trend it may help to explain why both London and Berlin stock markets have been in a mild uptrend most of this year, in contrast to New York.

Get any two aviation pilots, engineers, designers, or fans together and you will have an argument about the performance of our military planes. The Airocobra is a whiz, says one. Its ceiling is too low, says another, and it's nose-heavy. A fine fighter, the new P-40 D, says one. Too high a landing speed, says another. Wonderful climber, says one of the Lockheed interceptor. The airslip makes it too tricky on turns, says another. The B-17 (Flying Fortress) is the year's bombing sensation, says one. Not enough power turrets, comes the answer. And incidentally, power turrets do happen to be one of the current bottlenecks in the military aircraft industry. Sweeping the sky like an astronomical laboratory, they are complicated, costly, and we don't make near enough.

Incidentally, the plane people seem the most sanguine in all industry about what they are going to do after the war. Long-distance luxury liners, intermediate and inter-urban passenger services, fleets of "sky trucks" and "flying freight cars," "freight trains of the air" (glider-trains), swarms of (flivver planes, thousands of new airports, are among their prophesies.

Don't worry too much about these back-sliding business indices. One of the principal reasons is their seasonal adjustment, which puts a reverse English on the industries already at capacity. Seasonal adjustments have mostly called for a rise in recent months, so the impossibility of a rise above capacity has forced the adjusted indices down. The effect should be reversed soon. Meantime the Bureau of Agricultural Economics, dean of forecasters now, looks for a 10 to 15% increase next year over this. BAE recent guesses on this particular subject have been a little too conservative.

THE BOND SELECTOR

WESTERN UNION BONDS
For Income and Appreciation Possibilities

Recent developments in the Western Union Telegraph Company picture warrant some study of the company's bonds, all selling in the 80's at the present time.

Outstanding issues are $20,000,000 Funding and Real Estate 4½s, 1950, $25,000,000 25-year 5s, 1951 and $35,000,000 30-year 5s, 1960. Actually, all three obligations are unsecured debentures ranking equally, since the real estate upon which the 4½s, 1950, were originally secured was sold many years ago. The deed of trust of this latter issue specifically provides, however, that should any mortgage be placed on any property, the 4½s, 1950 are to be secured by a prior lien on any property so mortgaged. The 5s, 1951 and 1960 must be secured ratably with any mortgage placed upon any property of the company.

The following tabulation shows the price ranges of the three issues on the New York Stock Exchange since 1936:

	1941	1940	1939	1938	1937	1936
4½s, 1950	85½-71¾	79 -50	72⅛-55¾	74½-47	111⅞-58¾	112½-103
5s, 1951	88½-73½	82½-53⅜	76 -57⅝	77½-48⅝	107½-59¾	107⅞-103¾
5s, 1960	86 -74	81 -51	75¾-57	77 -47½	109½-58½	109¼-104

The 4½s, 1950 are not subject to redemption. The 5s, 1951, are currently redeemable at 105 on any interest date after 60 days' notice up to Dec. 1, 1946. The 5s, 1960, are now callable at 105 on any interest date after 60 days' notice up to Mar. 1, 1955.

This company's earnings, due to the high ratio of fixed costs, including maintenance of land lines, rentals and labor, fluctuate more or less in line with those of the railroads and other heavy industries with relatively large proportions of inelastic overhead. The following table shows selected income items over the past several years and in 1929:

	Gross Operating Revenue	Gross Income	Depreciation	Avail. for Fixed Charges	Fixed Charges	x-earned
1940	$99,704	$15,885	$8,198	$7,687	$4,065	1.89
1939	95,660	13,821	8.270	5,551	4,171	1.33
1938	91,712	10,776	8,225	2,551	4.188	0.61
1937	100.483	13.354	5.633	7,721	4,395	1.76
1936	98,420	17.748	5.631	12,117	4.917	2.46
1929	145,667	28,835	9,750	19,085	3,610	5.29

Western Union's activities tend to parallel those of general business conditions, but due to the extremely high proportion of fixed costs, a slight deviation in gross revenues usually has an extremely volatile effect upon income. As a result, fixed charges were not fully earned after depreciation in 1932 or 1933. Conversely, of course, during periods of heavy industrial production earnings tend to mount sharply. In 1940, as an example, gross revenues increased 4.3% while income available for fixed charges was up 38% over 1939.

For the first eight months of 1941, gross revenues were 14% ahead of the same period of 1940, while income available for interest increased 42% with the result that fixed charges were earned 2.02 times compared with 1.39 times for the first eight months of 1940.

For many years, Western Union's depreciation allowances were criticized as inadequate. For the five year period through 1937, the annual reserve averaged approximately $5.000.000. Since 1938, depreciation has averaged over $8.000.000 annually. In 1940, depreciation allowance was equivalent to 8.2% of gross revenues and an additional 12% was expended for maintenance. As a percentage of gross property account, the 1940 reserve was equal to 2.4%. Present rate of chargeoff is considered quite adequate. In the past ten years, depreciation reserves have been over $44,000,000 while book cost of plant has increased only $9,000,000. In this connection, it should be pointed out that Western Union's depreciation charge for tax purposes is in excess of $11,000,000.

Total funded debt of $85,435,000, which includes $3,100,000 of bank loans and two small underlying issues, is equivalent to about 34% of net, and 26% of gross, property account. Net current assets at the end of 1940 of $14.976,000 included $9,116,000 of cash. Current assets totaled $28,000,000 against $13.-000,000 of current liabilities with a resultant current ratio of 2.15 to 1.

Of prime importance in any study of Western Union is the proposed merger with Postal Telegraph. Only this month, the Interstate Commerce sub-committee of the Senate recommended that Congress approve amendments to the 1934 Communications Act which would permit a consolidation of the two companies. It is understood that approval in principle of this recommendation has been secured from the managements of the two companies and from the Chairman of the Communications Commission. Many people believe that enabling legislation may be completed during 1941. What the terms of such a merger would be are, of course, unknown but it appears quite obvious that many benefits would accrue to Western Union, by far the stronger of the two companies.

A great many savings would accrue almost immediately, such as savings in expenses of rentals, light, telephone, maintenance, etc.—perhaps as much as one-third in these items alone. Elimination of duplicate lines in many large cities might save a quarter of this expense, and elimination could be effected of perhaps three-quarters of Postal's offices since most of them duplicate existing Western Union offices. Messenger service expense could be cut by approximately $1.000,000. From the angle of additional revenues (approximately $21,000,000 from Postal and $23,000,000 from Bell System wire and telegraph facilities if the sub-committee's recommendation is carried through) it is obvious that, taken in conjunction with operating economies, these can produce substantial additional income in a leverage industry.

In consideration of these several factors, the bonds appear to be attractively priced as income producers, while at the same time affording unusual possibilities for appreciation.

Investment Trusts

A steady rise in the yield of common stocks listed on the New York Stock Exchange has taken place during the past three years according to "The Exchange," official publication of the Stock Exchange.

The list of all common stocks on the Stock Exchange yielded 4.8% in 1939, and the yield rose to 5.7% for last year. A still higher figure is indicated for 1941, with the yield for the first nine months a 7.4% increase over the like period of 1940.

This high yield rings attention to the returns from diversified investment companies, and to the widespread belief that investment company shares return a relatively low yield. Actually the reverse is more often the case. A few of the mutual investment companies, for example, may have rates a little below the average, but to receive a return slightly below average is far better than to receive no return at all as is the ever-present prospect with most individual issues returning better than average. On the other hand, quite a few of the mutual companies return an amount somewhat above average.

Compared with the yield of all listed stocks of 5.7% for last year, a group of twenty diversified mutual investment companies shows an average yield of 5.4% for the first nine months of this year, based on current asset values and the last three quarterly dividends paid by each of the companies (or in three cases, the latest semi-annual dividends). In contrasting the figure for the investment companies with that for all listed stocks, it must be remembered that the latter has had the advantage of generous year-end dividends, while the former has yet to be augmented by the dividends to be paid at the close of 1941.

Mutual Investments Companies—	9 Months Distributions	Bid Price 10/27/41	Yield
American Business Shares	$0.08 (6 mos.)	2,64	6.1%
Boston Fund	.53	13.27	5.3%
Broad Street Investing Co.	.75	20.61	4.9%
Bullock Fund	.40	11.67	4.6%
Commonwealth Investment Co.	.12	3.40	4.7%
Delaware Fund	.60	11.67	6.9%
Dividend Shares	.05	1.01	6.6%
First Mutual Trust Fund	.27	5.26	6.8%
Fundamental Investors	.54	15.00	4.8%
General Investors Trust	.19	4.23	6.0%
Incorporated Investors	.61	13.55	6.0%
Investment Co. of America	.75	17.62	5.7%
Investors Fund "C"	.30	8.80	4.5%
Massachusetts Investors Trust	.62	17.14	4.8%
Mutual Investment Fund	.30	8.22	4.9%
National Investors Corp.	.10 (6 mos.)	4.93	4.1%
New England Fund	.41	10.28	5.3%
Selected American Shares	.15 (6 mos.)	7.71	3.9%
Sovereign Investors	.30	5.37	7.5%
Wellington Fund	.54	13.41	5.4%
Average			5.4%

Fairly uniform yields, moreover, are to be found in most of the investment companies, as the table of these 20 companies below will show. It is natural that this would be the case, but its importance is often overlooked, for it makes it possible for the uninitiated to obtain average yields, or nearly average, without undertaking the risks of haphazard investment.

As shown in the table, yields for the first nine months of this year varied from 3.9% to 7.5%. Only two companies had yields under 4.5%, and only nine had yields of 5.0% or under, and all but one of these customarily declare small quarterly and larger last quarter dividends when earnings permit.

The relative yields of these various investment funds for the nine months period naturally is no indication of their regular yearly distribution returns. The methods of distribution differ, and the payment dates differ, as well as the investment aims of the various companies. However, the figures do illustrate that all the companies are returning fair yields to shareholders, and the return is far more uniform than can be found in other fields.

Investment Company Reports

American Foreign Investing Corporation

The asset value of American Foreign Investing Corporation's common stock was $8.08 per share on Sept. 30, 1941. After allowing for the dividend of 10 cents per share paid during the third quarter, this represents an increase of 21.01% over the asset value of

(Continued on page 811)

Municipal News & Notes

Cities should take advantage of the rearmament boom and prepare for the next depression by adopting a "pay-as-you-go" policy and reducing bonded indebtedness, Carl H. Chatters, Chicago director of the Municipal Finance Officers Association, declared last week.

To meet new problems resulting from the arms program, he also advocated that cities stop waste of all kinds, maintain present physical facilities in first class working order, eliminate unnecessary activities and rigidly enforce tax collection laws.

"Cities ought to adopt the pay as you go policy at the present time for several reasons," Chatters asserted. "In the first place, such a policy can best be started in prosperous times. In the next place, communities which reduce instead of increasing their bonded debt will have funds available when the next depression hits."

He expressed doubt that cities which do not rigidly enforce tax collection laws now will ever do it.

Chatters said the armament program has improved cities financial position by reducing the relief problem and improving tax collections in most places. On the other hand, migration of civilians to armament jobs and movement of military forces have created demands for greatly expanded physical facilities and city government services.

He said increased salaries and wages constitute "the most pressing question," because many city employes are finding better paying jobs.

Municipalities, Chatters declared, face the same problems as private business, except for one factor. When private business increases its volume revenue increases. When the amount of work done by a city increases, its revenue does not necessarily increase.

Municipalities Urged To Exercise Financial Restraint

Harold D. Smith, director of the Federal budget, called upon municipalities to assist the defense program by postponing or minimizing all expenditures which might compete directly with defense production.

"The more restraint that is exercised by public and private consumers, the less will be the need for direct controls from Washington," he said in an address written for the 18th annual conference of the American Municipal Association.

Smith said States, counties and cities could help the national objectives upon three fronts.

"They can help to counter inflation during the current phase of the defense program. Second, they can assist in the transformation to a defense economy. Finally, they can ease the post-defense readjustment.

"In helping the fight against inflation, State and local governments can also strengthen their own finances immediately and in preparation for the difficult period ahead," Smith continued. "This can be done by freezing surplus revenues in dormant bank deposits or Federal bonds.

"Retirement of debt is almost equally effective, although this may involve some diversion of funds from savings to the commodity markets. Reduction of taxes, on the other hand, is almost certain to contribute to inflationary pressure, since it releases consumers' purchasing power."

Property Tax Seen Best For Cities

A boost for the property tax as a strong source of revenue for local governments was made recently before the Southern Institute of Local Government sponsored by the University of Tennessee.

Albert Lepawsky, Chicago, executive director of the Federation of Tax Administrators, told the final session of the institute that the property tax "is not quite the burden it is cracked up to be."

"It probably does work hardships and pressure on some classes," he said, "but as a whole the property tax paying public sacrifices less in terms of benefits received than under most other forms of taxes."

Mr. Lebawsky asserted that the property tax was a stronger revenue source than city sales taxes, city income taxes and license levies.

He suggested this levy could be made more effective by using the instalment plan for its payments, improving personnel in tax administration offices and originating new types of property taxes.

"The property tax should continue to be strengthened," he declared.

U. S. Property Seen Taxable By States

States may have the right to tax Federal property which is operated as a commercial enterprise, it was aserted recently by Allan A. Smith, attorney and tax expert of Portland, Ore., speaking before the annual conference of the Washington State Taxpayers Association.

Mr. Smith cited recent court decisions in support of his theory that there is no bar to taxation of such Federal enterprises as housing projects, power systems and government owned timber holdings.

Growth Of Slum Areas Held Peril To City Incomes

Gradual development of slum areas in the nation's cities threatens the security of many municipalities and casts heavier burdens on taxpayers, delegates to the eighth national conference on assessment administration were told.

"It has been recognized for some time that the spread of blight through cities is something that threatens the very life and existence of these cities," said H. Gordon Bollman, chief of the administrative service division of the county assessor's office at Chicago.

It undermines the city in all its points of contact and especially in its financial structure.

"Enough has been said about the social consequences of slums and blighted areas—crime, juvenile delinquency, moral degeneracy and so on. About the contribution of blight to these evils there is no argument. Too little attention has been paid to the inroads that blight is waging on municipal treasuries, and this aspect of the problem is one that is of paramount importance to all concerned with the value of real property."

He urged as a remedy vigorous tax collection machinery and city planning that "will protect residential sectors against the inroads of undesirable industrial and commercial activity."

Few Major Bond Issues Before Voters

Proposed new municipal bond issues scheduled for presentation to the voters at next Tuesday's general election, offer scant encouragement to investors and dealers for any substantial augmentation of the diminishing flow of this class of securities. Compilations show that the total is the smallest in more than ten years.

Major item on the list is the the $66,500,000 flotation that citizens of San Francisco are to be asked to authorize for acquisition of the privately-owned electric distribution system operated by Pacific Gas & Electric Company for distribution in the city, of Hetch Hetchy water power.

This will be the seventh time the proposal will have been put before the voters. The preceding occasion was in May of 1939, when it was rejected by a vote of 121,-895 to 49,843.

Apart from the San Francisco proposal, the volume of bond election totals appears to be dominated by local governmental units in Ohio. Cincinnati, for example, will vote on a $7,500,000 flotation for street improvement, playground and hospital purposes. Akron will seek voter sanction on a $2,950,000 issue for various purposes. Hamilton County will ask approval of a $1,000,000 issue for court house, country home and airport needs.

Only other relatively sizable project to be considered is a $1,-750,000 sewer improvement bond issue for Portsmouth, Va. It is expected that numerous small municipal flotations not yet indicated in the lists will come up for voter action, but the aggregate is not likely to be large, it is felt.

Besides these new and revived projects, considerable interest will center around the No. 1 amendment confronting New York State voters. This would divert some $30,000,000 to highways and parkways from the $300,000,000 State bond issue originally authorized solely for grade crossing eliminations. A vigorous contest is forecast for this proposal.

N. Y. State Comptroller Election Cancelled

The State-wide election for a State Comptroller to succeed the late Morris S. Tremaine was canceled Monday in an opinion by the Court of Appeals, the State's highest tribunal. The court, in a 4 to 3 decision ruled that "no election for the office of Comptroller can be held this year."

The contest had been scheduled between Joseph V. O'Leary, Democrat and American Labor Party candidate, and Frank C. Moore, the Republican nominee who had been seeking to run as a city Fusion candidate in addition.

The court's decision in calling off the election resulted from Republican efforts to obtain an additional place on the November ballots for Moore.

O'Leary, former Standards and Purchase Commissioner for the State, was appointed State Comptroller temporarily pending the election of a permanent officer.

N. Y. City Sales Tax Cut Becomes Effective

New York City's residents began to benefit after midnight last Sunday by the reduction in sales and use taxes to a flat rate of 1 per cent. Some of the patrons of bars and restaurant celebrated the occasion by demanding of forgetful bartenders a few pennies rebate.

Reduction of the taxes from 2 per cent and 3 per cent to 1 per cent will affect almost every person in the city. Comptroller Joseph D. McGoldrick has estimated that the reduction will save the taxpayers $30,000,000 a year.

Mayor LaGuardia said the reduction was possible at this time because of increased sales, yielding larger tax returns, and because employment in defense industries was causing a diminution in relief cases.

Michigan Governor Cites Year's Progress

Governor Van Wagoner of Michigan said recently that he and the 1941 Legislature took at least 24 steps toward better government this year. The lawmakers gave him two dozen of the things he asked for in his inaugural message, although they denied him many other requests, and forced on him some things he didn't want.

Here's his list:

1—A State Defense Council, "which has proved of tremendous value"; 2—A law earmarking funds out of regular income to retire the State deficit, instead of hoping that surpluses will retire it painlessly; 3—Changes in the intagibles tax "although not nearly the improvement we should have." Van Wagoner contends the tax is inequitable; 4—The consolidation of tax-collecting agencies into a single revenue department; 5—Tightening up of sales tax collections; 6—A balanced budget; 7—A deficiency appropriation of $4,500,000 which permitted immediate improvement in care of crippled children, old-age clients, mental patients, etc.; 8—A curb on over-spending by the "little Legislature"; 9—An improved public health program; 10—Money to care for all persons eligible for old-age assistance, aid to dependent children, etc.; 11—Satisfactory reform of the distribution of aid-to-crippled-and-afflicted children.

12—Money to open up the newly built mental hospitals; 13—Increased benefits for claimants under the Unemployment Compensation Act; 14—More money for schools and colleges; 15—Improvements to the schools for handicapped and homes for care of juvenile delinquents; 16—More State police; 17—Permission to build limited-access highways; 18—More money for tourist advertising; 19—Improved conservation laws; 20—More aid to libraries (similar to school aid); 21—Expansion of the grading and marketing of farm products by the Agriculture Department; 22—Paroles for lifers; 23—A highway safety-education commission; 24—Money to set up a Home Guard.

The Governor said that he was disappointed that no progress was made in the field of labor legislation. He also is disappointed in not having reduced State payrolls, but says he thinks that this can still be done. He says he is proud of the buying system set up since Jan. 1 (he vetoed a bill to create an autonomous buying department, preferring his own plan), and believes his Civil Service Commission can make civil service work.

Florida Highway Bond Study Issued

The effect of legislation enacted by the 1941 Legislature of Florida would make it seem that the outstanding highway bonds of Florida counties are quasi-State obligations and assures prompt payment of principal and interest according to a study prepared by B. J. Van Ingen & Co., Inc., 57 William St., New York City.

The legislation, the study states, formally recognizes the principle that the State is responsible for road and bridge bonds issued by its counties and special road and bridge districts. The study includes excerpts from the laws enacted by the Legislature as well as pertinent tables and statistics.

Kentucky Local Debt Regulations Defined

A brief outline of the laws and condtions governing municipal bond issues in the State of Kentucky is presented in the second edition of the compilation of quotations and rations of W. L. Lyons & Co., of Louisville, recently issued. In addition to data on the various issues of subdivisions of the State, the brochure includes such information as taxation of bonds, legal investments, current market prices, and comparative ratings on the individual bonds. Copies are being sent to those interested on request.

Asbury Park Sells Bonds

The seashore resort city of Asbury Park, N. J., yesterday sold a total of $10,230,000 3½% serial and term refunding general and revenue bonds to a comprehensive syndicate headed by B. J. Van Ingen & Co., Inc., of New York, on its bid of $9,821,900 for the entire amount. This is the largest single piece of financing that has hit the municipal field in some time.

Trend Of The Market

A slightly better tone was displayed by the municipal bond market in the last week, according to traders and dealers. The volume of business was reported generally as at "low ebb," but some spotty animation was encountered, it was said, and this was reflected in a moderate decrease in the indicated available supply of offerings.

With the dearth of original financing, many dealers reported considerable success in selling off their lists. Fair business in odd lots that have been carried for some time was attributed to acceptance by buyers of the view that the outlook is not for much in the way of "bargain' 'opportunities, considering the limited prospects for augmentation of the supply for as far ahead as may be seen at this time.

Major Sales Scheduled

We list herewith the more important municipal offerings ($500,000 or over — short term issues excluded), which are to come up in the near future. The names of the successful bidder and the runner-up for the last previous issue sold are also appended.

Nov. 4th

$1,030,000 Terrebonne Par., La.
This parish has not made any recent sales of bonds.

Nov. 5th

$2,543,000 Martin Co. and St. Lucie Inlet Dist. and Port Auth., Fla.
This appears to be the initial piece of financing by this combined authority.

Nov. 12th

$500,000 Lafayette Par., La.
We do not find a record of any recent sales by this parish.

Nov. 18th

$900,000 Cuyahoga Co., Ohio
The county awarded bonds in September to a syndicate headed by Braun, Bosworth & Co. of Toledo. Second best bid was entered by Otis & Co. of Cleveland.

Phila. Municipal Men Enjoyed Gala Dinner

PHILADELPHIA, PA. — The Municipal Bond Club of Philadelphia, a newcomer in the field of security dealers organizations, held an informal dinner at the University Club in that city on Thursday, Oct. 2nd.

Bud Schaufler, *Moncure Biddle & Co.*; Walter Schumann, *Dolphin & Co.*

Web Dougherty, *A. Webster Dougherty & Co.*; Gene Arnold, *Harriman Ripley & Co.*; Dick Parks, *Buckley Bros.*

Dick Parks, *Buckley Bros.*; George Wyckoff, *A. Webster Dougherty & Co.*; Walter Fixter, *Buckley Bros.*; Russell Schuler, *First Boston Corp.*; Russ Schaffer (sitting), *Mackey Dunne & Co.*

Frazier Sheffer, *E. W. Clark & Co.*; Will Congreve, *Stroud & Co., Inc.*

This highly successful affair was presided over by A. Webster Dougherty, A. Webster Dougherty & Co., its President, and was attended by 63 members out of a total enrollment of 73. All of those attending were "in the mood" long before dinner was served.

Entertainment was provided by Bob Hall and Ed Fitch, E. M. Fitch & Co., Inc., and consisted of two sets of extremely interesting moving pictures. The former sponsored pictures of the leading football games of the country and accompanied the slow motion scenes with a lecture pointing out the blocking, mouse-trapping and other sundry fine points of the game. "America Marches Off", owned by the Bond Club of Philadelphia, was a satire on the more serious film of similar name sponsored by the I. B. A. This one Ed Fitch put across with a verbal barrage that kept the boys in an hysterical state.

The genial Mr. Quintard of Suplee, Yeatman & Company, Inc., kept the gathering in a constant state of nerves with his incessant flashlight shots. A permanent record of some of the boys' "off guard moments" are being kept by the Association and should prove quite interesting to look back on.

NY Analysts To Meet

The October Luncheon Meeting of the New York Society of Security Analysts, Inc., will be held today at the Lawyers' Club at 12.30 p.m. The group will be addressed by George Spencer, assistant director of the Public Utilities Division of the Securities and Exchange Commission, and formerly vice-president in charge of finance of the New England Public Service Co. Mr. Spencer, who is in charge of the analytical work of the Commission with respect to public utilities, will speak on "Aspects of the SEC Regulation of Utility Holding Companies" particularly stressing the functions of the SEC under the Public Utility Act of 1935.

Covers, $1.35 per person including tip. Reservations should be made through Miss Lennon, office of Shelby Cullom Davis, program chairman, Bowling Green 9-3789. Members may bring guests.

N. Y. Stock Exchange Weekly Firm Changes

The New York Stock Exchange has announced the following weekly firm changes:

Herbert P. Dammes retired from partnership in Hardy & Co., New York City, as of Oct. 23.

The privilege of H. John Bechler to act as alternate for William de Forest Smith, Smith & Gallatin, New York City, was withdrawn effective Oct. 20.

Leon Osterweil, partner in Abraham & Co., New York City died on Oct. 18.

SEC Applications For Broker Dealer Registry

The following applications for registration as brokers and dealers have been made with the Securities and Exchange Commission on the dates indicated:

Oct. 2, 1941—Walter R. Miller 1221 Sherman St., Alameda, Calif., a sole proprietorship.

Oct. 6, 1941—F. L. Dupree & Co., Central St., Harlan, Ky. F. L. Dupree, Mary W. Dupree and Russell K. Rowley, officers

Oct. 9, 1941—Building and Loan Mart, 31 Clinton St., Newark N. J., Michael S. Precker, sole proprietor; J. D. Choffy, 101 Cedar St., New York City, sole proprietor, Joseph Daniel Choffy formerly a partner in J. D. Choffy & Co.

Oct. 10, 1941—Colonial Bond and Share Corp., First Nat'l Bank Bldg., Baltimore, Md., Wilmer Curtis Stith, Russell Phillip Dotterer, and Franklin O'Neill Curtis, officers, J. W. Odgers having withdrawn; D. Heffler Company, 4613 Clarendon Road, Brooklyn, N. Y., David Heffler, sole proprietor; Rush M. Jackson, 416 N. Chaparral St., Corpus Christi Tex., a sole proprietorship.

Oct. 11, 1941—Wm. C. Heinemann & Co., 10 South La Salle St., Chicago, Ill., Alfred E. Stanmeyer, George J. Kaspari, Felix E. Dreyer, and Teresa L. Stanmeyer, officers.

Oct. 13, 1941—Cornell, Schroeder & Co., 120 South La Salle St., Chicago, Ill., George D. Wilkinson, Jr., an officer, in addition to Paul A. Schroeder and Gwendolyn Evans; George T. Goggin, Receiver of Morrison Bond Co., Ltd., Debtor, 354 South Spring St., Los Angeles, Calif., a sole proprietorship; Fowler Buck Howard, 211 First Nat'l Bank Bldg., Longview, Tex., a sole proprietorship; Dwight J. Wilson, 312 Bitting Bldg., Wichita, Kans., a sole proprietorship.

Oct. 15, 1941—D. R. Comenzo Co., 2 Broadway, New York City, Dominick R. Comenzo, sole proprietor; Edwin H. Gibb has withdrawn as partner in E. H. Gibb & Co., 74 Trinity Place, New York City, Percy W. Archard and G. Clifford McCarthy being the remaining partners; Selected Royalties, Inc., 111 Broadway, New York City, oil royalty dealers, Paul S. Stacey, Walter W. H. Trytell, and Nathan Young, officers.

THE FAJARDO SUGAR COMPANY OF PORTO RICO

ANNUAL REPORT TO THE STOCKHOLDERS FOR 1941

To the Stockholders of
The Fajardo Sugar Company of Porto Rico

Your Board of Directors hereby submits its twenty-third annual report of The Fajardo Sugar Company of Porto Rico.

The grinding commenced January 30, 1941 and ended June 10, 1941 covering a period of 123 working days. The total cane ground amounted to 780,742 tons. The factory output was 90,388 tons of sugar. Included in said figures is the output of the Loiza Sugar Company.

The following is a comparative statement showing the individual output of The Fajardo Sugar Company of Porto Rico and the Loiza Sugar Company:

Fajardo

Total cane ground into sugar, 492,509 tons.
Factory output, 56,203 tons of sugar, or 449,621 bags of 250 lbs. each.

Loiza

Total cane ground, 288,233 tons.
Factory output, 34,185 tons of sugar, or 217,480 bags of 250 lbs. each and 140,000 bags of 100 lbs. each.

While the grinding of our standing cane was restricted during the crop by law, which made it necessary to carry a considerable amount of growing cane into the 1942 crop season, at the same time the marketing quota was increased to allow us to ship and sell all reserve stocks.

The 1942 crop appears to be in excellent condition.

No decision has been rendered as yet by the Supreme Court of Puerto Rico in connection with the Quo Warranto trial, involving the so-called "500 Acre Law", which trial was started in August 1940. In the meantime, Puerto Rico enacted the so-called "Land Law", which set up an authority with power to take over, with compensation, lands in excess of 500 acres held by corporations, partnerships, associations, etc. The validity of said law is being tested at the present time in the Courts by other organizations. More detailed information in this respect has been supplied to our stockholders from time to time during the year.

Attached will be found consolidated Balance Sheet and Statement of Profit and Loss (including The Fajardo Sugar Growers' Association, the Fajardo Development Company and the Loiza Sugar Company) duly certified by public accountants.

For the Directors,
JOHN BASS, *President.*

THE FAJARDO SUGAR COMPANY OF PORTO RICO
And Associated Organizations
CONSOLIDATED BALANCE SHEET—JULY 31, 1941

ASSETS

Property and Plant	$11,076,264.35	
Less—Reserve for depreciation	4,570,764.26	
		$6,505,500.09
Work Animals, Livestock and Equipment (Less Reserve for Depreciation of Equipment)		802,774.81
Investments:		
Real estate mortgages, including interest due thereon (less reserve)	$253,878.64	
Chattel mortgages and agricultural and other loans	29,802.03	
Miscellaneous, at cost (no market value obtainable)	100,000.00	
		383,680.67
Current Assets and Growing Cane:		
Planted and growing cane	$1,173,688.74	
Materials and supplies	475,631.89	
Compensation receivable from the Federal Government under the Sugar Act of 1937 (since collected)	494,854.86	
Planters' accounts (less res.)	158,326.06	
Accounts receivable for sugar sold	138,444.00	
Miscellaneous accounts and bills receivable	109,345.16	
Raw sugar on hand, less reserve for expenses of shipping, selling, etc.	1,709,205.58	
Molasses on hand, at net contract sale price	187,782.54	
Cash in banks and on hand	2,591,614.48	
		7,038,893.31
Other Assets:		
Cash deposited as security under bond issued for an equal amount	$30,000.00	
Cash deposited in escrow in connection with certain proposed additional income tax assessments which are being protested	43,486.97	
Amount recoverable from the Treasurer of Puerto Rico with respect to prior years' income taxes	22,766.72	
		96,253.69
Deferred Charges to Profit and Loss:		
Prepaid insurance, taxes, rent etc.		105,700.90
		$14,932,803.47

LIABILITIES

Capital Stock:			
Preferred:			
Authorized but not issued—15,000 shares of $100.00 each			
Common:			
Authorized—700,000 shares of $20.00 each			
Issued —323,890 shares of $20.00 each			$6,477,800.00
Capital Stock of Associated Organization in Hands of the Public (Par Value)			1,000.00
Mortgage Payable (Less Amount Shown Below as a Current Liability) Maturing in 1947			29,722.22
Current Liabilities:			
Planters' accounts		$44,745.55	
Accounts payable and sundry accruals		515,373.86	
Mortgage installment maturing within one year		29,722.22	
			589,841.63
Reserve for Contingencies			230,498.46
Surplus:			
Earned Surplus:			
Balance, August 1, 1940		$6,967,531.94	
Add—Profit for the year ended July 31, 1941 before providing for income taxes (per annexed account)		1,082,847.06	
		$8,050,379.00	
Deduct:			
Income taxes for the year ended July 31, 1940, paid during the current year	$115,603.77		
Dividends paid	650,050.00	765,653.77	
		$7,284,725.23	
Capital surplus		319,215.93	
			7,603,941.16
			$14,932,803.47

THE FAJARDO SUGAR COMPANY OF PORTO RICO
And Associated Organizations
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JULY 31, 1941

Sugar and molasses produced	$6,069,019.96	
Compensation from the Federal Government under the Sugar Act of 1937 and the Soil Conservation Program (including $3,272.69 received before July 31, 1941)	498,127.55	
Interest (net)	21,795.62	
Miscellaneous income	119,899.64	
		$6,708,842.77
Less—Expenses of producing, manufacturing, shipping, selling, &c.		5,520,325.42
		$1,188,517.35
Deduct—Provision for depreciation		322,318.97
		$866,198.38
Add—Profit on sugar of prior crop		216,648.68
Net profit for the year, before providing for income taxes		$1,082,847.06

STAGG, MATHER & HOUGH
Public Accountants
141 Broadway
New York City

Telephone
Barclay 7-5580
Cable Address: All Offices
"Lotonkol"

Havana, Cuba
San Juan, P. R.
Newark, N. J.

October 15th, 1941.

To the President and Directors of
The Fajardo Sugar Company of Porto Rico:

We have examined the consolidated balance sheet of The Fajardo Sugar Company of Porto Rico and associated organizations as of July 31, 1941 and the consolidated profit and loss account for the year then ended, have reviewed the system of internal control and the accounting procedures of the companies and, without making a detailed audit of the transactions, have examined or tested accounting records of the companies and other supporting evidence, by methods and to the extent we deemed appropriate.

Included in planted and growing cane are areas which remained uncut at the end of the 1941 crop due to governmental restrictions on sugar production. These areas have been carried forward to the 1942 crop at their direct cost only. All raw sugar on hand at the balance sheet date has been sold and shipped subsequently and is carried at realized prices, less a reserve for expenses of shipping, selling, etc.

The Quo Warranto proceedings brought by the Government of Puerto Rico against certain of the companies whose accounts are included in the consolidated statements are still pending in the Supreme Court of Puerto Rico. The Government of Puerto Rico enacted, during the current year, a law setting up a Land Authority with power to take over, with compensation to the owners, lands in excess of 500 acres owned by corporations, associations, partnerships, etc. No proceedings thereunder have been brought against the companies included in the consolidated accounts, and the validity of the act is under attack in the courts by others.

In our opinion, subject to the foregoing and to such adjustments as may be made on final review of the companies' tax matters, the accompanying consolidated balance sheet and related consolidated profit and loss account present fairly the position of The Fajardo Sugar Company of Porto Rico and associated organizations at July 31, 1941 and the results of their operations for the fiscal year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

STAGG, MATHER & HOUGH

NY Savings Bankers At White Sulphur Springs Plan Co-operative Advertising Campaign

A State wide cooperative advertising campaign for New York mutual savings banks was recommended on Oct. 21 at White Sulphur Springs, W. Va., by the Committee on Public Relations of the Savings Banks Association of New York. The campaign will embrace a 20-minute motion picture, advertising in the daily and weekly newspapers in all savings bank areas, as well as a half-hour dramatic radio program built around American family life. It was presented to the convention by a sound slide film prepared by Ruthrauff & Ryan, Advertising Counsel to the Committee. "The objectives of this campaign are three-fold," stated James W. Gray, Chairman of the Public Relations Committee and Secretary of the Rochester Savings Bank. "It is designed to:

"1. Develop a public appreciation of thrift and savings as fundamental to the sound and prosperous way of American life. . . .

"2. Bring about an understanding of mutual savings banking as a vital force in the American economic system. . . .

"3. Give full cooperation and support to the Government in the sale of Defense Stamps and Bonds.

"The Committee's conclusion that an 'all-out' effort to bring about more widespread savings," said Mr. Gray, "seems well sustained by the remarks of the various authorities who have addressed this meeting. New York State leads the nation both in defense contracts awarded and percentage increase in income." He added:

If inflation is to be avoided a substantial portion of this new buying power must be diverted into savings. Your Committee believes that the campaign will play an important part in safeguarding existing deposits against loss through inflation, that it will induce nonsavers to save and present savers to save more, and that it will contribute materially to the purchase of Defense Bonds and Stamps. With the full force of the Treasury behind savings, the additional effect of this campaign should be particularly forceful.

The statement was also made at the Association's Annual Convention at White Sulphur Springs that "this crisis presents the most extraordinary opportunity for savings bank advertising which you will ever see." Harford Powel, Director of Information, Defense Savings Staff, in stating this said:

You have a Government which is striving successfully with manufacturers and merchants to hold prices down. Therefore, people can save. And you are not only traditional custodians of their savings, in your own right. You now are agencies of the Government for the sale of its Defense Savings Bonds. So you can serve every would-saver who calls.

How can we check the present flood of spending for useless luxuries and for all sorts of articles which people think will be off the market soon? Only one force can do this. That force is advertising.

Your campaign, whether you do it cooperatively or individually, cannot be selfish. This is no time for success stories. It is no time to glorify private interests. The threat from abroad is too real. The real threat from within is that we may become too dazed by the fleeting false prosperity of the moment to face and accomplish the task of making this country and its citizens secure.

Herbert S. Colton, legal advisor to the Coordinator of Defense Housing, in addressing the Convention on Oct. 21 discussed defense housing; he said:

Defense housing is merely a specialized aspect of a problem that had concerned many of us for the past 7 or 8 years. That problem is how to produce, on an economic basis, decent living accommodations for the mass of our population, for those families who can afford to pay perhaps $30 to $45 a month.

Of the estimated 525,000 units of defense housing required during the 12 months starting July 1, 1941, 400,000 can probably be built by private enterprise," he added. "Thus, while the volume of residential building from July 1, 1941 to June 30, 1942 will probably equal that for the previous year, the direction of its flow will be changed and concentrated. Areas of defense activity and, consequently of mortgage demand, will not always occur in ready proximity to those institutions whose vaults bulge with funds seeking investment. Savings banks have ready existing machinery in their cooperative institutions to meet this general problem.

"The home building industry will be encouraged to continue to handle the largest possible share of the job," Mr. Colton stated. "We deem it important that normal processes of financing be disturbed as little as is consistent with the stark realities of the situation."

"The financing of the defense program would provide us with quite adequate problems if we were starting from scratch instead of taking off under the initial handicap of a $50,000,000,000 debt and an already heavy tax burden," stated Dr. Montefort Jones, Professor of Finance, University of Pittsburgh, in addressing the Convention. Dr. Jones said:

The staggering sums required for defense must and will be raised but it should be done in such a way as to maintain the Federal credit and prevent, if possible, a serious price inflation. The latter is one of the principal objectives in every consideration of defense financing.

Dr. Jones pointed out that the danger in the present situation arises out of enormous Government expenditures estimated at $24,000,000,000 for the current fiscal year. Inflation in time of war has one of its basic causes in the competition by the Government and consumers for the industrial output. The problem is becoming acute as shortages in basic materials are developing, and price indices are rising steadily. He added that "to counteract these inflationary tendencies regulatory measures relating to priorities and price ceilings have been adopted and will undoubtedly become much more important and effective when the price control bill now pending in Congress is enacted."

Rear Admiral Wat T. Cluverius, United States Navy, retired, and President of the Worcester Polytechnic Institute, also addressed the Convention, as did Brig. Gen. Brehon, Chief of the Construction Division, Office of the Quartermaster General, War Department; John C. Gall, Counsel to the National Association of Manufacturers, etc. Henry Bruere, President of the Bowery Savings Bank of New York, was re-elected President of the New York State Savings Banks Association at the Oct. 22 session of the Convention.

Manufacturers' New Orders Again Decline In September According To Conference Board

For the second consecutive month new orders received by manufacturers declined in September, according to the Division of Industrial Economics of The Conference Board. Shipments, according to the Board, remained at about the same level as in the preceding month, with a decrease in shipments of nondurable goods offsetting a rise in durable goods. As a result of the decline in new orders, says the Board, the backlog of unfilled orders at the end of the month was slightly lower than in August. This is the first drop in the unfilled order index since March, 1940. Inventories continued to show an upward trend. Under date of Oct. 28, the Conference Board further said:

New Orders

Manufacturers' new orders declined 7% in September, bringing the seasonally adjusted index to 231 from a revised figure of 249 in August (1935-1939 equal 100). The index is now at the lowest point since last January. The iron and steel industry led the decline, and substantial decreases were shown by the electrical equipment, paper and textile industries. Smaller declines were reported in the office equipment and metal products industries. New orders for building equipment and housefurnishings increased. In the clothing, machinery and chemical industries there was little change.

Shipments

The Board's index of manufacturers' shipments declined from 202 in July and August to 201 in September. Durable goods shipments on the whole continued to increase, although there were declines in iron and steel nonferrous metals and office equipment. Shipments of nondurable goods as a whole were 5% lower than in August, allowing for seasonal variation, although shipments of chemicals increased. In the clothing and textile industries shipments declined sharply.

Inventories

Manufacturers continue to increase their inventories. The Conference Board index rose 1.7% in September to 151.4 (1935-1939 equal 100). Inventories of both durable and nondurable goods increased over the August level. The combined index showed a greater rise than either durable or nondurable goods because of a substantial rise for companies included in the "miscellaneous group," which is included in neither of the sub-groups.

In the durable goods industries the largest increases were reported by the automotive equipment, electrical equipment and railroad equipment companies. Small declines occurred in the iron and steel, nonferrous metal and housefurnishings industries. The largest increases for nondurable goods were in the boot and shoe and paper industries.

Unfilled Orders

The index of unfilled orders decreased 1%. It was the first decline since March, 1940. Lower orders and increased shipments combined to reduce slightly the backlog of unfilled orders for durable goods, while little change was shown for nondurable goods. The adjusted index declined from a high of 537 in August to 534 at the end of September, but remained 171% above the year-ago figure.

The following table gives The Conference Board's indexes of the value of manufacturers' inventories, shipments, new orders and unfilled orders for September, for the preceding month and for the corresponding month of 1940, together with percentage changes. These indexes, all based on the 1935-1939 monthly average as 100, are adjusted for seasonal change.

INDEXES OF INVENTORIES, SHIPMENTS AND ORDERS—SEPTEMBER, 1941
(1935-1939 = 100)

	Sept., 1941	Aug., 1941 (revised)	Sept., 1940	Percentage change from Aug., '41 to Sept., '41	Percentage change from Sept., '40 to Sept., '41
Inventories	151.4	148.9	122.4	+1.7	+23.7
Durable Goods	167.4	164.7	127.4	+1.6	+31.4
Non-durable Goods	129.5	127.7	116.0	+1.4	+10.8
Shipments	201	202	136	—0.5	+48
Durable Goods	234	231	152	+1	+54
Non-durable Goods	162	170	118	—5	+37
New Orders	231	249	171	—7	+35
Unfilled Orders	534	537	197	—1	+171

UP-TOWN AFTER 3

THE SCREEN

"Dumbo" (Walt Disney), distributed by RKO. Currently showing at the Broadway Theatre, N. Y.

This, the most recent full length animated cartoon to come from the Disney studios, is by far the best of the recent lot. It has none of the weirdness of Fantasia, or the self adulation of Reluctant Dragon. In it's way it's almost as fresh as the famous Snow White and as beautiful as Pinocchio. It's central figure is an elephant, but what an elephant! It's a cute blue-eyed baby pachyderm, a bundle from heaven sent to Mrs. Jumbo who is on the train heading north. He's a soft, lovable flop eared pigmy with a beatific grin which will win your heart. It is these outsize ears that lead first, to as pathetic a scene as you will ever see, and finally to his triumph when he discovers (by imbibing of champagne) they can be used for flying. We thought the sound effects were particularly hilarious; the startled noise made by Casey Jones, Jr., the locomotive, when pushed from behind set us off into howls.

"The Chocolate Soldier" (M-G-M), starring Nelson Eddy and Rise Stevens; with Nigel Bruce, Florence Bates and others. Directed by Roy Del Ruth.

The company found itself with two properties on it's hands, Oscar Straus' **Chocolate Soldier** and Ferenc Molnar's **The Guardsman.** After much head scratching it must have come to the conclusion that if one of the stories was good the combination should be terrific. The result is the current **Chocolate Soldier.** The main plot revolves around a pair of musical comedy actors, newly married. He, dramatically jealous of his wife, disguises himself as a famous Russian singer to put her to the test. In the stage version of **The Guardsman** no one knew if she discovered the masquerade but on the screen there is no question. She knows, but he doesn't know she knows. The score from the **Chocolate Soldier** is as tuneful and delightful as ever but the total result is far from satisfactory. Miss Stevens sings beautifully and acts well. The same can't be said of Nelson Eddy, for while he sings well he is no Alfred Lunt.

"Target for Tonight," an English picture distributed by Warner. It describes an air raid over Germany by the RAF as realistically as we ever want to see. It shows the steps before the raid from a photograph of the scene to be bombed, the preliminary plans, the take off, the arrival over the objective, to the return. You won't find any Clark Gables or Tyrone Powers in the picture. Every performer is an actual RAF member. The scenes over the German territory with ack-ack shells bursting around the planes are terrifyingly realistic.

NEW YORK NIGHT LIFE

The crowds standing under the Wilson sign laughing at the antics of electric squirrels, the bear and the North Wind, all for free. . . . That restaurant under the sign where you can eat as much as you want for only two bits (spaghetti and coffee). . . . Broadway full of soldiers and sailors walking up and down the street. . . . The crowds hanging over the ice skating rink in Rockefeller Plaza . . . shrieks of laughter when somebody sits down—but hard. . . . The big plate glass windows around the rink (**English Cafe** on one side and **Cafe Francais** on the other) behind which people sit, eat, and watch the skaters. The best soup we have ever tasted is served here. And for daquiries that don't come any better try **Olney Inn.** . . . If you want original Italian menus write or drop in at **Ricciardi's,** 132 W. 43d St. . . . and with Halloween (and Thanksgiving) around the corner here's a couple of cider drinks (by courtesy of **Waldorf-Astoria Bar Book**) you might like to try: **Non-alcoholic**— ½ spoon sugar—1 egg—shake well; fill with chilled cider; stir well and serve. . . . **Alcoholic**—(to make 1 quart "Cider Nectar") juice of ½ lemon; 1 spoon sugar; jigger each brandy and sherry; ice; 1 quart cider; mint on top. . . . Recommended reading—**Jerome Weidman's "I'll Never Go There Anymore"** (Simon & Schuster) . . . **Clifton Fadiman's "Reading I've Liked"** (Simon & Schuster). . . . The debs and their swains putting it on at the **Larue on E. 58th St.** . . . the "she's" all dressed up in party dresses waiting for the "he's" to show up. . . . The "he's" in the washroom shaving. All using one razor passing it back and forth while the attendant goes batty wondering if there's a 10c tip in the whole gang. . . . The quiet elegance of the **Barberry Room** with it's newest flower arrangements—pampas grass—gladiodas and something else we forgot the name of. . . . Never knew there were so many people who played gin rummy . . . reminds us of the story **Marty** (Best Foot Forward) **May** tells: He asked a cute chorine if she would like to play some gin rummy and she answered, "Why Marty, I thought you never touched the stuff!" . . . The man arguing with **Benito Collada** and then grabbing one of Collada's toreador capes to illustrate a point, is **Errol Flynn.** And in case you're interested it is the same **Collada** who was a member of the first non-official party to enter the tomb of Tut-Ank-Amen.

Treasury Offers Notes To Meet RFC, CCC Liens

(Continued from First Page)

He [Mr. Morgenthau] said the defense program would require that the Treasury float large securities issues "at least every other month."

"We don't want to go to the market too often," he added, "and one way to prevent confusion would be to have the Treasury the only borrower."

Some interest money also can be saved by the process, Mr. Morgenthau asserted.

"The other agencies have to pay more for their money than the Treasury, and so the agencies could not object if we lent them the money as cheap or cheaper than they could get directly from the public," he said.

Mr. Morgenthau also remarked that the proposal had been discussed with Jesse H. Jones, Federal Loan Administrator, and, he said, "Mr. Jones is sympathetic."

The Treasury notes now offered in exchange for maturing RFC and CCC notes will be dated Nov. 1 and will bear interest from that date at the rate of 1% per annum, payable on a semi-annual basis on March 15 and Sept. 15. They will mature on March 15, 1946, and will not be subject to call for redemption prior to maturity.

There are now outstanding $299,839,000 of ⅞% RFC notes of Series P and $204,241,000 of 1% CCC notes of Series E.

The subscription books for this offering were closed at the end of business Oct. 24.

The text of the Treasury's official circular of Oct. 23 follows:

United States of America 1% Treasury Notes of Series A-1946.

Dated and bearing interest from Nov. 1, 1941. Due March 15, 1946. Interest payable March 15 and Sept. 15.

1941 Department Circular No. 671
Fiscal Service Bureau of the Public Debt
Treasury Department, Office of the Secretary, Washington, Oct. 23, 1941.

I. Offering of Notes and Invitation for Tenders

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, at par from the people of the United States for 1% notes of the United States, designated Treasury Notes of Series A-1946, the offering to be limited to the amount of subscriptions entered as provided in the two next succeeding paragraphs.

2. The Secretary of the Treasury offers to apply the proceeds of payment of Reconstruction Finance Corporation Notes of Series P, maturing Nov. 1, 1941, tendered for payment in accordance with sections III and IV of this circular, to payment for Treasury notes subscribed for hereunder. Tenders of Series P notes for that purpose are invited.

3. The Secretary of the Treasury, on behalf of the Commodity Credit Corporation, offers to purchase on Nov. 1, 1941, at par and accrued interest, Commodity Credit Corporation Notes of Series E, maturing Nov. 15, 1941, to the extent to which the holders thereof subscribe for Treasury notes hereunder. Tenders of Series E notes for that purpose are invited.

II. Description of Notes

1. The notes will be dated Nov. 1, 1941, and will bear interest from that date at the rate of 1% per annum, payable on a semi-annual basis on March 15 and Sept. 15 in each year until the principal amount becomes payable. They will mature March 15, 1946, and will not be subject to call for redemption prior to maturity.

2. The income derived from the notes shall be subject to all Federal taxes, now or hereafter imposed. The notes shall be subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority.

3. The notes will be accepted at par during such time and under such rules and regulations as shall be prescribed or approved by the Secretary of the Treasury in payment of income and profits taxes payable at the maturity of the notes.

4. The notes will be acceptable to secure deposits of public moneys, but will not bear the circulation privilege.

5. Bearer notes with interest coupons attached will be issued in denominations of $100, $500, $1,000, $5,000, $10,000 and $100,000. The notes will not be issued in registered form.

6. The notes will be subject to general regulations of the Treasury Department, now or hereafter prescribed, governing United States notes.

III. Subscription and Allotment

1. Subscriptions will be received at the Federal Reserve Banks and branches and at the Treasury Department, Washington, and should be accompanied by Reconstruction Finance Corporation Notes of Series P tendered for payment, or Commodity Credit Corporation Notes of Series E tendered for purchase, to a par amount equal to the par amount of Treasury Notes of Series A-1946 subscribed for. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies.

2. The Secretary of the Treasury reserves the right to reject any subscription, in whole or in part, to allot less than the amount of notes applied for, and to close the books as to any or all subscriptions at any time without notice; and any action he may take in these respects shall be final. Subject to these reservations, all subscriptions will be allotted in full. Allotment notices will be sent out promptly upon allotment.

IV. Payment

1. Payment at par for notes allotted hereunder must be made on or before Nov. 1, 1941, or on later allotment, and may be made only through application of the principal proceeds of payment of a like par amount of Reconstruction Finance Corporation Notes of Series P, maturing Nov. 1, 1941, or of Commodity Credit Corporation Notes of Series E, maturing Nov. 15, 1941. Commodity Credit Corporation Notes of Series E tendered for purchase must have coupons dated Nov. 15, 1941, attached, and payment will be made at par and accrued interest to Nov. 1, 1941. Accrued interest from May 15, 1941, to Nov. 1, 1941, on Series E notes ($4.619565 per $1,000) will be paid following acceptance of the notes.

V. General Provisions

1. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive subscriptions, to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal Reserve Banks of the respective districts, to issue allotment notices, to receive payment for notes allotted, to make delivery of notes on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive notes.

2. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the offering, which will be communicated promptly to the Federal Reserve Banks.

Henry Morgenthau, Jr.,
Secretary of the Treasury.

Correction

In reporting the formation of Schoellkopf, Hilbert & Co., the "Financial Chronicle" in its issue of Oct. 23rd gave the address of the firm's New York office as 11 Wall Street, the office heretofore maintained by Schoellkopf & Co. The firm will occupy the offices at 120 Broadway in which Hilbert, Condon & Bassett have been located. The new organization, members of the New York Stock Exchange, was formed by Webb Hilbert and members of the firm of Schoellkopf & Co.

Moody's Commodity Index Slightly Higher

Moody's Daily Commodity Index advanced slightly, from 207.1 a week ago to 207.6 this Tuesday. The principal individual changes were the advance in hogs and the decline in wheat.

The movement of the index was as follows:

Tuesday, Oct. 21	207.1
Wednesday, Oct. 22	207.4
Thursday, Oct. 23	208.6
Friday, Oct. 24	208.5
Saturday, Oct. 25	208.3
Monday, Oct. 27	208.0
Tuesday, Oct. 28	207.6
Two weeks ago, Oct. 14	210.7
Month ago, Sept. 27	213.3
Year ago, Oct. 28	164.2
1940 High—Dec. 31	171.8
Low—Aug. 16	149.3
1941 High—Sept. 9	219.9
Low—Feb. 17	171.6

Investment Trusts

(Continued from page 807)

$6.73 on June 30, 1941, according to the quarterly report. An increase of only 5.69% was recorded by the Standard Statistics 90 stock average during the same period, it was reported, while the American Foreign Investing Corporation's index of 50 foreign bonds registered an advance of 10.94%. Total net assets of the company increased from $610,269 on June 30, 1941 to $731,381 on Sept. 30, 1941.

During the first nine months of the year, $26,722 was received by the company in interest and dividends. After expenses of $22,225 net income remaining amounted to $4,496. This was augmented by net realized profits of $11,209.

The company has had the unusual experience of being able to report a successively higher net asset value per share adjusted for dividends paid, at the end of each quarterly period since June 30, 1940. Since the company's funds are invested for the most part in the Latin American obligations, the explanation for this record may be found in the effect of the "Good Neighbor" policy on the credit of our Latin American friends.

The history of the improved Latin American credit relations was discussed in an article by Robert S. Byfield, president of American Foreign Investing Corp. which appeared in the New York Herald Tribune on Sunday, Oct. 12. Mr. Byfield pointed out that the Latin Americas are principally raw material exporters, and the steady rise in commodity prices has brought great prosperity. On top of this, the Export-Import Bank has made large and liberal loans which have the same effect on the international financial position of the borrower as favorable trade balances.

Tomorrow's Markets Walter Whyte Says—

(Continued from page 803)

for the exiting business news, news that in the past was sufficient to get this market of ours to cutting rugs like a high school jitterbug. The same kind of news today makes the market act like it was trudging along behind a Chopin funeral dirge.

* * *

News of larger nature came from three diferent sources. John L. Lewis' throwing his weight around; the President's implied declaration of war against Hitler, and the seriousness of the Russian-German conflict. What the effect of the first two will be, I don't know. I know what I would like it to be, but that's something else entirely.

* * *

So far as the war is concerned the British Cabinet is still busy explaining to it's nationals (and the world at large) why any military diversion by them is impossible. They quote all sorts of figures to prove it, implying that it is up to us to do something about it. I have read a great many of the ponderous statements attributed to the British General Staff. I am at times even tempted to believe them if I weren't constantly reminded of the ineptness of the brass hats that make up that august body. For it is the same collection of fuddy-duddies that managed things so well that it's only claim to victory is the retreat from Dunkirk. Even in Africa they have a beseiged garrison at Tobruk they haven't been able to help for almost a year.

* * *

I don't know why I sounded off as I did but having done it I feel a little better. Now to get back to the market.

* * *

Since the previous column appeared the market has continued to say nothing. It pays a little more attention to bad news than it does to good news but seldom does the effect of either kind of news carry over into subsequent days. On October 16th prices broke down to a new low on the move. Two days later, Saturday, October 18th, they rallied back about two points. (Incidentally I seldom trust Saturday rallies.) By October 23rd prices sagged down again and a number of stocks broke their October 18th lows. But if individual issues broke through the stock averages (computed on closes) did not. This brings up the possibility that the two lows—October 18th and October 23rd—may well represent a bottom for the decline. There are two things to watch for to see if this condition is merely another possibility or is more tangible. If the market continues moving sidewise as it is doing, with more bad dividend news affecting only individual issues that will be one good sign. If certain stocks creep up in the face of uncertain or downright bad news, that will be another good indication. But in any case the lows of the dates mentioned above have to hold.

* * *

If, on the other hand, prices now rally to say the highs of October 22nd, on little volume the danger of another break will become real.

Summing up: A continuation of present dullness with stocks keeping themselves above recent lows is bullish; a sharp rally to recent highs on small volume is bearish.

* * *

I'm trying to be coldly scientific about the whole thing (if trading technic can be scientific) because deep down I'd rather see a rally, on big volume, small volume, or no volume at all, and take my chances that I've been wrong. For I'd rather the market went up and proved me wrong than have it go down and make me a hero. So much for that.

* * *

Meanwhile you are still holding a few stocks and if while they're not setting the tape afire they're still acting well enough to hold. However, they too have "stops" and if you want to be one of those he-who-fights-and-runs-away-lives-to-fight-another-day guys you'd better not consider them too lightly.

More next Thursday.

—Walter Whyte

[The views expressed in this article do not necessarily at any time coincide with those of the Chronicle. They are presented as those of the author only.]

WHISPERINGS

A man we know who tries to make ends meet in the security business has a wife with a penchant for what she calls antiques, a condition that not only raises hob with the family budget but leads to many a marital quarrel. One evening he came home and his wife greeted him excitedly and told him about a chair she had picked up "for a song." Resigned, he looked at it. It was an overstuffed montrosity of the Victorian period and looked as if it's former owners had been pachyderms. The springs had sagged in the center and at least one coil was peeping slyly through the ragged upholstery. "Isn't it a perfect gem?" she asked. "Now if I had it's mate I know just how I would reupholster them. They'd be perfect for the library." Early next morning, while his wife was still asleep, the security dealer called in a traveling junkman, paid him a dollar and had him take the relic away. That same evening, coming home tired, his wife met him again with a gleam in her eye. A gleam he came to know as coming from a "surprise" acquisition. "Guess what?" she greeted. The man didn't know "That chair," she said barely able to contain herself, "the one we have in the attic; the one I bought the other day. Well, today I ran into a junkman with the mate—but the identical thing—and I bought it. Now we have the pair. Aren't you glad?"

"A prophet is without honor in his own circle" mourns **Ken (J. H. Brooks) Dietz** sorrowfully if inaccurately. "Here it has been months that I've been telling my people to get out of American Tobacco—the dividend would be cut—and what do you think happens? Dutifully we answered "what?" . . . "I'll tell you what," says Ken dolefully. "They said if Tobacco cuts its dividend we'll buy more." That, we hastened to point out, is nothing to cry about. On the contrary. He now has orders which is more than can be said for many people. "Sure! I got orders!" explained Ken sarcastically, "but they're orders for quotes—not stocks!"

Recommended Reading: "Our Seething Labor Front" in "Background," published monthly by Lord, Abbett. . . " Federal Taxes" in Merrill Lynch, P. F. & B. midmonth letter. . . . Robert Ingersoll's "Report on Russia" in newspaper "PM."

Here's a couple of "week-end" stories we picked up and thought you might like to know about: A security salesman was invited to spend the week-end at a client's home to discuss purchases. One evening before coming down to dinner he stepped into the bathroom to wash. Imagine his horror when he saw his hostess taking a bath. Mumbling apologies he hurriedly backed out Later that evening he explained his intrusion to his host who apparently didn't pay any attention So he tried explaining again. "It's all right," assured his host. "I heard you the first time—Skinny thing isn't she?" . . . Here's another one: A dealer coming into New York from Greenwich one Monday morning heard a fellow passenger say to a man who was seeing him off, "Goodby, old chap. I had a wonderful weekend. I certainly enjoyed your wife's kisses—they were wonderful." When the train got under way the dealer couldn't wait to ask the fellow how he could be so brazen. "Didn't I hear you say," asked the dealer, "that you enjoyed his wife's kisses?" . . . "Why yes. I guess you did," the passenger answered calmly. "He's such a nice fellow I didn't want to hurt his feelings. You see, I didn't actually enjoy them at all!"

Fire insurance companies are the big buyers of American Tobacco B. . . . Parrish & Co. are picking up Westinghouse Electric. . . . And Goodbody & Co. thinks cottonseed oil (May futures) around 12c are attractive but expects wheat to be lower in near term.

One evening one of those radio male Beatrice Fairfaxes, the kind that solve the problems of all mankind, had a man before him. "I'm a salesman," explained the speaker. "One night I came home late and couldn't get into my house. So I put a ladder against my living room window and climbed up. When I got there I saw my wife with another man. When he saw me he came over and told me to go away. I noticed he was wearing a policeman's coat. I knocked again. He came over opened the window and said if I didn't get away he'd make trouble for me. Now what I want to know is can he make trouble for me?"

B. & O. Notes Look Good

The 4% secured notes, due Aug. 1, 1944, of the Baltimore & Ohio Railroad Company, offer an interesting situation according to a detailed memorandum issued by G. A. Saxton & Co., Inc., 70 Pine Street, New York City. There are several considerations contributing to the belief that these notes will be taken care of at maturity, the memorandum states; the growing scarcity of short-term rails still selling at substantial discounts and previous successes with similar situations may in themselves over the near future bring about more widespread interest in and rising prices for these notes, which seem to have been neglected by investors in the search for profit opportunities among short-term rails until just recently. The memorandum contains a statistical summary of earnings, financial position, and collateral, and discusses the sinking fund, the plan for Modification of Interest Charges and Maturities, and the effect of RFC loans and possible wage increases.

Copies of the memorandum may be obtained from G. A. Saxton & Co. upon request.

Erie RR. Interesting

Joseph Walker & Sons, 120 Broadway, New York City, members New York Stock Exchange, have prepared an analysis of the Erie Railroad Company and the securities to be issued under the Plan of Reorganization, which discusses the effect of the reorganization on the road and its securities. Copies of the analysis may be had from Joseph Walker & Sons upon request.

Our Reporter's Report

(Continued from First Page)

be necessary under the new order of competitive bidding in the utility field.

Bankers feel that if the market developed a sizable run of new issues it would aid immeasurably in smoking out the insurance companies among other things.

Conversely, they hold, there is nothing much that can be done under present circumstances to shape the course of things since currently deals are too isolated to force a continuous survey of the situation.

Central Illinois Public Service

Dealers reported a good and well-diversified demand for the $38,000,000 of Central Illinois Public Service Company 30-year 3⅜% bonds which came to market yesterday.

Priced at 107 the issue was reported moving out in lively manner with insurance companies in New England and the Middle West taking down sizable subscriptions.

That there is no real cleavage in the ranks of investment bankers, notwithstanding differences of opinion with regard to competitive bidding, was evident in the circumstances surrounding the marketing of this issue.

Firms which were identified with the unsuccessful syndicate, quickly went to work in the ranks with the winning group to aid in its marketing.

Securities Act Hearings Begin

With the opening of hearings on proposed amendments to the Securities Act before the House Interstate and Foreign Commerce Committee it became evident that the Securities and Exchange Commission is determined to fight to the last ditch against any major revisions.

Commissioner Ganson Purcell made that clear on Tuesday when the hearings opened, and again yesterday when, among other things, he quickly objected to a suggestion by Representative Cole (D., Md.), that the Commission be enlarged in view of its enormous task.

The hearings up to last evening were quite heated in spots with Commissioner Purcell and Representative Wadsworth of New York putting on several exchanges which even got into the Public Utility Holding Company Act.

Its A Sellers' Market

The response which greeted the Central Illinois Power offering served to convince observers that the market is still strongly a "sellers' affair."

On the basis of rating the issue was considered as priced quite fully even in prevailing circumstances. But the point was made that the supply of new issues has been scant for many months.

The issue, it was contended, was priced to the "money market" and with scarcity the rule buyers are inclined to welcome a chance to participate in a new offering.

Westinghouse Electric

Success of its stock financing through an offering of new common stock in the amount of 534,000 shares to preferred and common stockholders on a "rights" basis will be followed shortly by an offering of $20,000,000 of Westinghouse Electric & Manufacturing Company debentures.

Stockholders approved the proposed debenture financing yesterday when they authorized a new issue of $50,000,000. The management, however, disclosed that for the present it intends to issue only the smaller amount.

The stock financing was a marked success, shareholders subscribing for all but about 6% of the total offered.

The Securities Salesman's Corner

It is our desire to develop this column into a clearing house for ideas. If we could pass along some things that the other fellow is doing which is helping to meet present-day conditions it no doubt would be of some interest to all concerned. In this connection, we would sincerely appreciate your comments or criticisms and any suggestions you might wish to send along.

Salesman Buys Theatre Tickets And Opens Large Account

This is a true story. It is a story of how a tenacious salesman finally got a break. We don't approve of subterfuge, but since "life's a funny proposition," there are times when the end justifies the means.

There was a certain investor whose office was usually full of waiting bond salesmen. He was one of the "prize prospects" on practically every salesmanger's list of most of the leading Dealers in his community. He knew securities and his main interest in life was investing his money. His statistical library was the equal of most smaller investment houses, and his attitude toward bond salesmen was at times even overbearing.

He gave business to a few selected securities men. The others continued to call. Many times they warmed their heels in his outer office for hours on end, hoping against hope that they might some day get an order. Among this group of hopefuls, one bright afternoon, sat a certain salesman. He had called many times before. Sometimes he called in the morning, he tried the evening, and once he tried button-holing "Mr. Hard-to-Sell" as he went out to lunch. But he was unsuccessful.

He was almost ready to give up the ghost. As he once again sat in the outer office with several more impatient callers, he heard "Mr. Hard-to-Sell" grumbling to someone at his desk. The door was open and our bond salesman picked up his ears. "Why is it no one around here attends to these things," went on the voice from inside. "A week ago I told my secretary to get those four orchestra seats for this show tonight." I've promised my wife that we'd take some friends and now at the last moment, I find out that we can't get the tickets." And the raving continued in this vein.

Hat in hand our bond salesman entered the open door into the sanctum-sanctorum. Excusing himself he stated that he could not help but hear the conversation and if allowed, he was certain he could be of assistance. Surprised, Mr. Prospect asked what he could do. It was only a few hours until curtain time and the show was sold out. Undaunted, our salesman told him that he would like to try and get tickets at regular box office prices—that he had excellent theatrical connections and believed he could do the impossible. Of course, this was agreeable. Within an hour the salesman was back with four orchestra tickets. The reception he received was all that you can imagine. The tickets were marked four dollars and ten cents apiece and this is what he collected from his now grateful, and no longer hard to see, prospect. Those tickets actually cost him over six dollars apiece, he had walked one end of Broadway to another trying to get the best buy from the agencies—the difference be put up out of his own pocket. This is what he meant when he said he had friends in show business.

The next time he called at this office he didn't have to wait for hours. He was ushered right in. He sold this client many blocks of bonds thereafter. He also received many phone calls at his office for theatre tickets. His connections never failed him nor did his client ever fail to tell his friends of his wonderful connections in show business. Of course, the securities business he received from this account more than repaid the salesman for the extras he paid for the theatre tickets that were always turned over at box office rates.

The moral of this story is that you can't do business with anyone until you first obtain their confidence. Some people have a liking for theatre tickets, some for a story, some for this or that, but they all have a real soft spot somewhere that interests them to a greater degree than all else. Find out what this is, search for it, grope for it, do this in every interview until you find it—then dwell upon it—show your interest — you'll get a basis for confidence and even friendship. Then when you know you've got that spark which is always evident between two people who begin to like each other—then and then only—offer your specific security and make your sales talk — then you'll get that order.

Maintain confidence by selling your client the proper securities. Get the right list of people to call on, keep doing this day after day. That is all there is to selling securities. That, and a whole lot of reading, study, knowledge, and plenty of patience and wrap it all up and you get the real answer—just WORK.

Discontinues Interest

The Pennsylvania Co. for Insurances on Lives and Granting Annuities, Philadelphia, announced on Oct. 19 that effective Jan. 1 all interest will be discontinued on savings accounts. The announcement says:

We take this action because of prevailing investment conditions.

It is suggested that many depositors may wish to invest the proceeds of their savings accounts in United States Defense Bonds. The interest on these bonds is greater than is now paid by us on savings accounts. The bonds may be purchased by individuals, firms or estates, but not by banks. We gladly offer our facilities to enable you to convert any part of your savings into defense bonds and thus make a personal and direct contribution to the Nation's preparedness effort.

Other than the discontinuance of interest, our savings fund facilities will be available as heretofore.

Hearing Ordered

CHICAGO, ILL. — The investment firm of Haskell, Scott & Jennings, Inc., 120 South La Salle Street, has been ordered to appear before a State hearing on Nov. 3rd at Springfield, Ill. on charges of illegal practices filed by the State Securities Commission, and on Nov. 7th before the regional office of the Securities and Exchange Commission on similar charges.

The firm is alleged to have conducted business while insolvent, to have misrepresented its condition to the Secretary of State, to have failed to keep proper accounts, and to have engaged in fraudulent transactions.

The Securities and Exchange Commission will charge at its hearing that the company is insolvent, has borrowed on customers' securities without their consent, and has committed other irregularities.

David H. Jennings, President and Treasurer of the firm, stated that he had not been served with the show cause orders and does not know what charges have been made, but that SEC investigators had probed the company's records for several months.

Sees Drop In Consumer Credit Financing Removing Need To Tighten Reserve Regulation

Preliminary statistics showing a drop of at least 25% in consumer credit loans by banks for instalment financing of durable goods indicate that no further contraction in terms for these loans should be ordered by the Federal Reserve Board under Regulation W at this time, it was asserted on Oct. 23 by Walter B. French, Deputy Manager of the American Bankers Association, in an address before a statewide consumer credit conference held by Ohio banks at Columbus. Figures submitted by 200 banks in all parts of the country to the ABA's Consumer Credit Department, Mr. French declared, "indicate that the reduction for the month of September compared with the previous September last year is substantial—about 25% of the total volume, and more, for instalment financing of durable goods. Mr. French further said in part:

These figures may be inadequate, but all the indices we have available point to a substantial reduction — enough so that no further contraction should be made in terms permitted under Regulation W until sufficient time has elapsed to gauge accurately how far present regulations have affected volume.

While it is recognized that in times of national emergency many sacrifices are necessary for the common good, we believe it is important that no regulations be issued that would work an undue hardship on either lender or borrower. Instalment lending is now a definite part of our economy and hundreds of thousands of consumers have become accustomed to using some form of consumer credit periodically to supply their needs in goods and services.

Too great a contraction at any time would operate primarily against those of small income. The regulations issued thus far by the Federal Reserve Board appear to be fair and should result in no undue hardship to either borrowers or lenders, and yet, in the light of current terms, the regulations do represent definite curtailment.

An erroneous impression is prevalent in some sections of the country that should be corrected. Many bankers report that the people in their communities are of the opinion that Regulation W eliminates instalment credit; others are hesitant about asking for needed financial relief because they think it is unpatriotic. No one need suffer because of the requirements of Regulation W. Its provisions are now such that the credit needs of the average consumer can be well taken care of.

Railroad Securities

(Continued from page 805)

ductions realized in fixed charges from the peak of the last decade to the indicated current level. The difference between columns (1) and (2) represents the net decline in earnings power. As measured in results per common share this is shown in column (3). The results do not seem too discouraging. In no case does the net result amount to as much as $2.00 a share, and for six of the thirteen companies covered the net cost would be less than $1.00. Of these six two, Great Northern and "Nickel Plate," have actually reduced charges more than enough to offset a wage increase of 10%.

	*†Estimated 10% Wage Increase	*Reduction in Fixed Charges	Net Reduction in Common Share Earning Power
Atchison, Topeka & Santa Fe	$5,324	$1,236	$1.68
Atlantic Coast Line	1,664	520	1.39
Chesapeake & Ohio	3,106	2,844	0.03
Great Northern	2,607	5,752	*a*
Illinois Central	3,513	1,818	1.25
Louisville & Nashville	2,996	1,758	1.06
New York Central	12,171	9.109	0.47
New York, Chicago & St. Louis	1,323	1,450	*a*
Northern Pacific	2,254	700	0.63
Pennsylvania	13,931	4,907	0.69
Southern Pacific	7,129	*b*1,948	1.37
Southern Railway	3,249	1,373	1.45
Union Pacific	4,669	1,286	1.52

*In thousands.

†Net estimate, after allowing for the saving in taxes.

*a*Reduction in charges greater than 10% wage increase.

*b*Does not include reduction or elimination of drain of losses of subsidiaries which would offset large part of wage increase.

Calendar of New Security Flotations

OFFERINGS

BENEFICIAL INDUSTRIAL LOAN CORP.
Beneficial Industrial Loan Corp. registered with SEC 10,000,000 Fifteen-Year 2¾% Debentures, due Oct. 1, 1956

Address—1300 Market St., Wilmington, Del.

Business — A holding company, subsidiaries of which are engaged in the personal finance business, and the acceptance business, and activities related thereto

Underwriters, and amount of the debentures respectively underwritten by each, are as follows (all of New York City, unless otherwise indicated):

Eastman, Dillon & Co.	$2,805,000
Smith, Barney & Co.	2,175,000
Blair & Co., Inc.	800,000
Kidder, Peabody & Co.	800,000
E. H. Rollins & Sons, Inc.	600,000
Ladenburg, Thalmann & Co.	475,000
Riter & Co.	425,000
Alex. Brown & Sons, Baltimore	375,000
Hayden, Stone & Co.	375,000
Hemphill, Noyes & Co.	375,000
Merrill Lynch, Pierce, Fenner & Beane	375,000
Dean Witter & Co., S. Fran.	325,000
Jackson & Curtis, Boston	275,000
Hornblower & Weeks	225,000
Whiting, Weeks & Stubbs, Inc., Boston	175,000
Putnam & Co., Hartford, Conn.	140,000
Piper, Jaffray & Hopwood, Minn.	140,000
Rogers & Tracy, Inc., Chicago	140,000

Offering—The Debentures will be offered to the public, at a price to be supplied by amendment

Proceeds—Will be used to reduce outstanding bank loans and commercial paper

Registration Statement No. 2-4862. Form A2. (10-17-41)

Effective 4:45 P.M., E.S.T. on Oct. 27, 1941.

Offered—Oct. 28, 1941 at 100 and int.

BLACK HILLS POWER & LIGHT CO.
Black Hill Power & Light Co. registered with SEC $2,115,000 First Mortgage Bonds, Series A, due 1971; 9,400 shares 5% cumulative preferred stock, $100 par; and 100,000 shares common stock, $1 par

Address—Rapid City, S. D.

Business—Incorporated in South Dakota on Aug. 27, 1941, for purpose of continuing business and operations of the Dakota Properties of General Public Utilities, Inc., and the business and operations of the Dakota Power Properties of the Dakota Power Co. Engaged in generation, transmission, distribution and sale of electricity, in 12 communities in western South Dakota, and various unincorporated communities and rural areas.

Offering—The bonds are to be sold to Dillon, Read & Co. at 103¼ and in turn will be resold by latter to Equitable Life Assurance Society of the U. S. at 103¾. The preferred stock and an undetermined number of shares of common stock are to be issued to General Public Utilities, Inc., in part payment for the so-called Dakota Power Properties to be acquired from that company and Dakota Power Co. The remaining shares of common stock, as well as the preferred and common stock to be received by General Public Utilities, Inc., will be offered to the public

Proceeds—To company from sale of the bonds and common stock will be used to pay General Public Utilities, Inc., and Dakota Power Co. the balance of the consideration for the properties to be acquired. Balance of net proceeds will be added to working capital.

Registration Statement No. 2-4832. Form A-2. (9-5-41)

Offered—Pref. and com. stocks, Oct. 29, the Pref. at 100 per sh. and the com. at $16.50 per share.

CENTRAL ILLINOIS PUBLIC SERVICE CO.
Central Illinois Public Service Co. registered with the SEC $38,000,000 of first mortgage bonds, Series A, 3⅜%, due Oct. 1, 1971.

Address—607 E. Adams St., Springfield, Ill.

Business—This operating company, a subsidiary of Middle West Corp., is engaged principally in generating, purchasing, distributing and selling electricity in central and southern Illinois. Also, provides gas, ice, water and steam heat service.

Underwriters and Offering—The bonds are to be sold by company under the competitive bidding rule under SEC's Public Utility Holding Company Act of 1935. Names of underwriters, and public offering price, will be supplied by amendment to registration statement.

Proceeds—Proceeds from sale of the bonds, together with other funds of company, are to be applied to redemption, on or about 30 days after delivery of the new bonds, of the outstanding $38,000,000 of first mortgage Series A 3¾% bonds, due Dec. 1, 1968, to be redeemed at 105¾ and accrued interest.

Registration Statement No. 2-4856. Form A2. (10-8-41)

Effective—4:45 P.M., E.S.T., on Oct. 16, 1941.

Bids—Will be received by the company for the purchase from it of $38,000,000 bonds. Proposals will be opened by the company at room 2158, 20 N. Wacker Drive, Chicago, at 12 noon (C.S.T.), Oct. 27.

Offered—Oct. 29 at 107 and int., by Halsey Stuart & Co., Inc. and associates.

LOUISVILLE GAS & ELECTRIC CO. (Ky.)
Louisville Gas & Electric Co. has registered with SEC 150,000 shares common stock, no par value.

Address—311 W. Chestnut St., Louisville, Ky.

Business—This operating utility subsidiary of Standard Gas & Electric Co. is engaged principally in the electric and gas business in Louisville, Ky., and vicinity.

Underwriters—To be named by amendment.

Offering—The 150,000 shares to be offered to the public, at price to be supplied by amendment.

Proceeds—Will be used to reimburse in part company's treasury for funds expended for construction (approximately $7,000,000), none of which heretofore has been used by company as basis for issuance of stock or long-term debt. Remaining amount needed for this undertaking will be obtained from sale of additional common stock; of the amount so needed, company has temporarily obtained $3,150,000 by bank loans.

Registration Statement No. 2-4848, Form A-2. (9-24-41).

Effective 4:45 P.M., E.S.T. on Oct. 23, 1941.

Offered by the Company through its own local organization. Not underwritten.

WESTINGHOUSE ELECTRIC & MANUFACTURING CO.
Westinghouse Electric & Manufacturing Co. registered with SEC 534,426 shares common stock, $50 par value, and Subscription Warrants evidencing rights in respect of such shares.

Address—306 Fourth Ave., Pittsburgh, Pa.

Business—Engaged, together with its subsidiaries, in manufacture and sale of machinery, apparatus and appliances for generation, transmission, utilization and control of electricity and in manufacture and sale of steam turbines and associated equipment.

Offering—The 534,426 shares will first be offered to outstanding preferred and common stockholders of company of record Oct. 15, 1941, for subscription at rate of one-fifth of a share for each share of preferred and common stock so held, at a price to be supplied by amendment. Rights expire Oct. 28, 1941.

Underwriters—Unsubscribed portion of such 534,426 shares are to be purchased by underwriters, at a price to be supplied by amendment. Underwriters may or may not, as they may determine, make one or more public or other offerings of such unsubscribed stock. All offerings of unsubscribed stock is to be made by the underwriters either at the market price then prevailing (NYSE), or at such other prices as Kuhn, Loeb & Co., representative of the underwriters, may determine. Underwriters, numbering 119, are as follows:

Kuhn, Loeb & Co., A. C. Allyn & Co., J. S. Bache & Co., Bacon, Whipple & Co., Baker, Watts & Co., Baker, Weeks & Harden, Banc Ohio Securities Co., Bear, Stearns & Co., A. G. Becker & Co., Biddle, Whelen & Co., Blair & Co., Inc., Blair, Bonner & Co., Blyth & Co., Inc., Bonbright & Co., Alex. Brown & Sons, H. M. Byllesby & Co., Inc.

Central Republic Co., Inc., Clark, Dodge & Co., E. W. Clark & Co., Courts & Co., Curtiss, House & Co., Paul H. Davis & Co., Dick & Merle-Smith, Dominick & Dominick, Drexel & Co., Eastman, Dillon & Co., Elkins, Morris & Co., Emanuel & Co., Eastbrook & Co., Equitable Securities Corp.

Farwell, Chapman & Co., Field, Richards & Co., The First Boston Corp., The First Cleveland Corp., First of Michigan Corp., Robert Garrett & Sons, Glore, Forgan & Co., Glover & MacGregor, Inc., Goldman, Sachs & Co., Graham, Parsons & Co., Grubbs, Scott & Co.

Hallgarten & Co., Harriman, Ripley & Co., Inc., Harris, Hall & Co. (Inc.), Hawley, Shepard & Co., Hayden, Miller & Co., Hayden, Stone & Co., Hemphill, Noyes & Co., J. J. B. Hilliard & Son, Hornblower & Weeks, W. E. Hutton & Co., The Illinois Co. of Chicago, Jackson & Curtis, Janney & Co.

Kalman & Co., Kean, Taylor & Co., Kidder, Peabody & Co., Knight, Dickinson & Co., Ladenburg, Thalmann & Co., Laird & Co., Laird, Bissell & Meeds, W. W. Lanahan & Co., W. C. Langley & Co., Lazard Freres & Co., Lee, Higginson Corp., Lehman Brothers, Adolph Lewisohn & Sons, Carl M. Loeb, Rhoades & Co.

Mackubin, Legg & Co., Laurence M. Marks & Co., Mason-Hagan, Inc., A. E. Masten & Co., McDonald-Coolidge & Co., Mellon Securities Corp., Merrill Lynch, Pierce, Fenner & Beane, Merrill, Turben & Co., The Milwaukee Co., Mitchum, Tully & Co., Moore, Leonard & Lynch, F. S. Moseley & Co., Maynard H. Murch & Co., G. M.-P. Murphy & Co., W. H. Newbold's Son & Co., Newhard, Cook & Co., Paine, Webber & Co., Arthur Perry & Co., R. W. Pressprich & Co., Putnam & Co.

Reinholdt & Gardner, Riter & Co., The Robinson-Humphrey Co., E. H. Rollins & Sons Inc., L. F. Rothschild & Co., Schoellkopf, Hutton & Pomeroy, Inc., Schroder Rockefeller & Co., Inc., Schwabacher & Co., Scott & Stringfellow, Shields & Co., Singer, Deane & Scribner, Smith, Barney & Co., Smith, Moore & Co., William R. Staats Co., Starkweather & Co., Stein Bros. & Boyce, Stern Brothers & Co., Stern, Wampler & Co., Inc., Stone & Webster & Blodget, Inc., Stroud & Co., Inc., Swiss American Corp., Spencer Trask & Co.

Tucker, Anthony & Co., Union Securities Corp., G. H. Walker & Co., Wells-Dickey Co., Wertheim & Co., White, Weld & Co., Whiting, Weeks & Stubbs, Inc., Dean Witter & Co., Yarnall & Co.

Proceeds—For payment outstanding bank loans, construction of plant additions, purchase of additional equipment, and for working capital.

Registration Statement No. 2-4849. Form A-2. (9-25-41).

Subscription price of the 534,426 shares common stock, $50 par value, to be offered first to stockholders of record Oct. 15, 1941, at rate of one-fifth of a share of common for each share of preferred or common stock so held, is fixed at $70 per share. Subscription offer expires Oct. 28, 1941 at 3 P.M., E.S.T. Unsubscribed portion of such shares to be purchased by underwriters, and offered to public, at price to be supplied by later amendment.

It is understood that over 95% of the shares were taken by stock holders.

Following is a list of issues whose registration statements were filed less than twenty days ago. These issues are grouped according to the dates on which the registration statements will in normal course become effective, that is twenty days after filing except in the case of the securities of certain foreign public authorities which normally become effective in seven days.

These dates, unless otherwise specified, are as of 4:30 P.M. Eastern Standard Time as per rule 930(b).

Offerings will rarely be made before the day following.

THURSDAY, OCT. 30

CROCKER MC ELWAIN CO.
The Voting Trustees of Crocker McElwain Co. registered with the SEC voting trust certificates, to be issued in exchange for a like number of shares of 1,664 shares of 7% preferred stock, $100 par, and 15,000 shares of common stock, $100 par.

The voting trust certificates provide that the voting trust shall continue in effect until Sept. 2, 1944, unless terminated earlier. Unless terminated according to its terms, the voting trust will continue until Sept. 2, 1947.

Voting trustees are Elmer C. Tucker, Ralph H. Morrill, and Joseph K. Holmes.

Address—642 Main St., Holyoke, Mass.

Business—Company is engaged in manufacture and sale of paper, with its mill located in Holyoke, Mass.

Registration Statement No. 2-4858. Form F-1. (10-11-41).

MONDAY, NOV. 3

EATON & HOWARD BALANCED FUND
Eaton & Howard Balanced Fund registered with SEC 500,000 Trust Shares

Address—25 Federal St., Boston, Mass.

Business—Investment Trust

Offering—The shares will be offered to the public, at the market

Underwriters—Eaton & Howard, Inc., Boston

Proceeds—For investment

Registration Statement No. 2-4860. Form A2 (10-15-41)

PACIFIC GAS & ELECTRIC CO.
Pacific Gas & Electric Co. registered with SEC 175,000 shares 5% Cumulative First Preferred Stock, $25 par

Address—245 Market St., San Francisco, Cal.

Business—Company is an operating public utility company engaged, principally, in business of generating, purchasing, distributing and selling electricity and natural gas throughout a large part of northern and central California

Underwriter—Blyth & Co., Inc., San Francisco, Cal.

Offering—The shares will be offered to the public, at a price to be supplied by amendment to registration statement.

Proceeds—Will be used to pay at or before maturity company's outstanding First & Refunding Mortgage Series B 6s, due Dec. 1, 1941

Registration Statement No. 2-4861. Form A-2. (10-15-41 San Francisco, Cal.)

WEDNESDAY, NOV. 5

PHILADELPHIA ELECTRIC CO.
Philadelphia Electric Co. registered with SEC $20,000,000 of First and Refunding Mortgage 2¾% bonds, due Dec. 1, 1971

Address—1000 Chestnut St., Philadelphia, Pa.

Business—This subsidiary in the United Gas Improvement Co. holding company system, is engaged primarily in production, purchase, transmission, distribution and sale of electricity and gas in southeastern Pennsylvania, including Philadelphia and vicinity

Underwriting and Offering—The bonds will be sold under the competitive bidding rule U-50 of the SEC's Public Utility Holding Company Act of 1935. Names of underwriters, and price to public, will be supplied by later amendment

Proceeds—$20,000,000 of the net proceeds from sale of the bonds will be applied to pay company's presently outstanding $20,000,000 of 1½% promissory notes payable to banks. Remainder of net proceeds will be used to reimburse, in part, company's treasury for additions, extensions, batterments and improvements to its plants and property

Registration Statement No. 2-4863. Form A2. (10-17-41)

SUNDAY, NOV. 9

ELMORE OIL CORP.
Elmore Oil Corp. registered with SEC 14,000 shares common stock, $5 par value

Address — Stevens-Harle Bldg., Durant, Okla.

Business—Engaged in the oil business; buying, selling oil and/or gas leases; owns and operates certain oil and gas leases and equipment in Brown and Jack Counties, Tex.

Underwriters—None

Offering—The shares will be offered to the public direct by company, at $5 per share

Proceeds will be used for drilling of 5 additional wells, the equipping of a certain lease, and for working capital

Registration Statement No. 2-4864. Form A-1. (10-21-41)

TUESDAY, NOV. 11

PIERCE BUTLER RADIATOR CORP.
Pierce Butler Radiator Corp. has registered with SEC 120,000 shares 5% cumulative convertible preferred stock, $2.50 par value; and 120,000 shares of $1 par common stock, latter reserved for conversion upon issuance of the preferred.

Address—701 Nichols Ave., Syracuse, N. Y.

Business—Engaged in manufacture and sale of heating boilers and radiators, steam heating and high pressure boilers, Unaflow engines, radiator valves, boiler gauges and thermometers

Underwriters—None

Offering—The preferred stock will be offered for subscription to stockholders, at par. Unsubscribed portion will be purchased by Max Kalter, director of company, on behalf of a syndicate which he represents. Subscription price is $2.50 per share

Proceeds will be used for payment of certain outstanding bank loans and notes

Registration Statement No. 2-4865. Form A1. (10-23-41)

WEDNESDAY, NOV. 12

ILLINOIS COMMERCIAL TELEPHONE CO.
Illinois Commercial Telephone Co. registered with SEC $5,750,000 of first mortgage 3⅜% bonds, due Oct. 1, 1971; and 24,000 shares of $5 cumulative preferred stock no par

Address—607 E. Adams St., Springfield, Ill.

Business—This subsidiary of General Telephone Co. is engaged in providing, without competition, telephone service to 180 communities and surrounding territories in Illinois, including Kewanee, Monmouth, Macomb, Lincoln, Belvidere, Harrisburg, Olney, Mendota and Mt. Carmel

Underwriters, and amount of bonds and preferred stock underwritten by each, follow:

	Amt. of Bonds	No. of Shs. of pfd. stk.
Bonbright & Co., Inc., New York	$2,875,000	12,000
Paine, Webber & Co., New York	2,156,000	9,000
Mitchum, Tully & Co., Los Angeles	719,000	3,000

Offering—Bonds and preferred stock to be offered to the public, the bonds at 106½, and the preferred stock at a price to be supplied by amendment to the registration statement

Proceeds from sale of the bonds and preferred stock, together with $105,000 received from sale of 7,000 additional shares common stock, will be used in part to retire following securities of company: $5,750,000 First Mortgage Series A 3¾% bonds, due June 1, 1970, at 105½; 17,098 shares $6 preferred stock, at $110 per share; 1,108 shares $6 preferred stock, owned by parent company, at latter's cost. Balance of net proceeds will be used to purchase from General Telephone Corp. the outstanding capital stocks of Central Illinois Telephone Co. and Illinois Standard Telephone Co., to make additions and betterments to company's plant and property, and for other corporate purposes

Registration Statement No. 2-4866. Form A2. (10-24-41)

THURSDAY, NOV. 13

CHAMPION PAPER & FIBRE CO.
Champion Paper & Fibre Co. registered with SEC $8,500,000 of first mortgage bonds, due Nov. 1, 1956 (interest rate to be filed by amendment); 40,000 shares $5 cumulative convertible preferred stock, no par; and an indeterminable number of shares of no par common stock, to be reserved for issuance upon conversion of the preferred stock

Address—Hamilton, O.

Business—Largest domestic manufacturer of the types of paper known in the trade as white papers and book papers, and is one of the largest domestic manufacturers of coated papers

Underwriters are W. E. Hutton & Co. and Goldman, Sachs & Co., both of New York, N. Y.

Offering—The bonds and preferred stock will be offered to the public, at prices to be supplied by amendment

Proceeds will be used to redeem the outstanding aggregate of $8,660,000 of 4¾% sinking fund debentures ($4,125,000 principal amount due 1950, at 104½; $4,535,000 principal amount of the 1938 Issue at 102¼), requiring $8,947,663. Balance of net proceeds will be added to working capital

Registration Statement No. 2-4867. Form A2. (10-25-41)

DATES OF OFFERING UNDETERMINED

We present below a list of issues whose registration statements were filed twenty days or more ago, but whose offering dates have not been determined or are unknown to us.

AIR ASSOCIATES, INC.
Air Associates, Inc., registered with SEC 50,000 shares $1.37½ Cumulative Convertible Preferred Stock, no par; and maximum of 100,000 shares $1 par common stock, latter reserved for issuance upon conversion of the preferred.

Address—Bendix Airport, Bendix, N. J.

Business—Company is manufacturer and distributor of airplane parts, equipment, material, supplies and accessories.

Underwriter—White, Weld & Co., New York, is principal underwriter; others to be named by amendment. Underwriting commission is $2.25 per share.

Offering—Preferred stock to be offered to public, at price to be supplied by amendment.

Proceeds—$300,000 to prepay outstanding bank loans; $200,000 for purchase of additional machinery; balance for plant additions and working capital.

Registration Statement No. 2-4851. Form A-2. (9-27-41).

The company has filed an amendment to its registration statement with the Securities and Exchange Commission disclosing that its 50,000 shares of $1.37½ cumulative convertible preferred stock will be offered to the public by the following underwriters:

	Shares
White, Weld & Co.	12,500
Jackson & Curtis	10,000
Merrill, Lynch, Pierce, Fenner & Beane	10,000
Stern, Wampler & Co.	5,000
E. H. Rollins & Sons	4,000
Pacific Co. of California	4,000
Mitchum, Tully & Co.	1,500
Cohu & Torrey	1,000
Fuller, Cruttenden & Co.	1,000
Vietor Common & Co.	1,000

AIRPLANE MANUFACTURING & SUPPLY CORP.
Airplane Manufacturing & Supply Corp., registered with SEC 69,000 shares common stock, $1 par

Address—Lockheed Air Terminal, Burbank, Cal.

Business—Purchase, service and sale of airplane equipment

Underwriters—G. Brashears & Co., Los Angeles, Cal.

Offering—The number of shares to be offered by the underwriter consists of the 69,800 shares currently registered with SEC, and 16,433 shares previously registered with the SEC. Such aggregate of 86,233 shares are already issued and outstanding and are to be offered to public for account of certain selling shareholders, to be offered to public at arbitrary prices to be determined by underwriter from time to time with regard to existing circumstances. Such offering price will not exceed 125% not be less than 110% of the highest bid price during the day of sale. Underwriting commission on the 86,233 shares of 25 cents per share

Proceeds will accrue to the selling stockholders

Registration Statement No. 2-4807. Form A-1. Filed (7-31-41) (San Francisco)

Effective—3 p.m. E.S.T. Sept. 17 as of 4.45 p.m. Sept. 6, 1941

AMERICAN BAKERIES CO.
American Bakeries Co. registered 15,000 shares Class B no par common stock

Address—No. 520 Ten Pryor St. Bldg., Atlanta, Ga.

Business—Manufacturing and distributing bakery products in souther states

Underwriter—None named

Offering—Stock will be offered to public at price to be filed by amendment

Proceeds—All proceeds will be received by L. A. Cushman, Jr., chairman of board of company, for whose account the stock will be sold

Registration Statement No. 2-4714. Form A-2. (3-28-41)

AUTOMATIC TELEPHONE DIALER, INC.
Automatic Telephone Dialer, Inc. registered 75,000 shares of common stock, no par

Address—1201 East Grand Street, Elizabeth, N. J.

Business — Development of automatic telephone dialing devices

Underwriter—None. Stock will be sold through registered brokers and dealers

Offering—Public offering price, $3 per share, underwriting commission 75 cents per share

Proceeds—For engineering and development expenses and working capital

Registration Statement No. 2-4752. Form A-1. (5-5-41)

Effective but apparently deficient 4:45 P.M., E.S.T., May 24, 1941

BEACON ASSOCIATES, INC.
Beacon Associates, Inc. registered SEC $500,000 6% Participating Sinking Fund Debentures, due July 1, 1971

Beacon Associates, Inc. interest rate on $500,000 Participating Sinking Fund Series A Debentures, due July 1, 1971, changed from 6% to 6½% per annum, according to amendment filed with SEC July 21, 1941

Address—216 Turks Head Bldg., Providence, R. I.

Business—Engaged in the small loan business in Rhode Island and Massachusetts

Offering—The Debentures will be offered to the public at 100 by F. L. Putnam & Co., Inc., Boston; underwriting commission is 15%, leaving net price to company of 85

Underwriter—F. L. Putnam & Co., Inc., Boston

Proceeds—Will be advanced to subsidiary for their working capital or will be used for payment of debt incurred on providing funds for advances to subsidiaries

Registration Statement No. 2-4790. Form A-2. (6-27-41)

Effective—3:00 P.M. E.S.T., August 22, as of July 17, 1941

BEAR MINING AND MILLNG COMPANY
Bear Mining and Milling Co. registered 153,145 shares of common stock, $1 par

Address — 513 Majestic Bldg., Denver, Colo.

Business—Mining and milling

Underwriter—None

Offering—Stock will be offered publicly at $1 per share, selling commission, 35%

Proceeds — For development equipment and operation mining property near Breckenridge, Colo.

Registration Statement No. 2-4571. Form A-1. (11-12-40)

Calendar of New Security Flotations

BONWIT TELLER, INC.

Bonwit Teller, Inc. registered 39,334 shares of 5½% cumulative convertible preferred stock, $50 par, and 131,202 shares of common stock, $1 par

Address—721 Fifth Avenue, New York City

Business—Operation of specialty store in New York City

Underwriters—To be filed by amendment

Offering Terms — Preferred and common will be publicly offered at prices to be filed by amendment, except that 106,202 common shares will be reserved for conversion of preferred

Proceeds—Stock will be sold by Atlas Corp. and the American Co., parents, and no proceeds will be received by the company

Registration Statement No. 2-4748. Form A-2. (4-30-41)

BRIDGEPORT BRASS CO.

Bridgeport Brass Co. registered with SEC 25,486 shares cumulative convertible preferred stock, $100 par; and indeterminate number of shares of no par common stock (including scrip certificates for fractions of shares), such common stock to be reserved for issuance upon conversion of the convertible preferred stock. Dividend rate of the preferred stock will be supplied by amendment.

Address—30 Grand St., Bridgeport, Conn.

Business—Company purchases and processes copper, zinc and other non-ferrous metals and manufactures and markets brass and other non-ferrous metal alloys in various forms.

Offering—The preferred stock will be first offered to holders of company's common stock of record Oct. 24, 1941 (or, in certain circumstances, at a later date on or before Oct. 28, 1941) for subscription on the basis of one share of preferred stock for each 37 shares of common stock held. Subscription price will be supplied by amendment. The subscription offer expires approximately Nov. 5, 1941.

Underwriting—Any shares of preferred stock not subscribed to under above subscription offer, will be purchased by underwriters and sold to public, at price to be supplied by amendment. Names of underwriters, and the percentages of such unsubscribed stock to be purchased by each, are as follows (all of New York, N. Y., unless otherwise indicated):

	% of Unsub. Pfd. Stk. to be Purchased
G. M.-P. Murphy & Co.	21.525
Stone & Webster and Blodget, Inc.	15.695
Union Securities Corp.	12.752
W. E. Hutton & Co.	10.790
Hornblower & Weeks	9.809
Hemphill, Noyes & Co.	7.847
Kidder, Peabody & Co.	5.886
Spencer, Trask & Co.	5.886
Bosworth, Chanute, Loughridge & Co., Denver	3.924
Reynolds & Co.	3.924
Auchinloss, Parker & Redpath, Wash., D. C.	1.962

Proceeds—Proceeds, plus other funds of company, will be applied to payment of outstanding $2,874,000 3% notes of company, requiring $2,917,110.

Registration Statement No. 2-4857. Form A-2. (10-10-41).

Effective 3 P.M., E.S.T. on Oct. 21, 1941.

Amendment—Filed disclosing that preferred stock will bear dividends at the rate of 5½% per annum and that the shares will be first offered to common stockholders of record Oct. 24, 1941, for subscription at $105 per share, at the rate of one share of the preferred stock for each 37 shares of common stock held. Subscription offer will expire on Nov. 5, 1941. Unsubscribed shares will be offered to the public at a price of $105 per share by underwriters, who will receive a commission from the company of $2 per share on all of the 25,486 shares of preferred stock plus an additional $2 per share on all of such shares actually purchased by them

BULLION, INC.

Bullion, Inc., registered 110,000 shares of $1 par 8% non-cumulative preferred stock and 110,000 shares of common stock ten cent par

Address—1st Nat'l Bank Bldg., Deadwood, South Dakota

Business—Gold mining

Underwriter—None

Offering—Preferred will be offered at $1 per share, and common at 10 cents per share

Proceeds—For development of mining properties, purchase of machinery and equipment, and working capital

Registration Statement No. 2-4763. Form A-O-1 (5-20-41)

Effective—4:45 P.M., E.S.T. on Sept. 23, 1941 as of 4:45 P.M., E.S.T., Aug. 10, 1941.

COLUMBIA GAS & ELECTRIC CORP.

Columbia Gas & Electric Corp. registered $28,000,000 serial debentures, due 1942 to 1951, and $92,000,000 sinking fund debentures due 1961

Address—61 Broadway, N. Y. C.

Business—Public utility holding company

Offering—Both issues will be publicly offered at prices to filed by amendment

Proceeds—To redeem $50,000,000 Deb 5s, 1952; $4,750,700 Deb. 5s, due April 15, 1952; $50,000,000 Deb. 5s, 1961; to purchase $3,750,000 4% guaranteed serial notes due 1942-46 of Ohio Fuel Gas Co., a subsidiary, and $3,750,000 guaranteed serial notes of United Fuel Gas Co., a subsidiary, from the holders thereof; and to make a $3,402,090 capital contribution to Cinn., Newport & Covington Ry. Co. to enable that Company to redeem its outstanding $3,303,000 1st & Ref. 6s, 1947

Registration Statement No. 2-4736. Form A-2. (4-10-41)

COMPOSITE BOND FUND, INC.

Composite Bond Fund, Inc., registered with SEC 32,500 shares $1 par common stock.

Address—601 Riverside Ave., Spokane, Wash.

Business — Open-end investment trust, limited to investments in bonds.

Underwriting—Murphey, Favre & Co., Spokane, Wash., is underwriter and distributor, purchasing said shares at the net asset value then in effect for distribution to public at such net asset value plus 8½%.

Offering—To be offered to the public at the then prevailing market price.

Proceeds—Will be used for investment purposes.

Registration Statement No. 2-4825 Form A-1. (8-28-41)

FLORIDA POWER & LIGHT CO.

Florida Power & Light Co. registered with SEC $45,000,000 First Mortgage bonds, due Oct. 1, 1971; $10,000,000 Sinking Fund Debentures, due Oct. 1, 1956; and 140,000 shares Cumulative Preferred Stock, $100 Par. Interest rates on the Bonds and Debentures, and the dividend rate on the preferred stock, will be supplied by amendment

Address—25 S. E. Second Ave., Miami, Fla.

Business—This subsidiary of American Power & Light (Electric Bond & Share System) is an operating public utility engaged principally in generating, transmitting, distributing and selling electric energy (also manufacture and sale of gas), serving most of the territory along the east coast of Florida (with exception of the Jacksonville area), and other portions of Florida

Underwriting and Offering—The securities registered are to be sold by company under the competitive bidding Rule U-50 of the SEC's Public Utility Holding Company Act. Names of underwriters and price to public, will be supplied by post-effective amendment to registration statement

Proceeds will be applied as follows: $53,170,000 to redeem at 102¼, the $52,000,000 of company's First Mortgage 5s of 1954; $15,693,370 to redeem at $110 per share, the 142,667 shares of company's $7 preferred stock, no par. Further details to be supplied by post-effective amendment

Registration Statement No. 2-4845. Form A2. (9-17-41)

HOUSTON LIGHTING & POWER CO.

Houston Lighting & Power Co. registered with SEC an indeterminate number of shares of its common stock, no par. (Company has outstanding 500,000 shares of common stock, of which 499,987 shares are held by its parent National Power & Light Co., which latter company also holds options to purchase the remaining 13 shares of outstanding common stock of company).

Address—900 Fannin St., Houston, Tex

Business—Company is an operating public utility company principally engaged in generating, transmitting, distributing and selling electricity at retail and wholesale, serving 150 communities and an extensive rural area in Texas, including cities of Houston and Galveston.

Underwriter—None.

Offering — No public offering contemplated initially. Company is advised by National Power & Light, that that company has filed with SEC a declaration under the Holding Company Act contemplating, initially, the exchange of common stock of company which National Power & Light owns, for the $6 preferred stock of National Power & Light Co. and also contemplating that if, upon termination of such proposed exchange plan, National Power & Light still holds as much as 5% of common stock of company, it will dispose of such holdings as promptly as shall be practicable in light of then market and other conditions and with the best interests of its security holders in mind. After such disposition, company will have ceased to be either a subsidiary or an affiliate of National Power & Light Co. or Electric Bond & Share Co.

Registration Statement No. 2-4827 Form A-2. (8-29-41)

KENSINGTON MINES, INC.

Kensington Mines, Inc. has filed a registration statement covering 565,000 shares of $1 par 6 per cent cumulative preferred stock and the same number of shares of 1 cent par common 35,000 shares of $1 par 6 per cent cumulative preferred shares previously sold to promoters at $1 and 1,320,000 shares of 1 cent common previously sold to promoters at 2.65 cents a share

Address—Seattle, Washington

Business—Mining and Milling

Proceeds — For property, construction development and working capital

Underwriters—Kressly and Campbell

Registration Statement No. 2-4697. Form A-1. (3-21-41)

Effective—4:45 P.M., E.S.T., April 9 1941

KIRKLAND GOLD RAND, LTD

Kirkland Gold Rand, Ltd., registered with SEC, under refiling, 500,000 shares common stock $1 par

Address—360 St. James St., West, Montreal, Quebec, Canada

Business—Engaged in development, acquiring, holding, selling and operating gold, silver and other mineral mines Company is still in the development stage

Underwriters—To be named by amendment

Offering—Above shares to be offered to public at $1.25 per share; underwriting commission is 43¾ cents per share

Proceeds—For development, purchase of equipment and working capital

Registration Statement No. 2-4727. Form A-1. Refiled (6-16-41)

LA CROSSE TELEPHONE CORP.

La Crosse Telephone Corp. registered 32,080 shares of common stock, $10 par

Address—La Crosse, Wisconsin

Business—Telephone service to La Crosse Wis.

Underwriter—Alex. Brown & Sons

Offering—All stock registered will be publicly offered at price to be filed by amendment, except that 2,406 shares will be sold to Central Electric & Telephone Co.

Proceeds—Stock registered is owned by parent company, Middle Western Telephone Co., which will donate a portion to La Crosse Telephone Corp. and latter will use proceeds to retire outstanding preferred stock

Registration Statement No. 2-4717. Form A-2. (3-29-41)

McDONNELL AIRCRAFT CORP.

McDonnell Aircraft Corp. registered with SEC 6,455⅛ shares 6% Non-Cumulative Convertible Preferred Stock, $100 par, and 129,063½ shares common stock, $1 par

Address — Lambert-St. Louis Municipal Airport, Robertson, Mo.

Business—Engaged in designing and developing aircraft and of manufacturing and selling parts for aircraft; expects presently to engage in business of manufacturing, testing and selling aircraft

Underwriting—None. Securities to be offered by company

Offering—Of the shares registered, the 6,453⅝ shares of preferred and 64,531⅔ shares of common, will be offered to public in units each unit consisting of one share of preferred and 10 shares of common stock, at price of $140 per unit. Remaining 64,531⅔ shares common reserved for issuance on conversion of the preferred

Proceeds for working capital, purchase of tools, machinery and equipment.

Registration Statement No. 2-4844. Form A-1. (9-17-41)

Effective—4:45 P.M., E.S.T., on Oct. 8, 1941 as of 4:45 P.M., E.S.T., Oct. 6, 1941.

MOORE-McCORMACK LINES, INC.

Moore-McCormack Lines, Inc. registered 30,000 shares of $5 cumulative convertible preferred stock, $100 par, and 210,000 shares of common, $1 par

Address—5 Broadway, New York City

Business—Operation of vessels in South American trade

Underwriters—E. H. Rollins & Sons Incorporated and Schroder Rockefeller & Co., Inc.

Offering—The preferred and 85,000 common shares will be offered publicly at prices to be filed by amendment. 150,000 common shares will be reserved for conversion of the preferred

The proposed offering will represent about 17% of the outstanding common stock of Moore-McCormack Lines and approximately 55% of preferred stock. Albert V. Moore, president, and Emmet J. McCormack, vice president and treasurer—officers and directors associated with the company since its incorporation in 1927, retain together about 72% of the common stock, or 36% each. On Dec. 31, 1940, they sold to Kuhn, Loeb & Co., Beavan Corp. and Schroder Rockefeller & Co., Inc., 30,000 shares of $5 no par preferred stock and 2,150 shares of no par common which have since been converted into 30,000 shares of $100 par preferred and 107,500 shares of $1 par common. It is understood that Kuhn, Loeb & Co. are retaining 22,500 of such common shares as an investment

Proceeds—None of the proceeds will be received by the company

Registration Statement No. 2-4715. Form A-2 (3-29-41)

MUTUAL TELEPHONE CO.

Mutual Telephone Co. registered with SEC 100,000 shares capital stock, $10 par.

Address—1128 Alakea St., Honolulu, Oahu, Territory of Hawaii.

Business—Company is an independent public utility furnishing telephone service on the Islands of Oahu, Hawaii, Maui, Kauai, and Malokai, Territory of Hawaii, radio telephone service between said Islands and certain ships at sea, and also wireless telegraph service between Oahu, Lanai, Hawaii, Maui and Malokai.

Underwriters—There is no underwriting in connection with this offering.

Offering—Company is offering the 100,000 shares for subscription at $10 per share to its stockholders of record Oct. 15, 1941, by offering one share for each 4 shares then held. Subscription offer expires Dec. 20, 1941. Full shares of such stock, representing fractional interests and also shares called for by warrant to be issued to stockholders, which are not exercised, will be sold at public auction in Honolulu to highest bidder therefor not later than Dec. 27, 1941, and proceeds from the auction sale in excess of $10 per share (after deduction expenses of auction) will be distributed pro rata to stockholders of record Oct. 15, 1941, whose fractional interests are disposed of and to holders of unexercised warrants.

Proceeds to prepay outstanding short term bank loans, additions to plant and equipment, working capital.

Registration Statement No. 2-4855. Form A2. (10-6-41)

Effective—4:45 P.M., E.S.T., on Oct. 17, 1941.

NORTHERN NATURAL GAS CO.

Northern Natural Gas Co. registered 710,500 shares of common stock, $20 par

Address — Aquila Court Bldg., Omaha, Nebraska

Business—Production and transmission of natural gas

Underwriter—Blyth & Co., and others to be named by amendment

Offering—Stock will be publicly offered at price to be filed by amendment

Proceeds—All proceeds will be received by selling stockholders, United Light & Railways Co., and North American Light and Power Co.

Registration Statement No. 2-4741. Form A-2. (4-21-41)

Northern Natural Gas Co. filed an amendment to its registration statement of shares of its $20 par value common stock proposed to be offered to the public has been reduced from 710,500 shares to 355,250 shares. According to the amendment, such 355,250 shares are those that are presently owned, and outstanding, by North American Light & Power Co., and are to be offered to public for the account of American Light & Power Co.

The 355,250 additional shares originally registered with the SEC on April 21, 1941 for public offering, and withdrawn from registration were subsequently registered and became effective. These shares constituted the stock outstanding and owned by United Light & Railways Co., a subsidiary of United Light & Power Co.

PUEBLO MINING COMPANY

Pueblo Mining Co. registered with SEC 1,500,000 shares 1 Cent Par Value Assessable Common Stock

Address—Spokane, Wash.

Business—Mining

Underwriter—No underwriter named.

Offering—To be offered to public at 3 cents per share

Proceeds—Will be used for development, purchase of equipment, building, and working capital

Registration Statement No. 2-4829. Form AO-1. (9-3-41) (San Francisco)

SOUTHEASTERN INDIANA POWER CO.

Southeastern Indiana Power Co. registered with SEC 2,000 shares 6% cumulative preferred stock, $100 par

Address—Rushville, Ind.

Business—A public utility company engaged in transmitting, distributing and selling electricity in southeastern Indiana

Offering — The preferred stock will be offered to public at a price to be supplied by amendment

Underwriter—Central Republic Co., Inc., Chicago, is sole underwriter

Proceeds—From sale of the 2,000 shares preferred stock, together with aggregate of $1,152,280 to be received by company from sale of other securities ($650,000 4% first mortgage bonds to an insurance company, $350,000 Serial Guaranteed Debentures to a bank and an insurance company, and 12,500 shares $10 par common stock) are to be applied by company to acquire all the outstanding capital stock and funded indebtedness of Hoosier Public Utility Co. and for other corporate purposes

Registration Statement No. 2-4830. Form A-2 (9-6-41)

SOUTHERN ACCEPTANCES, INC.

Southern Acceptances, Inc. registered 150 shares $50 dividend Preferred stock, no par, 20 shares Class A $60 dividend common stock, no par; and 30 shares Class B common stock, no par

Address—26 Wall St., Orlando, Fla.

Business—Discounting installment notes and making small loans

Underwriter—Leedy, Wheeler & Co., Orlando, Fla.

Offering—Preferred and Class A will be publicly offered at $1,000 per share Class B common at $1,100 per share Underwriting commission $50 on preferred and Class A, and $55 on Class B

Proceeds—To repay bank loans, and for working capital

Registration Statement No. 2-4570. Form A-2. (11-12-40)

Effective—Dec. 4, 1940

TEXAMERICA OIL CORP.

Texamerica Oil Corp. registered with SEC 119,891 shares common stock, $2 par.

Address — Milam Bldg., San Antonio, Tex.

Business—Engaged in production and marketing of crude oil, acquire mineral leasehold interests in producing or proven oil properties in Texas, drilling of oil wells thereon, acquire royalty interests in proven and developed oil properties.

Underwriter—Willard York Co., San Antonio, Tex., has agreed to purchase 44,750 shares at $1.75 per share and 74,157 shares at $2, from company.

Offering—118,907 shares to be offered to public at $2.375 per share; remaining 984 shares registered constitute shares issued July 1, 1941, by company, as dividends.

Proceeds—Will be used to pay outstanding mortgage indebtedness ($200,000), and remaining $26,626 will be added to working capital

Registration Statement No. 2-4824 Form A-1. (8-27-41)

TRAILER COMPANY OF AMERICA

Trailer Co. of America registered with SEC 4,547 shares 7% cumulative preferred stock, $100 par, and 81,095 shares common stock, no par

Address—31st & Robertson Aves., Cincinnati, O.

Business—Manufacture, assembly, dis- with the SEC, disclosing that the number tribution and sale of commercial trailers and semi-trailers, trailer bodies, parts and equipment, truck bodies and cabs for tractors and trucks

Underwriters—None

Offering—The above shares to be offered by company to all its stockholders at price of $100 per share of 7% preferred and $8 per share for common, through rights, at rate of 2½% shares of 7% preferred and 5 shares of common stock for each share of 7% preferred stock held, and at rate of one share of common stock for each share of common stock held. Subscription rights evidenced by Warrants will expire on the thirtieth day after date of issue. Unsubscribed portion of the shares will be offered for sale, at same prices, to all stockholders. Any unsold shares then may be sold at same prices to general public

Proceeds—For plant extension, retirement certain bank loans, and for working capital

Registration Statement No. 2-4803. Form A-2. (7-29-41) (Cleveland)

Effective—Sept. 13 at 1:15 P.M., E.S.T. as of 4.45 p.m. E.S.T. Sept. 17, 1941

UNION LIGHT, HEAT AND POWER COMPANY

Union Light, Heat and Power Co. registered 25,000 shares $100 par common stock

Address—4th & Main St., Cincinnati, Ohio

Business — Operating electric utility company

Underwriter — Columbia Gas & Electric Corp.

Offering—Stockholders will receive offer to subscribe to 25/94ths of one common share in units of 5/94ths of a share for each 5/94ths of a share held at $5.32 for each unit. On a share basis, stockholders may subscribe to 5 new shares for each share held at $100.016 per share. Substantially all outstanding stock is held by Columbia Gas & Electric Corp.

Proceeds—To repay current debt and $2,835,000 first mortgage bonds held by parent and associated companies, and for construction costs

Registration Statement No. 2-4379. Form A-2. (3-30-40)

UNITED STATES SUGAR CORP.

United States Sugar Corp registered with SEC 200,000 shares 6.4% Series A Cumulative Participating Convertible Preferred Stock, $25 par, and 562,500 shares common stock $1 par, latter reserved for issuance upon conversion of the preferred

Address—Clewiston, Fla.

Business—Principal business consists of the culture of sugar-cane in the Everglades of Florida and extraction of raw sugar therefrom in a sugar-house adjacent to Clewiston, Fla. Sugar is presently disposed of under the contract with Savannah Sugar Refining Corp.

Underwriter—None named

Offering—The preferred shares registered are to be offered for subscription to holders of outstanding common stock and $5 preferred stock of company, of record Nov. 10, 1941, or the tenth day after offering of the stock to stockholders, whichever is later, at a price of $25 per share, on following basis: one share new preferred for each 10 shares common, and 4 shares new preferred for each share outstanding $5 preferred stock. Subscription period comprises the ten days following the record date, but company may extend the expiration date to not later than Dec. 15, 1941. Unsubscribed portion of the 200,000 shares preferred stock may be offered at others by company, at $25 per share, in sole discretion of company

Proceeds will be used for plant additions an improvements, purchase of new machinery and equipment, for retirement of outstanding $5 preferred stock, and for working capital

Registration Statement No. 2-4847. Form A2. (9-23-41)

UNITED WHOLESALE DRUGGISTS OF PITTSBURGH, INC.

United Wholesale Druggists of Pittsburgh, Inc., registered with the SEC 4,000 shares no par common stock

Address—6543 Penn Ave., Pittsburgh, Pa.

Business—Incorporated in Delaware on April 28, 1941, to engage in business of selling drug store merchandise

Underwriting—None

Offering—The 4,000 shares of common stock will be sold by the company direct to (exclusively) retail druggists, at $50 per share

Proceeds—Will be used for purchase of equipment, and for working capital

Registration Statement No. 2-4818 Form A-2. (8-22-41)

Effective—Oct 7, 1941 at 11 A. M., E.S.T.

VIRGINIA LAND CO.

Virginia Land Co. registered warranty deeds representing interests in oil and gas lands in the Everglades, Florida, about 50 miles west of Miami

Address—Theatre Building, Coral Gables, Dade County, Florida

Underwriters—None

Offering—Interests will be sold to the public at prices from $20 per acre up to $150 per acre

Proceeds — For development of lands, purchase of equipment, and working capital

Registration Statement No. 2-4767. Form S-10 (5-23-41)

Effective—Under notice of deficiency 4:45 P.M., E.S.T., Sept. 21, 1941.

WHITWORTH APARTMENT, INC.

Whitworth Apartment, Inc., registered with SEC 5,950 shares common stock, 25 cents par $74,375 First Mortgage 5% bonds, due Sept. 1, 1951; and $74,375 Second Mortgage Income Bonds. 6% Non-Cumulative Interest, due Sept. 1, 1961

Address—311 Securities Bldg., Seattle, Wash.

Business—Incorporated on July 3, 1941 to acquire title to Whitworth Apartment, Seattle, Wash., and to own and operate said apartment

Underwriters—None

Offering—All of the securities registered will be offered under a Plan of Reorganization, to holders of 148,750 undivided fractional shares, latter represented by Certificates of Interest. Latter may be surrendered under the plan through Seattle-First National Bank, Seattle, Wash. Owner of each 25/148,750 fractional share will receive: (a) $12.50 par value of first mortgage bonds, $12.50 par value of second mortgage income bonds, and one share of capital stock of the new company

Registration Statement No. 2-4811. Form E-1. (8-8-41) (San Francisco, Cal.)

WILLIAMS HYDRAULICS, INC.

Williams Hydraulics, Inc. registered 1,000,000 shares $5 par Class A common stock

Address—Alameda, Cal.

Business—Deep-sea dredging and manufacture of equipment therefor

Underwriters — Brown Hartwell Company

Offering—Public offering price, $5 per share, underwriting commission, $1 per share

Proceeds—Purchase of plant and equipment; purchase of seagoing vessel; equipment, and working capital

Registration Statement No. 2-4133. Form A-1. (7-19-39)

Effective—May 29 as of April 18, 1940

First Boston Issues Handbook on Govts.

The 1941 edition of "Securities of the U. S. Government and Its Instrumentalities", a 75-page publication, has just been published by The First Boston Corporation as a reference for institutional and individual investors. A number of innovations are presented in the new edition, particularly with reference to portfolio management, the effect of taxation on coupon income, and details regarding the new U. S. Defense Savings Bonds, while all the main features of earlier editions have been brought up to the latest available date. Most of the figures and tables included are of June 30, 1941 the Government's fiscal year ends June 30) or later, and various tables reflect operations for the first six months of 1941.

One section of the handbook sets forth a chronological record of the U. S. Treasury and guaranteed financing from January 1939 to date. In addition all outstanding securities of the various Federal credit agencies are fully discussed, including the obligations of the six Treasury agencies whose issues are fully guaranteed as to principal and interest by the Government.

Among the variety of charts contained in the booklet are graphs indicating recent charges in the balance of outstanding short, medium and long term securities of the Government; the steady shrinkage in the volume of tax exempt issues outstanding; a table giving combined return from coupon income plus market action of all Treasury bond and note issues for the year 1940, and the trend and amount of the interest bearing debt of the Federal Government since 1916.

Chapters and charts in the new booklet which had not appeared in previous editions deal with practical investment questions such as the complications brought about by the growing scarcity of tax exempt issues and the effect of new taxes upon income; excess reserves of member banks; and ownership of Government securities by types and by tax exemption status.

The handbook may be obtained at the office of The First Boston Corporation, 100 Broadway, New York City, upon request.

Registration Revoked

CHICAGO, ILL. — Edward J. Hughes, Secretary of State of the State of Illinois, has cancelled the registration of John J. Seerley & Co., 105 South La Salle Street, as dealer and broker in securities, on the grounds that the firm had been found by the State Secretary to have violated the Securities Law.

Write For Analysis

Clark, Kohl & Eyman, 55 Liberty Street, New York City, have prepared an analysis of the effect on Boston & Maine RR. preferred stocks of the opening of Boston Harbor for shipments to Great Britain, Iceland and Russia (Archangel). Copies may be had from Clark, Kohl & Eyman upon request.

Our Reporter On "Governments"

The bond holdings of New York City's member banks were up only $81,000,000 in the week ended Oct. 22—the period covering the day the banks paid for the Treasury's new 2½s. . . . At the same time, the note holdings of these banks were down only $4,000,000. . . . Both these figures came as distinct surprises to Government bond dealers. . . .

Both led to some conclusions which while generally accepted as accurate, may be questioned by astute observers. . . .

The feeling around Wall Street is that the banks in the largest city in the United States, subscribed to comparatively few of the new 2½s, issued in the amount of $1,590,000,000. . . . The impression is that the Treasury accomplished what it wished—a widespread distribution of the bonds outside of bank portfolios. . . . . That may be—but here is another interpretation that seems more logical. . . .

(1) The first reason for the minor rise in bond holdings of New York banks in that week is that the banks engaged in heavy in-and-out trading in the new bonds. . . . They sold considerable amounts of the bonds they bought at par to insurance companies, to individual investors, to trust funds. . . . And, of course, they froze some profits by so doing. . . .

(2) The second reason is that the banks offset their purchases of the long-term 2½s by selling blocks of short-term bonds. . . . Immediately after the offering, the short-term bond list appeared under pressure. . . . While the rest of the market was buoyant, this particular section showed clearly that some large-scale liquidation was going on. . . . This alone would explain the small increase in bond holdings in that period. . . .

Beyond question, the insurance companies bought huge amounts of the 2½s. . . . Beyond doubt, the issue has been—and will be—well distributed. . . . But it's highly unlikely that the largest banks in the nation stayed away from the most attractive Government bond offering in years. . . .

Incidentally, the small rise is bullish generally for the market — at least for the— short-pull. . . . It indicates that the banks are not loaded up with bonds; that they still have plenty of buying power left; that they're not out on a limb at a dangerous time. . . .

As for the small drop in note holdings, the story behind that is that the banks replaced the maturing notes with other note issues. . . . No doubt there was some "rolling over" of maturities but it is also probable that the big banks are buying longer-term Treasury notes. . . .

The Next Issue

Now that the RFC and CCC deals are out of the way, the market should have a breathing spell until late November or early December. . . . December seems the more logical date for the next major cash borrowing by the Treasury, if Secretary Morgenthau's cash holds out that long. . . Chances are it will, for the working balance is close to the $2,000,000,000 mark and money will be coming in from sales of defense bonds, sales of tax anticipation notes and possibly from increased issues of treasury bills. . . .

It's useless to talk now about the terms of an offering due weeks from now, but the odds favor another long-term flotation. And if that is so, investors may take their time in building up positions in long-term bonds in the open market. . . .

The best policy to follow these days is one of strict "staggering of maturities". . . . Keep some cash —to protect yourself against unanticipated dips in the market, unexpected demands for funds. . . . Spread your portfolio over the short-term and long-term list. . . . Hold some of the maturing notes, if you can buy them at not more than a 1½ to 2 point premium. . . . And the emphasis here is on the lower figure. . . .

The Rights

As predicted here, the "right" values on the guaranteed issues were maintained in the most recent Government operation. . . . That doesn't mean, of course, that the market will see a repetition of a deal such as we had in the 2½s in the near future. . . . That issue simply was too sweet. . . . But elimination of the "rights," if it occurs, probably will be gradual. . . . The odds are that the exchange gravy will be thinned out instead of taken away altogether.

You can work out a sensible, profitable policy of rolling over short maturities from this base. . . .

It may be that we'll get an announcement soon, telling us exactly what the Treasury intends to do about the "rights" over a period of months. . . . That announcement would be the fair thing to do, incidentally, for traders these days are getting whip-sawed badly. . . . They can't make up their minds what's going to happen to the rights and they're buying and selling at an unprofitable pace. . . . The premium of 17/32 bid on the new notes must look pretty large to the holders of the RFCs and CCCs that sold out on previous rumors that the "rights" were going to be eliminated. . . .

Well, perhaps this uncertainty is exactly what Morgenthau wanted to create. . . . At least, it will hold the premiums down. . . .

Inside The Market

Excess reserves are down to $4,660,000,000, lowest since Aug. 16, 1939. . . . They'll be down a lot more after the November 1 boost in reserve requirements becomes effective. . . .

Banks paid for large amounts of the new 2½s in cash—for much larger amounts than had been expected, by the way. . . . Treasury's deposits in the week covering the financing at the Federal Reserve Banks jumped $718,000,000. . . .

Former New York Reserve Bank President, George Harrison, recently remarked that action designed further to limit or discourage bank subscriptions to new Government issues seemed essential. . . . This may be a "feeler" but drastic action along these lines seems a long way off. . . .

It's possible, though, that a pattern for financing will emerge after a while. . . . Defense bonds for individuals. . . . Tax anticipation notes for corporations (and individuals) . . . long-term Government bonds for insurance companies, trust funds, estates, etc. . . . Bills and short-term Government issues for commercial banks. . . . Then, restrictions on subscriptions would be in order. . . .

Fajardo Sugar Reports $1,082,847 Profit

The Fajardo Sugar Co. of Porto Rico and associated organizations reports for the fiscal year ended July 31, 1941, a profit of $1,082,847 after expenses and depreciation, but before income taxes. This compares with a profit of $710,711 in the preceding year. John Bass, President, reports that the total cane ground amounted to 780,742 tons and the factory output was 90,388 tons of sugar. Mr. Bass states that the 1942 crop appears to be in excellent condition.

B. Symonds To Manage Municipals For Perry

BOSTON, MASS. — Arthur Perry & Co., Inc., 31 Milk Street, announce that B. Shapleigh Symonds has become associated with them as manager of their municipal bond department. Mr. Symonds was formerly first Vice-President of Chace, Whiteside & Symonds, Inc. and was an officer of Commodity Distributors, Inc.

Geo. Goodspeed Now With W. R. Bull & Co.

(Special to The Financial Chronicle)

NEW HAVEN, CONN.—George S. Goodspeed has become associated with W. R. Bull & Co., Inc., 215 Church Street. Mr. Goodspeed was formerly local manager for Fahnestock & Co. and prior thereto was an officer of the R. F. Griggs Co. and Ross Beason & Co.