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SEC Proposals To Amend Securities Laws Seen Offering Little Relief For Business

Incident to the hearings on amendments to the Securities Acts, which began in Washington on Oct. 28 before the House Interstate and Foreign Commerce Committee, the Research Bureau of the Commerce and Industry Association of New York, Inc., has prepared a memorandum on the proposals of the SEC and representatives of the the securities industry for amendments to the Securities Act of 1933 and the Securities Exchange Act of 1934. The Association announces that this analysis shows that these proposals would do little to relieve the needlessly burdensome restrictions now imposed by these laws and their administration on the financing of private business by private capital, but are rather designed to extend the power of the Securities and Exchange Commission over nearly all private business on the one hand, and ostensibly to benefit the securities industry on the other, but they do not meet the fundamental needs of business, particularly small business, throughout the country.

Endorsement of the Wadsworth bill (H. R. 4344) to amend the various securities laws is contained in the Association's memorandum, which says:

There has been introduced in the House of Representatives by Representative Wadsworth a bill which offers amendments designed to effectively deal with these fundamental problems which have been ignored in the SEC-industry proposals. It imposes upon the Commision the affirmative duty of revising its registration forms and procedure so as to reduce the expenses, complexities and unnecessary duplication of printing and work involved in the present procedure and of providing for reasonably informative prospectuses instead of the confusing, bulky documents of to-day. It also imposes upon the Commission the affirmative duty of encouraging and fostering orderly and active securities markets and specifically requires the Commission to give due regard to the free flow of private capital into private enterprise. In addition, it contains provisions designed to curb the arbitrary powers of the Commission, to prevent "smear" publicity and to provide relief from unreasonable regulations and unfair rulings of the Commission and its staff.

To sum up, the interests of issuers and investors alike urgently require the reopening of the capital markets to private industry and the restoration of vitality to our national securities markets. The proposals made by the SEC and representatives of the securities business, while they contain a number of important technical improvements in the wording of the laws, offer little or no promise of progress in this direction and, on the contrary, would extend the restrictive powers and burdensome control

(Continued on page 921)

OUR REPORTER'S REPORT

Hearings on the proposed amendments to the Securities laws, now in progress before the House Interstate Commerce Commission, give promise of dragging on for some time.

Investment bankers hereabouts who have been attempting to follow the proceedings, via the press, contend that they have not yet seen much of a nature to give a cue to the ultimate outcome.

They find it heartening, none-the-less, to find that they have at least a few supporters among the Legislators on the committee, notably Representative Wadsworth of New York and Representative Lee of California.

Congressman Wadsworth's contention that "expense and delay" involved in registration of securities have been largely responsible for the growth of private sales by corporations direct to institutional buyers struck a responsive chord.

His outline of the experience of American Water Works & Electric Co. and subsidiaries in floating 39 issues between Jan. 1, 1936, and March 19 this year, including one preferred stock issue.

Of the 39 issues, all but two went to banks and insurance companies while the two went to universities, thus freezing out the public which hitherto had been a large holder of 34 of the outstanding issues replaced.

Quiet Week Disturbs

Few periods, even in the seasonal mid-summer slack of several months ago, matched the current week for inactivity in the new issue market.

Not a single new corporate undertaking reached the market and dealer and underwriters alike had to content themselves with such

(Continued on page 919)

Farm Credit Bill Opposed By ABA Officials As Unsound and Conducive to Inflation

Representatives of the American Bankers Association appeared before the House Agriculture Committee on Oct. 28 to express opposition to the pending bill for the reorganization of the farm credit system. The measure is sponsored by Representative Fulmer, Democrat of South Carolina, who is Chairman of the House Agriculture Committee.

In summarizing the position of the ABA, A. L. M. Wiggins, Chairman of the Association's Committee on Federal Legislation, saying that he was speaking not only for chartered banking but for what is believed to be sound national economy, presented the following points:

(1) We favor such amendments to the law creating the Federal Land Bank System as will enable that system to function most effectively and most economically.

(2) We believe that this system will best function when operated as a farmer-owned, cooperative, credit system under government supervision and financed through the use of private capital.

(3) Such provisions in the legislation here proposed as will convert this system into a government agency with control and management centered in Washington and financed directly or indirectly with the resources or credit of the United States Government is neither in the best interest of the farmers nor in the public good.

(4) The freezing into the permanent farm mortgage credit system of the emergency plan of lending 75% of appraised values on farm property is unwarranted, is unsound, and inevitably will result in hardship on borrowers in their efforts to repay and will require a con-

(Continued on page 919)

INDEX

Schram Urges Independence For Exchanges At Hearings On Securities Acts Amendments

Strongly urging upon the House Committee on Inter-State and Foreign Commerce "the desirability of leaving to the Exchanges the freedom and independence that are needed to deal with constantly changing problems in the every-day administration of our markets," Emil Schram, President of the New York Stock Exchange, at the Committee's hearing on Oct. 30 on proposals to amend the Securities laws, added that "this is necessary if the integrity of exchange self-regulation is to be preserved. It is also necessary if we are to encourage young men of initiative and ability to enter the securities business." Mr. Schram went on to say:

I want expressly to negative any implication that the Securities Exchange Act or its administration is necessarily the cause of the creeping paralysis which has beset our exchange markets, but I do most emphatically urge that the Congress, the Securities and Exchange Commission and the industry itself bend every effort to stamp out this paralysis. I know that you will approach this problem as it exists today and not in the light of conditions that existed in the 20's or the early 30's.

I would like to emphasize here that the New York Stock Exchange, in recent years, has undergone a modernization which, I believe, makes it the equal today of any organization in the country. It has completely overhauled its administrative machinery in the interest of greater efficiency, it has has broadened its supervision of its member firms and it has introduced many important safeguards for the benefit of investors. Our market has readjusted itself realistically to present-day conditions. It is operating under an enlightened concept of its responsibilities. We are as determined as you that the abuses and the excesses of the past shall never return.

Many millions of people have invested their money in the securities listed on our Exchange. They have a direct and vital interest in the health and vitality of our market. Their welfare, no less than the welfare of our whole economy, is involved in the legislation which is before you. The protection which these millions of people urgently need today can best be provided through the rehabilitation of our market.

In his statement before the Committee Mr. Schram declared that "the preservation of our exchange markets is vital to our private enterprise system." He likewise said "it is important that these markets be kept not only honest, but healthy and efficient. This is a responsibility, it seems to me, which rests upon the Congress, the Securities and Exchange Commission, and the exchanges themselves. The cooperation of all three is necessary if the securities exchanges are to continue to perform their fundamental and

(Continued on page 922)

Traders Of St. Louis Elect '41-'42 Officers

ST. LOUIS, MO.—At the annual election of the Security Traders Club of St. Louis, the following officers were elected for the year 1941-1942:

President—R. Emmet Byrne, Edward D. Jones & Co.

First Vice-President — E. E. Haverstick, G. H. Walker & Co.

Second Vice-President — Richard A. Shoninger, Giger & Co.

Third Vice-President—Frank E. Pelton, Jr., C. J. Devine & Co.

Secretary—Ernest D. Willer, Boatmen's National Bank.

Treasurer — Charles Baucom, A. G. Edwards & Co.

National Committeeman: Irwin R. Harris, Scherck, Richater Co.

Bridges Asst. To Pres. Of Keystone Custodian

BOSTON, MASS.—James W. Bridges has been appointed Assistant to the President of The Keystone Corporation of Boston, 50 Congress Street, national distributor of Keystone Custodian Funds, the corporation announced today.

For many years, Mr. Bridges was connected with Mackubin, Legg & Co., of Baltimore, in their investment trust wholesale activities and recently had been associated with Scudder, Stevens & Clark, handling investment trust work.

James A. Ross With Straus Securities Co.

(Special to The Financial Chronicle)

KANSAS CITY, MO.—James A. Ross, formerly president of James A. Ross & Company, has become associated with Straus Securities Company, Land Bank Building.

J. A. Rippel Named New Jersey IBA Head

Announcement of a program to interpret the investment banking industry to the people of New Jersey was made on Oct. 29 with the appointment of J. A. Rippel, President of Julius A. Rippel, Inc., Newark, as Chairman of the New Jersey group, Investment Bankers Association of America. With his appointment Mr. Rippel said:

"Through a speaker's bureau, the services of a number of our members, eminently qualified by experience in the field of finance, are being made available to clubs and organizations throughout the State."

A motion picture and a sound slide-flim, "America Looks Ahead," will be used to illustrate the talks by the volunteer speakers. "This," said Mr. Rippel, "is part of a program which the Investment Bankers Association of America has adopted through which it is telling the people of the country of the part played by the investment bankers in the development of America." Mr. Rippel is a former President of the Bond Club of New Jersey and is a member of the Municipal Division Council of the Investment Bankers Association.

Whitehouse To Absorb Winthrop Firm In NY

Whitehouse & Co., 1 Wall Street, New York City, members of the New York Stock Exchange will merge with the Winthrop division (New York) of Winthrop, Mitchell & Co., in December, to form Winthrop, Whitehouse & Co.

All general partners of Whitehouse & Co. will remain with the new firm and J. Norman Whitehouse and E. V. E. Pearl will continue as special partners. Henry Rogers Winthrop, G. C. Babcock, Henry W. Bull and Clark Williams, special partners, and John J. Fagan, Richard P. Loasby, Richard F. Babcock, James J. Masterson, William P. S. Earle, Jr., George F. Brennan, Frederick H. Clarkson and Milton W. Holden, general partners, of Winthrop, Mitchell & Co., will be associated with the new organization.

Leeds Mitchell and his Chicago associates in Winthrop, Mitchell & Co., have joined Shearson, Hammill & Co., as previously reported in the "Financial Chronicle" of Oct. 23rd.

Founded in 1828, Whitehouse & Co. is one of the oldest firms on the New York Stock Exchange.

Moody's Commodity Index Higher

Moody's Daily Commodity Index advanced moderately from 207.6 a week ago to 208.5 this Monday. No substantial changes occurred in the prices of individual commodities.

The movement of the index was as follows:

Tuesday, October 28	207.6
Wednesday, October 29	208.9
Thursday, October 30	209.2
Friday, October 31	208.9
Saturday, November 1	208.6
Monday, November 3	208.5
Tuesday, November 4	*
Two weeks ago, October 21	207.1
Month ago, October 4	214.2
Year ago, November 4	165.3
1940 High—December 31	171.8
Low—August 16	149.3
1941 High—September 9	219.9
Low—February 17	171.6

*Holiday.

New Branch For Stein

Stein Bros., 50 Broad Street, New York City, have opened a branch office at 15 Exchange Place, Jersey City, N. J., which will be under the direction of Bernard Stein, partner in the firm.

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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 rate of exchange, remittances for foreign subscriptions and advertisements must be made in New York funds.

New Orleans Traders Elect Lob President

NEW ORLEANS, LA.—The New Orleans Security Traders Association has elected the following officers for 1941-1942:

Charles Lob

President: Charles Lob, Weil & Co.

Vice-Presidents: Ford Hardy, Merrill Lynch, Pierce, Fenner & Beane.

Secretary-Treasurer: Rudy Schjott, Hyams, Glas & Carothers.

Delegates: Gilbert Hattier, Jr., White, Dunbar & Co., and R. Jeremy Glas, Hyams, Glas & Carothers.

Alternates: Frank Burkholder, Equitable Securities Corp., and Macreary Wheeler, Wheeler & Woolfolk, Inc.

R. Bolles Associated With Boston Fiduciary

BOSTON, MASS.—Robert G. Bolles, for many years editor-in-chief of Poor's Manuals, has become associated with Boston Fiduciary and Research Associates, investment advisers to the Keystone Custodian Funds, it is announced. In his former position, Mr. Bolles had final responsibility in determining Poor's ratings on bonds and other securities. In his new connection, he will have direct charge of selecting and supervising the securities in the portfolios of the four Keystone Bond Funds, with total assets of close to $23,000,000.

Tomorrow's Markets Walter Whyte Says—

Market seems to be headed higher, but such a reversal of trend will not be the beginning of a major upturn; there are too many imponderables; rally of 7 to 10 points should, however, be in order; more below.

By WALTER WHYTE

Nothing really important has happened since the previous column was written; at least nothing so obvious as to change anything on the surface. Still the market in its own little way is beginning to whisper some cheerful things. True, this is chiefly by implication. Yet, even implications are sometimes enough to get the bull wave to rolling again.

* * *

On the surface there is little in the recent market action to change any generalized opinion of the trend, if what we have seen—or are seeing—can be dignified by such a designation. The bulls are sunk in deep gloom thinking of days gone by and the bears are licking their chops in anticipation of a wide open break. This condition isn't new. The bears certainly have had a lot more to gloat over in the past few weeks than the bulls. The result of such a condition is obvious.

* * *

A gray pall hangs over Wall Street with optimistic listeners finding but scant audiences. Instead such forecasts as "these . . . indicate that a peak in the war boom has been passed" or ". . . good selling is conspicuous on all rallies" are finding if not eager then certainly attentive listeners. All this is a part of a familiar picture. All markets have stages when pessimism outruns the known—and frequently unknown—facts. Just as optimism carries things to the other ex-

(Continued on page 924)

IBA Convention at Hollywood, Fla., Nov. 30 To Be Dedicated To Meet Changing Times

The problem of encouraging the flow of private savings into enterprise during the current national emergency and in the post-war period of readjustment, will be the theme of the 1941 convention of the Investment Bankers Association of America to be held in Hollywood, Florida, Nov. 30 to Dec. 5.

Announcing on Nov. 2 the preliminary details of the convention program, with Speaker Rayburn of the House of Representatives and William Green, President of the American Federation of Labor, as two of the key speakers, Emmett F. Connely of Detroit, President of the association, said it would be "the most important convention in 30 years of IBA history." With the convention dedicated to "meeting changing times," President Connely said that "we have sought to make the convention program meet the responsibilities of the times." In part Mr. Connely also said:

For more than a year we have had an opportunity to study, in conection with our Public Information Program, the position of the investment banker in our rapidly changing economy.

And during this time, many things have happened. Things which strike at the very base of our operation.

* * *

We have had a chance to observe the actual results of competitive bidding in the securities field. At our conveniton we will be able to discuss this on a factual, not a hypothetical basis.

We hope to have behind us the hearings of the House Interstate and Foreign Commerce Committee on amendments to the Securities Acts.

Since the last convention we have seen the coming of all-out defense. What is our place in this effort? How can we best cooperate? This is another front on which the investment banker must meet the changing times.

And finally, we have many purely internal problems of the business to work out. The operation of an investment banking business in the present economy, and in the face of all-out defense, presents new considerations. At this Thirtieth Annual Convention we have set up a forum to discuss these new "inside" problems. And to discuss, also, new ways of getting business.

With the preliminary announcement of the program, President Connely also said:

The problems of the investmen banking industry in drawing savings into private enterprise will be dovetailed with the pressing issues of national defense, its financing and its impact on all phases of our economy now and after the war. Nothing, barring only the actual production of armament, is more vital to our nation than the survival of a virile investment banking system to furnish the investment capital for expanding private enterprise. The need for this system will be more pressing when the emergency is over and we are faced with the reconstruction era and its many problems.

The roster of speakers scheduled to address the convention, in addition to Speaker Rayburn and Mr. Green, include Roy W. Moore, President of Canada Dry Ginger Ale, Inc., Malcolm Muir, President and Publisher of "NEWSWEEK" magazine, Sumner H. Slichter, Professor of Business Economics at Harvard, and Austin J. Tobin, Secretary of the Conference on State Defense. Mr. Green will discuss the relation of capital and labor at the opening

(Continued on page 919)

Philadelphia Traders Announce Banquet Date

PHILADELPHIA, PA.—Frank Haas of Rufus Waples & Co., Chairman of the Arrangements Committee for the Investment Traders Association of Philadelphia, announces that the date for the popular "Philadelphia Party" has been set for Friday evening, Jan. 23rd, 1942.

No details are available for publication at this time, but plans are being formulated for an elaborate festive occasion.

J. A. Ludlow & Co., Curb Firm, In N. Y.

John A. Ludlow, member of the New York Curb Exchange, Samuel Weiner, and Robert M. Morgan, have formed J. A. Ludlow & Co. with offices at 120 Broadway, New York City. Messrs. Ludlow and Weiner are general partners and Mr. Morgan a special partner in the firm. All were formerly partners in Peter R. Lawson & Co. In the past Mr. Lawson was in business as J. A. Ludlow & Co.

DIVIDEND NOTICES

Atlas Corporation

Dividend No. 21

on 6% Preferred Stock

NOTICE IS HEREBY GIVEN that a dividend of 75¢ per share for the quarter ending November 30, 1941, has been declared on the 6% Preferred Stock of Atlas Corporation, payable December 1, 1941, to holders of such stock of record at the close of business November 17, 1941.

WALTER A. PETERSON, *Treasurer*

October 31, 1941.

CHRYSLER DODGE *Chrysler Corporation* DE SOTO PLYMOUTH

YOU GET THE GOOD THINGS FIRST FROM CHRYSLER CORPORATION

DIVIDEND ON COMMON STOCK

The directors of Chrysler Corporation have declared a dividend of one dollar and fifty cents ($1.50) per share on the outstanding common stock, payable December 12, 1941, to stockholders of record at the close of business November 12, 1941.

B. E. HUTCHINSON

Chairman, Finance Committee

Esso

The Board of Directors of the

STANDARD OIL COMPANY

(Incorporated in New Jersey)

has this day declared the following dividends on the capital stock, payable on December 15, 1941, to stockholders of record at close of business, twelve o'clock, Noon, November 15, 1941:

Regular semi-annual cash dividend of 50¢ per share; and

Extra cash dividend of $1.00 per share.

Checks will be mailed.

A. C. MINTON, Secretary

November 3, 1941

Magma Copper Company

Dividend No. 77

On November 5, 1941, a year end dividend of One Dollar per share was declared on the capital stock of Magma Copper Company, payable December 15, 1941, to stockholders of record at the close of business November 28, 1941.

H. E. DODGE, *Treasurer.*

Newmont Mining Corporation

Dividend No. 53

On November 5, 1941, a year end dividend of 87½ cents per share was declared on the capital stock of Newmont Mining Corporation, payable December 15, 1941 to stockholders of record at the close of business November 28, 1941.

H. E. DODGE, *Secretary.*

Erie R.R. 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.

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	M3861	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.

Bank Stock Offering Is Being Arranged

William Fulton Kurtz, President of The Pennsylvania Company for Insurances on Lives and Granting Annuities, announced yesterday (Wednesday) that negotiations were in progress with an investment banking group headed by Smith, Barney & Co. for underwriting the Company's offering of 160,000 additional shares of stock to its stockholders and that a public offering may be made tomorrow (Friday), simultaneously with the offering of rights to stockholders. The underwriting group with which the company is negotiating includes, besides Smith, Barney & Co., Harriman Ripley & Co. Incorporated; Drexel & Co.; Blyth & Co., Inc.; The First Boston Corporation; Merrill Lynch, Pierce, Fenner & Beane; Kidder, Peabody & Co., and 19 other houses.

Corn Loan Repayments

The Department of Agriculture reported on Oct. 27 that 77,773 loans representing 82,668,476 bushels of 1940 corn and 1938-39 resealed corn were repaid from Jan. 1, 1941, through Oct. 11, 1941. The Department added:

Repayments were made on 50,845,581 bushels pledged under loan in 1938-39 and resealed under farm storage, and on 31,822,895 bushels of 1940 corn. There remained outstanding a total of 196,160 loans on 221,213,453 bushels, of which 149,881,119 bushels were released from 1938 and 1939 crops and 71,332,334 bushels from the 1940 crop. In addition, 73,095 bushels of 1938-39 crop corn have been delivered to Commodity Credit Corporation since Jan. 1, 1941.

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.

(Special to The Financial Chronicle)

NEW YORK, N. Y.—**Robert True Garen,** formerly with Phelps, Fenn & Co., has become associated with **Merrill Lynch, Pierce, Fenner & Beane,** 70 Pine Street, in the municipal bond department.

(Special to The Financial Chronicle)

BOSTON, MASS. — **Richmond Gordon,** previously with Massachusetts Distributors, Inc., has become associated with **First Investors Shares Corporation,** whose main office is located in New York City at 420 Lexington Avenue.

(Special to The Financial Chronicle)

CHICAGO, ILL. — **Herbert E. Johnson** has become connected with **Hicks & Price,** Continental Illinois Bank Building. Mr. Johnson was formerly with Lamson Bros. & Co. and prior thereto with Harris, Burrows & Hicks.

(Special to The Financial Chronicle)

DAYTONA BEACH, FLA.—**William Lee Hensley** is now connected with **T. Nelson O'Rourke,** 356 South Beach Street.

(Special to The Financial Chronicle)

DENVER, COLO.—**William H. Brereton** has become affiliated with **Charles J. Rice & Co.,** First National Bank Building. Mr. Brereton was formerly President of Brereton & Kendall, Inc., and prior thereto was with Kennedy Boardman, Inc.

(Special to The Financial Chronicle)

GRAND RAPIDS, MICH.—**Simon De Meester,** formerly with Bradbury-Ames & Co., has joined the staff of **King, Wulf & Co.,** First National Bank Building.

(Special to The Financial Chronicle)

LOS ANGELES, CALIF.—**Walter E. Powell** has joined the staff of **Bankamerica Company,** 650 South Spring Street.

(Special to The Financial Chronicle)

LOS ANGELES, CALIF.—**Horatio G. Houghton** is now connected with **Samuel B. Franklin & Co.,** 215 West Seventh Street.

(Special to The Financial Chronicle)

LOS ANGELES, CALIF.—**Walter Aufhauser, Erich K. Balzer,** and **Ray Maurice Campbell** have become associated with **Van Denburgh & Bruce, Inc.,** 523 West Sixth Street. Mr. Campbell was formerly with Hugh R. Murchison & Co., Guardian Investors Corp., and Edgerton, Bourne & Co.

(Special to The Financial Chronicle)

SAN FRANCISCO, CALIF.—**John Charles Pedder** is now affiliated with **Sutro & Co.,** 407 Montgomery Street.

(Special to The Financial Chronicle)

SEATTLE, WASH. — **Edgar Mac Leod** has become connected with **Wm. D. Perkins & Co., Inc.,** 211 Cherry Street. Mr. Mac Leod was formerly associated with Dagg & Co., Inc., and prior thereto with the Seattle Trust & Savings Bank.

(Special to The Financial Chronicle)

SEATTLE, WASH.—**L. B. Benedict** and **J. Smith Kennedy** have become associated with **Federal Association, Inc.,** 820 Second Avenue. In the past Mr. Kennedy was engaged in the securities business as an individual dealer; Mr. Benedict has been in business as a public accountant and in the past was an officer of Wm. Brelle Investment Co.

(Special to The Financial Chronicle)

SPRINGFIELD, MASS.—**Thomas D. Brown** has joined the staff of **James P. Smith & Co.,** 1387 Main Street.

(Special to The Financial Chronicle)

ST. LOUIS, MO.—**James Edgar Sperry** has been added to the staff of **Slayton & Co., Inc.,** Boatmen's Bank Building.

(Special to The Financial Chronicle)

YORK, S. C.—**Charles T. Plybon** is representing **R. S. Dickson & Co., Inc.,** whose main office is located in the Wilder Building, Charlotte, N. Y.

Connely of IBA Urges Securities Acts Revision To Encourage Investment of Private Capital

At the hearing in Washington on Oct. 30 on the proposals to amend the Securities Acts, Emmett F. Connely, President of the Investment Bankers Association of America, advised the House Committee on Interstate and Foreign Commerce that "we are here to urge amendments to the Securities Acts of 1933 and 1934." Mr. Connely went on to say:

We of the investment banking business have always favored legislation to bring protection to the investor, and we have gone on record many times as endorsing the "truth in securities" and "full disclosure" principles of the Acts of '33 and '34.

It would, however, have been nothing short of miraculous if such all-embracing legislation as the Securities Acts of 1933 and 1934 could have been written so that they would be flawless in operation in their original form. It is to smooth out the flaws while still retaining the protection for the investor and permitting honest business to operate freely, that we seek amendments of the Acts.

People sometimes lose sight of the fact that we are merchants who do business much as any other merchant. We have our customers who do business with us time after time, year after year. It is obvious that to maintain this status we must have the customers' interest constantly in mind, and it is because of this that we, in the business, are more vitally interested in the welfare of our customers than anyone else—not even excluding regulatory agencies. Accordingly, we are keenly alive to the responsibilities that we are willing to assume in recommending certain changes in the Securities Acts of 1933 and the Securities and Exchange Act of 1934. These Acts have undergone no general review since 1934, and in the light of the intervening years of experience it would seem timely that desirable changes now be made by the Congress so that private capital might flow more freely into business—thereby creating jobs and national wealth, as well as aiding the defense effort.

I have no doubt that the amendments which we hope will be enacted by Congress will be a stimulus to the flow of invested savings into industry and thus be a lever for greater employment when we reach the end of the present emergency.

We had great problems when the last war ended and many of them existed because there was no "post-war" planning. I feel that at this time everything should be done that can be done to simplify the problems which will inevitably confront us after the present war. A freer flow of private savings into industry to take the place of government credit which is now being used will be fundamental to the solution.

It is not to be assumed that the present suggestions are all-embracing. We have stated in our report that we have no more specific suggestions to advocate at this time but it may be well to point out to this Committee that in order to insure a free flow of private capital we are of the feeling that Congress can make a real contribution by reviewing the Securities Acts regularly, much as the Banking Act is revised from year to year.

Let us remember, too, that in the protective process we have in addition to the Federal Securities Acts, many State Blue Sky and State Securities Laws in addition to the Federal Securities Acts. The work of these state commissions has been of inestimable value to the investing public, over a long period of time. Underlying this protection, of course, is the great body of the common law which continues to be the real bulwark against fraud of all kinds.

In amending the Acts you will also assist in solving a problem that goes much deeper than appears on the surface, for the scarcity of new issues and the difficulty of dealing in outstanding issues has been detrimental to the best interests of the investor, large or small, as well as seriously retarding the economic progress of the country.

The Securities and Exchange Commission and we have labored diligently for over a year on a comprehensive revision of the Acts. The Commission and the Investment Banking Industry have reached a large area of agreement but there are several points of major importance on which there is disagreement. This is perfectly natural for on certain questions the industry has approached them from the realistic business viewpoint while the Commission's approach has been regulatory and legalistic. In putting forth these proposals we have agreed to every idea advanced by the SEC except those which, in our judgment, would virtually make it impossible to do business at all. We shall endeavor to present our arguments as to why we think we are right, in a factual, dispassionate manner and shall be happy to answer any questions that you may care to ask.

It would, of course, have been ideal if the Commission and the industry could have reached agreement on all fronts. However, we trust that the Committee will consider carefully the points of disagreement, for in the controversial points there are bound to be matters of prime importance.

Our approach to this study has been that of the business man who has lived with these regulations day in and day out through actual experience, and who has more than a selfish interest to advocate. We would be extremely shortsighted had we viewed the problem from any other angle. As we present our testimony we sincerely hope that you will be convinced that the welfare of the country and the protection of the investor is our primary concern. Only if that is accomplished will we be collaterally benefited!

NY Commodity Club To Hear Congressmen

Representatives Albert Gore of Tennessee, Fred L. Crawford of Michigan, and Jessie Sumner of Illinois, all members of the House Banking and Currency Committee, will be among the speakers on the subject "Inflation Prospects and Price Control Proposals" at the first dinner meeting of the new season of the Commodity Club of New York, to be held Thursday evening, Nov. 6th, at the Park Centrol Hotel, New York City. It is pointed out that Representative Gore has sponsored the price control measure; Representative Crawford is known as an authority on governmental fiscal problems; and Representative Sumner attracted attention several weeks ago by his questioning of Mr. Leon Henderson, OPA Chief. Those prominent in New York banking and financial circles will also be present and interest is evinced in the prospect of the presentation of inflation problems and price control. Guest tickets may be obtained from Mr. E. A. Beveridge, of Merrill Lynch, Pierce, Fenner & Beane.

RAILROAD SECURITIES

Recent developments affecting the financial side of the railroad picture have continued highly constructive. Southern Pacific last week paid off $5,000,000 of the $20,000,000 serial bank loan contracted earlier in the fall; the entire payment represented anticipation of maturities not yet due. Southern Railway has made additional anticipatory payments on its $10,000,000 bank loan contracted last May, and the entire obligation will probably be liquidated before the year-end. "Central" is expected to pay off its debt to the banks at the earliest redemption date, May 1, 1942, and there is ample evidence of additional bond purchases for retirement by a large majority of the marginal roads. All of this activity has brought up the question in the financial community as to what Atlantic Coast Line may do with its rapidly mounting cash balance.

It is fairly generally expected that stockholders will be given some reward for their patience; "Coast Line" has traditionally been liberal on this score but nothing has been paid on the common since 1937. A disbursement of as much as $2.00 a share, however, would cost the company less than $1,650,000 and would still leave indicated cash (based on present traffic and earnings prospects) well above working requirements. The road has no bank or RFC loans to take care of. Naturally, therefore, speculation has arisen as to the possibility that the opportunity might be taken to redeem some of the funded debt. The most logical candidate would be the Collateral 5s, 1945, both because of the high coupon and the fact that it is the earliest maturity subject to call.

Although no definte information is available, it is indicated that the company has been buying in the bonds during 1941; they have advanced from a low of 77 earlier in the year to a recent high of 97. As they come closer to, or cross, par, this relatively slow retirement process of open market purchases will naturally be progressively less efficacious. Therefore, bond men contemplate the possibility of retirement through call. The bonds are callable as a whole on 60 days' notice on any date and the call price drops to 102 on May 2, 1942.

The bonds were outstanding in the amount of $12,000,000 at the end of 1940, which may have been reduced in 1941. Cash, exclusive of special deposits, amounted to $12,349,000 on Aug. 31, a gain of $6,664,000 over a year earlier. If the company does no better than a year ago on a cash basis, this balance would be increased to $16,518,000 by May 31, 1942, before allowing for any dividend payment. Actually, operations from now through next May should show continued, although narrower, improvement over a year ago; dividend income from Louisville & Nashville is expected to be larger, and the return from the jointly owned Clinchfield will certainly show an increase over 1940. Thus, even with a payment of $2.00 on its own stock, "Coast Line" should be able to report cash of roundly $17,000,000 by the end of May.

Indicated balance of $4,760,000 over the redemption requirement of the $12,000,000 5s, 1945 (at 102) would probably not be sufficient for working needs under current conditions. However, the drain would be eased to the extent that bonds have already been purchased and retired. Also, the company would in an excellent position to get moderate temporary accomodation from the banks. A substantial amount of collateral would be released from retirement of the bonds, in addition to which the company now has free securities in its treasury available for pledging purposes. Retirement of the bonds would reduce annual fixed charges by about 10% and relieve the company from serious maturity problems for the next decade. There would still be outstanding a small divisional lien (non-callable) of $2,417,000 in 1945, an aggregate of $516,000 in the following two years, and $5,047,000 in 1948.

There is considerable logical justification for looking forward to the possibility that such a retirement program might be followed by the company next year unless business shows definite signs of a downward spiral of important proportions. Stockholders would not likely object to possible less liberal near-term dividend policies arising from the debt retirement, as their investment position would be materially bolstered and long-term dividend prospects improved. Retirement of the full $12,000,000 of 5s, 1945, would add more than $0.70 a share to earning power. The company could certainly not realize any income on its cash that would be comparable to the 5% it would save on the bonds.

Maryland Drydock

Shields & Co., investment bankers of New York, have arranged to acquire a controlling stock interest in the Maryland Drydock Company of Baltimore, one of the principal ship-repair concerns on the Atlantic Seaboard, it was learned last night (Wednesday). Control has been held by the Koppers Company, with which the Mellon interests of Pittsburgh are closely identified.

It is understood that the Koppers Company will retain an interest in the company and that at a later date some public distribution of securities of the company may be made.

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 34⅛.

Bank and Insurance Stocks

This Week — Bank Stocks

Complete data now available covering the two years of World War II explode the former belief that the Defense Program would not lead to sharp increase in volume of commercial loans.

Commercial loans are needed by business to carry larger inventories as production increases; to pay larger payrolls; and pay higher prices. But, it was reasoned, the supply of working capital by corporations was ample, and deposits were at peak levels, to finance higher production without recourse to bank credit.

Actually, the extraordinary industrial expansion called for by the Defense Program has not only taxed resources for production but has led to "stocking up" in both defense and civilian industries. Thus, bank loans have expanded sharply, with New York loan expansion running ahead of the rest of the country.

Indicators of demand for commercial loans have expanded as follows

	Aug., 1941, compared to Aug., '40	Aug., '39
Industrial production	+29%	+52%
Inventories	+21%	+41%
Factory payrolls	+49%	+72%
Wholesale prices	+17%	+20%

In meeting these demands, commercial loans of weekly reporting member banks in New York and 100 other leading cities have expanded

New York	+40%	+60%
100 other cities	+37%	+55%

Stimulation of the Defense Program has also had sharp repercussion on the banks in other ways. The New York banks have added to security holdings by 25% for the year and 55% since outbreak of war; banks in other cities, 10% and 13%. Total earning assets at New York have expanded 26% for the year and 45% since August, 1939; other cities, 16% and 21%. Demand deposits "adjusted," which measure deposit volume of the public, by comparison have expanded 13% and 38% at New York, and 20% and 37% at the other cities. This in turn compares with increases in money in circulation of 23% since August, 1940, and 39% since August, 1939.

These data show, that, far from being unable to reflect expanded needs of business during wartime, the banking system has responded sharply to business demands in the first two years of war. The increased volume of direct Government lending, deficit financing through the banks, and control over excess reserves and money rates difficult factors though they have been—have impeded but not impaired the ability and willingness of banks to fill their function as credit institutions to business.

This is particularly illustrated by the experience at New York banks, which have been hardest hit by these Government policies, and by reason of their location away from defense centers and handling of the financially stronger corporations, would be thought less able than other banks to reflect loan expansion. As of Oct. 15, 1941, commercial loans of New York City member banks reached a peak of $2,547,000,000, representing the 23rd consecutive high recorded in the 24 previous weeks, during which the loan expansion amounted to $459,000,000, or an average of $19,000.000 per week despite seasonal influences. The upturn since September, 1940, has totaled $856,000,000, or 51%, and since the outbreak of war in September, 1939, New York City commercial loans have expanded $1,002,000,000, or 65%. New York banks have been aggressively seeking loans.

What of the future—will this pace of loan expansion slacken? Should an increased proportion of productive capacity be diverted to Defense production, thus curtailing production of non-defense goods, and the flow of needed materials be further restricted by priorities, it seems inevitable that civilian production of consumers goods will be reduced. This would entail reduction in loans for such production. Defense industries, however, should continue to be a fruitful source of bank loans, particularly in view of the process of subcontracting which spreads Defense business to many small firms needing bank loans for such production. Under the 1940 Assignment of Claims Act, bank financing of such Defense production is facilitated.

Higher taxes generally also mean lower cash available for corporations, thus obliging recourse to bank aid in meeting cash requirements. Higher taxes might also mean lowered ability to meet amortization on term loans, which increased risk would justify higher rates by banks on the long term "balloon" notes in serial term loans.

Dealers and retailers in consumers goods should likewise continue to enjoy rush business, in view of the sizable expansion in payrolls and other indicia of public spending power. The danger is clearly recognized in Washington, however, that the impact of increased spending power on diminished supply of consumers goods might well lead to serious inflation. Hence, severer taxation and "forced" savings" in the form of increased Social Security taxes, or other direct levies or wages, appear indicated, as a frontal attack on inflation from the spending power standpoint.

Banks recognize the danger of inflation, have a "vested interest" in a steady bond market, and are therefore motivated by self-interest in cooperating with anti-inflation measures. In view of this it is to be hoped that the pressure for inflation controls would not lead to unwise statutory or administrative restrictions upon banks that might impair their ability to fill legitimate business needs.

It would be contradictory, for example, to urge banks to expand loans to the maximum, in cooperating with the Defense Program; and to turn around and caution against loan expansion because it might encourage inflation. Inflation controls should not impair the supplying of legitimate credit needed by industry to do its job under the Defense Program.

Inflation controls should also not impair banks' ability to invest in Government securities, because bank assistance in financing the Defense debt is just as important as financing business. Banks would rather make loans than invest in Governments, anyway, because the return on the former is better and the holdings of the latter are already at peak levels (banks hold nearly 40% of the Federal debt). But as a practical matter, it is doubtful whether the Treasury could finance one-third of Defense needs through non-commercial bank investors without enlisting the aid of commercial banks.

Banks, therefore, will probably continue to experience growth in earning assets, in reflection of National Defense needs.

"JOTTINGS"

John Lewis' gamble was a pretty desperate one and his gains will probably be correspondingly high. He had crossed the President last fall and again last Spring, made faces at Hillman, been replaced as CIO head by Murray, antagonized Dan Tobin by letting his brother Dinnie raid the Minneapolis teamsters, suffered an anthracite strike against his dues bills, and had the Communists turn on him on June 22. Now he can turn up at the CIO convention at Detroit Nov. 17 with probably enough union prestige to win back from Phil Murray the CIO presidency, from which he had to resign last year. For he got the President to overrule the NDMB, which had backed down on the closed-shop issue after the public fuss following Kearney and which is now virtually required to give him his union shop in the captive mines. These mines are but a strategic bridge to a closed shop in the steel industry, national stronghold of the open shop. This will steal the prestige from Murray, whose men have been skirmishing in and around Chicago toward the same closed-shop goal but with no such spectacular success. Lewis has also established the practical precedent that NDMB recommendations are mandatory on employers, not at all on unions.

Annual union take now must run close to $500,000,000. Figure 10,000,000 members, averaging to pay close to $2.00 a month, which comes to round $20,000,000 a month or $240,000,000 a year. Add about the same for special assessments, initiation fees, and fines, for the total honey-pot.

About the only bill in Congress with any practical hope of passing as a result of Lewis' coup is one submitted by Senator Herring of Iowa. It calls for (1) a coolingoff period; (2) supervised strike votes like those in Canada; and (3) a ban on strikes for the closed shop, in line with the old 1917 War Labor Board's policy of freezing jurisdictional matters for the duration. Other bills come either from Republicans or anti-Administration Democrats. Remember how the union people were able to put on the heat last June to head off restrictive legislation. Herring, however, has heretofore gone along with the Administration.

Don't worry about FPC talk of power shortages elsewhere than in the Southeast. Down there it's real. TVA got out on a limb in former years by depending too much on hydro and inviting in too many power-using industries. Now come big requirements for aluminum, etc., and it is frantically sucking in all the available power from the near-by states, as rainfall has been hardly 25% of normal and its dams are way down. In the Northeast power demands will not rise fast because the next step in defense is diversion rather than expansion; and there is still a lot of spare power in Canada, also in New York City. In the far west the situation is taken care of by the New Deal's white elephant hydro projects like Grand Coulee and Bonneville, whose power has dramatically and unexpectedly come to be needed. This, incidentally, lifts much of the threat of Federal competition from the private companies.

However, power rationing will mean lower earnings in the Southeast and wherever practiced. For it means diverting power from residential rates to industrial rates, sometimes only a tenth as much.

And the long-term effect of defense has been to bring back the "Seven Little TVA's" and more with FPC's four-year program which will rapidly increase the Federal Government's proportion of power installations in the United States.

American business seems to be keeping up with the Federal Government in the production of interesting predictions of what it will do after the war. Last week we mentioned the aircraft industry's dream. Add: a revolution in low-cost housing by the building industry; aluminum and magnesium-made automobiles and trucks, freight and passenger cars and ship super-structures; all-new plastics; freight trains on roller bearings; arterial highways; B-1 vitamins in every dish, etc.

Third quarter earnings now appearing will be the last to show any kind of favorable comparisons with the same quarter of the previous year. From here on the comparison will be with near-capacity and then capacity operations, and with no further overhead savings to offset higher wages and taxes. Earnings went over the hump in Britain six months ago, the first quarter of 1941 being generally 10 per cent below the same period of 1940.

Russia's difficulties may mean an enormous increase in lease-

(Continued on page 919)

ABA Officials Oppose Farm Credit Measure

(Continued from First Page)

tinuous drain of government funds to make good the losses.

(5) With rising farm prices threatening to create an inflation of farm land values, we believe that the adoption now of a permanent policy of lending 75% of the appraised value of farm lands will be highly inflationary and will renew the spiral of excessive lending that created many of the farm mortgage difficulties of the past.

(6) We brand as thoroughly unsound and detrimental to the integrity of the entire credit system the philosophy represented in the proposals in this bill to eliminate personal liability of debtors through a statutory invitation for a general scale down of farm mortgage obligations.

It is our conclusion, Mr. Wiggins stated, that although some amendments to the present law are desirable for the better functioning of the Land Bank System, it is neither desirable in the public interest nor in the interest of farmer-borrowers that legislation be adopted which will destroy the substance, if not the form, of a successful agricultural credit system which has been operating effectively for a quarter of a century.

In his summary of the bill, inserted in the Congressional Record of July 22, Representative Fulmer said:

> The basic objectives of the bill are two: First, to eliminate those factors which heretofore have caused break-downs in the national farm loan associations, which constitute the underlying structure of the Federal land-bank system, and to enable the system, on a sound, permanent and self-sustaining basis, to extend credit to farmers at the lowest interest rates consistent with sound financing and operating practices; and second, to provide specific authority for the Federal land banks and the Federal Farm Mortgage Corporation to identify and adjust to their true status those of their loans which so far exceed the capacity of the borrower to pay that there is no hope of his financial rehabilitation through mere adjustment in the terms and conditions of payment. It provides also a method, adequately safeguarded, for making practically effective the right conferred upon farmers by section 75 (s) of the Bankruptcy Act to repurchase at their real value farms which, at the present time, for want of credit facilities, they are unable to repurchase, despite the fact that the law as recently interpreted by the Supreme Court gives them the right to do.

Changing Times Theme Of IBA Convention

(Continued from page 915)

of the convention on Sunday night, Nov. 30.

The future of the free enterprise system will be discussed by Dr. Slichter and Mr. Moore, both of whom will be on the program on Dec. 2. Mr. Muir will talk on public relations from the point of view of one who for many years has directed news gathering and interpreting organizations. Mr. Tobin is to address a forum on municipal finance on the current attempts to impose taxes on municipal securities through simple legislative enactment without putting the issue to the test of a vote on an enabling constitutional amendment. Speaker Rayburn will make the principal address on the final day of the meeting, giving his views on national and world affairs as he sees them from Washington.

At the session of the convention which will be devoted to a discussion of internal business problems of investment banking, John Clifford Folger of Washington, D. C., will conduct the panel, in which investment bankers from all sections of the country will participate.

The Hollywood Beach Hotel will be the convention headquarters.

JOTTINGS

(Continued from page 918)

lend demand for such unexpected things as textiles, sugar, and even wheat, in addition to planes, tanks, rolling stock, etc.

Harold Ickes is now getting back at Jesse Jones through the Truman Senate Defense Investigating Committee. Last Spring OPM wanted Aluminum Corporation to build an Oregon plant, but Harold, who is among other things the biggest electric power czar in the world through Interior's control of the Bureau of Reclamation, which runs most of the big western Federal hydro ventures, wouldn't earmark any Bonneville power for the big monopolistic sos-and-sos. Finally OPM put it up to Jesse Jones, and he solved it by having Aluminum build the plant for the Government, then run it. Now Harold calls the deal a "damnable onerous and unconscionable pact."

Incidentally the Columbia power bill before Congress, with strong western support and a good chance to pass, is aimed at prying Harold loose from Bonneville and Grand Coulee and setting up an independent Pacific power authority like the TVA.

With the ICC's new order for the railroads to depreciate way and structure it looks as though railroad book-keeping will head down the road toward much bigger depreciation charges, down which the utility industry has been headed the last five years after the general defeat of the "retirement reserve" people by the "straight-line depreciation" people.

Miscellaneous . . . ASCAP took a financial shellacking last week from the big networks, on top of nine months' loss of revenues to BMI. . . . The President's farewell congratulatory slap on Jo Daniels' shoulder for having done so much for our relations with Mexico was a funny one. Hardly anywhere in Latin America have American interests suffered so much . . . No wonder the gasoline retailers hated to give up the curfew which they originally balked. It saved overhead, hardly curtailed sales at all . . . It looks as though when the shooting is over farm prices will have levelled out somewhere between 100 and 110% of parity; and that's not so good for the futures markets at all. . . .

New Office For Axe

E. W. Axe & Co., Inc., investment counsel and estate management firm, announce the opening of new offices for its management and research departments at Axeton, Benedict Avenue, Tarrytown, N. Y. These will provide ample room for current as well as additional expansion when needed. Offices for consultation will continue to be maintained at 730 Fifth Avenue, New York City, Philadelphia, Chicago, San Francisco, Los Angeles and Santa Barbara, California.

Lee, AF-GL, Back At Desk

H. Vernon Lee, of the public relations staff of Albert Frank-Guenther Law, Inc., 131 Cedar Street, New York City, has resumed his work with the agency after a term of service with the United States Army at Fort Dix, N. J.

Our Reporter's Report

(Continued from First Page)

normal day-to-day switching business as their established customers made available.

To top off the sluggishness, there were few if any sizable "after market" or secondary distributions of list securities, a line which had in recent weeks sufficed at least to keep the wheels turning for some of the more fortunate firms.

Railroad Bonds Improve

Railroad securities developed firmer tendencies in advance of the election holiday, presumably on the theory that the report of the Fact-Finding Board, submitted to President Roosevelt yesterday would be found more cheerful than had been expected.

This proved to be the case up to a certain point when the contents of the reports were made public. The President's five-man board recommended wage increases ranging from 7½ to 13½%, making for an average of 12½%.

It likewise urged a week's vacation for workers. But along in its report the Board pointed out that such recommendations were for temporary increases, and put forth on its conviction that the roads would be allowed increased tariffs sufficient to take up a good part of the increased cost.

Time, Cost Deciding Factors

Looking into the situation to ascertain the reason the company sold the securities privately, Representative Wadsworth approached officials of the utility.

He was informed that the motivating forces behind the procedure were the saving in time afforded and also the saving involved in not undertaking preparation of registration statements.

The cost of placing the 39 issues was placed at $1,265,000, whereas he said, company officials calculated that the cost of public sale, involving registration, would have been more than double that amount of approximately $2,765,000.

Election and Municipals

Well, it looks as though the public is becoming at least a mite economy-minded, judging by the outcome of voting on several large propositions which would have involved the issuance of new securities.

True, the much-debated proposal on the New York ballot, providing for $60,000,000 of new State highway bonds was carried.

But two other very sizeable proposals, which had been beaten in previous tests, again went down to defeat. The City of San Francisco once more voted down the proposition to float $66,500,000 to purchase the Pacific Gas & Electric distribution system.

And the City of Cincinnati barred a flotation of $100,000,000 to purchase the properties of Cincinnati Gas & Electric Co., or to construct a municipal plant.

Public Service of Indiana

Another utility company, Public Service Co. of Indiana has set the wheels in motion, looking toward an extensive refinancing, and the raising of a small amount of new capital.

The company has filed with the State Public Service Commission for authority to issue $52,000,000 of new securities, involving $42,000,000 of 3⅝% first mortgage bonds due 1971 and $10,000,000 of serial notes maturing in one to nine years.

Some $48,000,000 of the total would be used to retire outstanding 4% bonds due in 1969 and also debentures and notes, with the balance to be applied to partial financing of a major construction undertaking.

Investment Trusts

Investment Company Briefs

"Even though investors are 'gun-shy' today, they are nevertheless vitally interested in the various influences being brought to bear upon the satisfactory investment of funds under present conditions. Those of us who bring constructive suggestions to investors are perhaps more likely to do some business than if we simply go out to 'sell' an individual security," stated Mr. N. H. Horner, Vice-President of Lord Abbett & Co. in introducing a new compilation of various types of tax and estate advantages to be had through proper investing in mutual investment company shares.

Briefly, multiple inheritance taxes can be avoided; probate costs may be reduced; capital gains tax may sometimes be avoided; under special circumstances the payment of income taxes on dividends received is sometimes avoided; corporations owning shares in a bond fund can realize a considerable tax saving over direct investment methods.

* * *

In connection with tax savings Massachusetts Distributors' **Brevits** points out that the capital gains and losses provisions of the tax bill will probably be much stiffer next year, and suggest that where losses for tax purposes are now available, investors should take advantage of them. There are many stocks now selling below their 1940 lows—**Brevits** lists 20 of them—which, where paper losses exist, could be sold and probably replaced with securities which have more to offer.

* * *

New York City banks are relatively favorably situated, according to Hare's, Ltd., distributors of Bank Group Shares, in the following respects:

"Their tax burden is substantially less severe."

"They are relatively unaffected by priorities, price ceilings and rising costs of materials occasioned by inflationary trends."

"They are unlikely to be disturbed by either labor disorders or unreasonable wage demands."

* * *

Investment Company Reports

American General Corporation

The statement of American General Corporation for the nine months ended Sept. 30, 1941, shows net assets as of that date equivalent to $97.87 per Preferred share and $5.72 per Common share.

Comparable figures for June 30, 1941, were $92.82 per Preferred share and $5.11 per Common share; for Sept. 30, 1940, $99.81 per Preferred share and $5.91 per Common share.

* * *

Canadian Investment Fund, Ltd.

On Sept. 30, 1941, the per share net asset value of Canadian Investment Fund was 1.68% lower than at the beginning of the year, but was higher than at the end of last June according to the statement to stockholders of Oct. 31, 1941.

"It is evident from the higher Canadian index figures for August, 1940, that Canadian production expanded more quickly after the beginning of the war than did that of the United States," according to the report. "However," it is stated, "the figures indicate that United States production has currently attained a level approximating the high level in Canada. It is probable that production of vital war supplies constitutes a larger proportion of Canadian total production than is presently the case in the United States. Nevertheless, the trend in both countries is to increase the proportion of war supply production which should progressively augment the supply of defense materials."

* * *

Chain Store Investment Corporation

The net asset value per share of the Preferred stock rose from $107.12 to $115.13, or about 7.5% during the quarter ended Sept.

(Continued on page 920)

Municipal News & Notes

It would appear that the ever-recurring imposition of heavier and heavier tax imposts on corporations and individuals has resulted in their seeking ethical and reasonable means of obtaining some measure of exemption. This search has been evidenced in the increasing demand for State and local government obligations, all the income from which is free not only from all Federal income taxes, but, in most cases, from all State income taxes as well. The recent widespread interest in municipal securities has placed them at a premium and dealers have cleared their shelves of all but a limited supply. Nowadays, more and more taxpayers are discovering that what really counts in the end, is the matter of net income, not gross.

As we remarked in the preceding paragraph, at the current writing there is a relatively small available supply of municipal bonds in the hands of bond dealers. Ordinarily, the various local governments sell an average of between $25 million and $35 million a week, and pay off about the same amount in maturing obligations. In the past couple of months the national defense program and priorities have brought about a curtailment in the amount of local capital expenditures and a corresponding drop in the volume of securities issued.

A further curtailment may develop as the national program expands. During the first world war, local government financing was restricted to barest necessities and only then after approval of a government board.

A similar development in the near future would add a further premium to municipal securities, as the diminishing supply was bid up and taken into portfolios.

Close Figuring Marks Sales

Carying out our report that dealers' inventories are at low ebb (currently placed in New York circles at about $53,000,000), recent sales by local units have attracted bids that demonstrated a market unanimity of opinion among the boys with the sharpened pencils. To quote a few examples of bond awards; Portland, Ore. sold $600,000 bonds at a net interest cost of about 1.10%, which just about shaded the next best offer, Stamford, New York, disposed of a $1,250,000 issue to the highest of 11 bids, of which five were for 1¼% bonds, while New Rochelle sold $200,000 as 1.20s to the successful bidder at a tender which just nosed out the second highest of the sixteen offers received. The Asbury Park syndicate is said to have met with excellent response on the reoffering of the $10,230,000 issue.

IBA Convention Preliminaries Reported

Sam Rayburn (D., Tex.), speaker of the House of Representatives, and William Green, President of the American Federation of Labor, will be the principal speakers at the annual convention of the Investment Bankers Association of America, to be held in Hollywood, Fla., Nov. 30 to Dec. 5, Emmett F. Connely of Detroit, president of the association, announced early this week.

The general trend of the convention, he said, will be the problem of encouraging the flow of private savings into enterprise during the present national emergency and in the post-war period of readjustment.

Mr. Connely said that the meeting will be the IBA's "most important convention in its 30 years' history."

"Nothing, barring only the actual production of armament, is more vital to our nation than the survival of a virile investment banking system to furnish the investment capital for expanding private enterprise," he added.

"The need for this system will be more pressing when the emergency is over and we are faced with the reconstruction era and its many problems."

N. Y. State Grade Crossing Diversion Approved

At Tuesday's general election in New York, in the State-wide referendum on four proposed amendments to the State Constitution, the voters of the State overwhelmingly approved Amendment 1, authorizing the Legislature to transfer $60,000,000 from funds already authorized for the elimination of grade crossings, to the construction and reconstruction of State highways and parkways, with a majority of about 340,000 indicated.

At the same time they rejected Amendment 2, which would have increased the term of State Senators from two to four years, with a majority of about 320,000 indicated.

New Arkansas Bond Purchase Expected

Inquiries being made among municipal bond dealers currently point to possibility of appearance in the not too distant future of an additional large block of State of Arkansas highway bonds. Conversations are reported to have been taking place between bankers and Jesse Jones, Federal Loan Administrator, looking toward purchase by the bankers of part of the $46,000,000 of the obligations acquired by the Reconstruction Finance Corporation July 1 of this year as the second phase of the state's $136,330,557 road debt refunding program.

As the first step in the operation, the RFC early this year received $90,000,000 of the total issue, which subsequently was sold to several banking groups in various amounts.

Included were $35,000,000 sold to Chase National Baank of New York, which were promptly reoffered in the general market, and two blocks aggregating $42,800,000 to Halsey, Stuart & Co., Inc., which shortly afterward marketed $13,500,000 of its total. It is understood in the market that the latter holds approximately $20,00,000 of the bonds.

Improvement of the market as a whole since the refunding was accomplished has been a factor in the higher prices now commanded by Arkansas bonds, dealers say, but success of the refinancing program and the improved fiscal situation has been influential also.

Tax collections of the state, for example, have been setting successive high marks in monthly receipts. Latest reports are those for October, when the department of revenue showed intake of $2,526,532, which was an all-time peak for the period and compared with $2,084,541 for the 1940 comparative. Gasoline tax of $1,068,011 and motor vehicle license of $42,745 provided $1,210,075 for the highway fund, an increase of $156,364 over the same month of last year.

Montreal Financing Plan Favorably Regarded

Favorable reaction to the reorganization scheme presented recently is said to have been generally voiced in Montreal municipal circles. However, an important angle still to be settled as negotiations open is the extent of supervision and the method to be exercised by the province and bondholders' representation over the municipality's affairs, if the plan is implemented.

Complete reorganization of the city's finances is provided by the co-operative plan for long-term rehabilitation of Canada's largest municipality. Evolved by the bondholders' committee, representing the larger institutional holders of the city's debt and the provincial municipal department, controlling the city's affairs for the past 17 months, the plan is being studied by city council and executive committee.

While the bondholders' committee has not gone on record, it is understood it will not agree to the plan being put into operation unless there is effective control over the city's administration. A number of methods for achieving this have been suggested. It is also understood the Godbout government is anxious to place some rein over the city's activities until it is clearly out of the financial morass in which it has been for the past several years.

If the plan receives approval of all parties concerned, debenture holders will be called upon to make a sacrifice in interest rates and accept extension of principal maturities.

The city will benefit accordingly. It will set out on a 35-year journey to financial health. Its large bank debt and other floating debt will be subject to a 10-year retirement schedule. Substantial annual provision for debt retirement will progressively lessen the burden of interest charges.

The city's gross funded debt at present is approximately $265 millions, against which the sinking fund holds $46 millions. Under the refunding scheme the city's public debenture debt would be reduced to $212 millions.

Florida's Financial Outlook Declared Good

State Treasurer Ed Larson told an insurance company convention recently that "Florida's financial outlook is the best in years."

"All August bills were discounted for cash," he reported, "and Sept. 15 the general fund showed a balance of $900,000. It has dropped, but October occupational licenses and November tax collections should banish worries on that score."

He said 37 counties had been paid in full their 1941-42 surplus gasoline tax funds, although the fiscal year was only four months gone, that full payments had been made on the first month of teachers' salaries and the entire year's $200,000 appropriation for the teacher retirement fund.

Idaho Treasurer Urges Bond Retirement Plan

The bonded debt of the State of Idaho is $1,977,600. Of this amount, $491,500 are serial bonds with fixed maturity dates and the remaining $1,486,100 are optional bonds payable any time within 20 years. While provision has been made to pay off the serial bonds, no plan to retire the callable bonds has been in effect. Myrtle P. Enking, State Treasurer, has recommended an orderly plan for retiring these bonds. She suggested a tax levy sufficient to raise $100,000 for retirement of callable bonds be included in the next tax levy, and that a similar amount be raised each year. Such a levy will not only meet the problem of debt retirement in an orderly way, she pointed out, but it will also reduce the interest which must be paid each year.

Iowa Primary Road Bonds Final Payment Foreseen

The State of Iowa is paying off its county primary road bonds at the rate of about $7,000,000 a year and the total of bonds now outstanding is said to be $62,043,000. Two counties, Cerro Gordo and Louisa, have no bonds outstanding and six have less than $100,000 of primary road bonds unpaid. Twelve counties have more than $1,000,000 each in outstanding bonds, most of them counties containing larger cities. The schedule of payments now in effect calls for retirement of the last of these primary road bonds by 1950.

Cities Seven Billions Spent In Midcontinent

President Lachlan Macleay of the Mississippi Valley Association told the organization's annual convention last week that Government contracts and expenditures in the Midcontinent totaled more than $7,000,000,000 up to Sept. 24.

He said the Midcontinent basin has received many new industrial plants as result of the defense program and resident industries have expanded. Macleay pointed out, however, that there was still unemployment and warned that serious economic dislocation would occur when the war ends unless measures are taken to alleviate the conditions.

Macleay said the Midcontinent, with its new war industries, would suffer more than any other section during the transformation to peace-time economy.

Macleay urged the association to work for "imposition upon organized labor of the same accounting and responsibility for its acts as is imposed on capital and industry"; the protection of small businesses against unnecessary restrictive regulations; the full use and treatment of the inland waterways system as a defense industry, and increased participation of the association in foreign trade and development of the Mississippi Valley's profitable South and Central American markets.

Road Users Pay Tax Increase In 1940

Highway users paid $1,327,277,000 in direct taxes to state treasuries in 1940, an increase of 6 per cent over 1939, John M. Edy, acting Federal Works Administrator, announced recently.

Of the total, $870,136,000 came from state gasoline taxes, $439,178,000 was derived from motor vehicle fees, and $17,913,000 from motor carrier taxes. From these funds, state treasuries disbursed $1,321,082,000, of which $754,497,000 was spent on state highways, $323,331,000 for local roads and streets, and $196,579,000 for such purposes as relief, education, and state general funds.

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. 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.

Investment Trusts

(Continued from page 919)

30, 1941. The Common stock net asset value increased from 16 cents to 33 cents.

The only change in the securities portfolio was the sale of 35 shares of Butler's, Inc., Preferred stock, eliminating the issue from the portfolio.

* * *

Chain Store Investors Trust

The liquidating value of the shares of beneficial interest in Chain Store Investors Trust rose from $15.69 per share to $16.61 during the quarter ended Sept. 30. No changes were made in the investment portfolio during the quarter.

* * *

Keystone Custodian Fund, Series "S 1"

The net assets of Keystone Custodian Fund, Series "S 1" were $245,339 on Sept. 30, 1941, according to the semi-annual report. The asset value per share was $22.12 as of that date, compared with $21.71 on March 31, 1941, the date of the last statement. A distribution to shareholders of $0.65 per share was made during the period.

Income from dividends received and proceeds from the sale of stock rights totaled $6,901 for the six months. Expenses of the fund amounted to $1,294 and net income was $5,607.

* * *

Keystone Custodian Fund, Series "S 3"

Net assets of Keystone Custodian Fund, Series "S 3" on Sept. 30, 1941, amounted to $423,013 compared with $390,241 on March 31, 1941. The net asset per share was $8.60 on Sept. 30 and $8.07 on March 31.

Dividend income for the six month period ended Sept. 30 amounted to $10,668. Expenses totaled $2,579, and net income after expenses was $8,089. A distribution of $0.25 per share made to shareholders during the period compares with a distribution of only $0.20 during the preceding six months.

* * *

Utility Equities Corporation

A statement of Utility Equities Corporation for the nine months ended Sept. 30, 1941, show net assets at that date of $85.71 per share of the $5.50 dividend priority stock. The priority stock is entitled to $100 and accumulated dividends per share in involuntary liquidation and to $110 and accumulated dividends in voluntary liquidation.

The net assets as shown in the respective statements amounted to $82.21 per priority share at June 30, 1941, and $82.98 at Sept. 30, 1940.

N. Y. Stock Exchange Weekly Firm Changes

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

Transfer of the Exchange membership of George E. Blum to Francis M. Weld, partner of White, Weld & Co., will be considered today.

Wenman & Co., New York City, dissolved effective Oct. 31st.

George W. Hall, partner in Paul H. Davis & Co., Chicago, died on Oct. 25th, on which date his interest in the firm ceased.

Install Private Phone

Content, Hano & Co., 29 Broadway, New York City, members of the New York Stock Exchange, have installed a private phone to their Philadelphia office, 1505 Walnut Street.

Fred Mason In Orange

NEWARK, N.J.—Fred Mason, Jr., formerly president of Fred Mason, Jr., & Co., Inc., is now doing business as an individual dealer from offices at 286 Rutledge Avenue, East Orange, N. J.

SEC Amendments Seen No Help To Business

(Continued from First Page)

of the Commission to practically all of American industry, thus promoting the special interests of the proponents of these measures at the expense of issuers and investors throughout the country.

The Wadsworth bill, on the other hand, is directed at reforming the abuses in the administration of the law which have been so harmful to investors and issuers and to the economic welfare of the country as a whole.

It is respectfully submitted that industry and the investing public alike should support the Wadsworth bill and the technical improvements offered by the SEC-securities industry proposals and should vigorously condemn and oppose the proposals which would further extend the power and control of the Commission over private enterprise.

The Association's memorandum on the proposals of the SEC and representatives of the securities industry also had the following to say:

These proposals offer certain desirable technical improvements in the Securities Act of 1933 and the Securities Exchange Act of 1934. They also provide for a vast extension of the powers of the SEC and would clamp burdensome restrictions and obligations on many companies not now subject to the jurisdiction of the Commission. Most significant, however, is the failure of these proposals to offer any solution for many of the fundamental problems which must be solved before there can be a revival of the flow of capital into industry and a restoration of vitality to our ailing securities markets.

Some of the proposals further to extend the power and jurisdiction of the Commission over private enterprise are as follows:

1. It is proposed to require registration of substantial security issues privately sold to institutions, such as insurance companies and banks. (Appendix I, Sec. 2 (14)) This proposal would close the doors to any significant corporate financing without SEC interference and control, and has no justification other than the disingenuous assertion that the policyholders and stockholders of the purchasing institutions would somehow benefit through the filing of a voluminous mass of information in the archives of the SEC. The real purpose of the proposal is to impose burdens upon private placements equivalent to the excessive burdens now imposed upon public issues and to thus remove, for the benefit of the big underwriting houses, some of the advantages of a private sale over a public issue.

2. It is proposed to confer upon the Commission power to regulate and control the solicitation of proxies by all companies, except small ones, engaged in interstate commerce or whose securities are traded in by the use of the mails or interstate commerce, in the same way that the Commission now regulates the solicitation of proxies by companies whose securities are listed on an exchange. (Appendix II, Sec. 14.) The purpose of this proposal is to impose burdens upon companies whose securities are not listed on an exchange equivalent to the burdens now imposed upon listed companies. The beneficiaries of this proposal will be the exchanges which have found many companies reluctant to list their securities simply because of the expenses and difficulties involved in compliance with these onerous regulations.

3. It is further proposed to compel all such unlisted and all listed companies to solicit proxies, whether or not they desire to do so. (Appendix II, Sec. 14) The reason for this proposal is that many companies have ceased to send out proxy forms to their stockholders in order to avoid the expense and nuisance involved in soliciting proxies under the SEC's regulations.

4. It is proposed to extend to the officers, directors and 10% stockholders of all companies, except small ones, which are engaged in interstate commerce or whose securities are dealt in by the use of the mails or of interstate commerce, the requirement that they report their security purchases and sales in the same way that officers, directors and 10% stockholders of listed companies must now report their purchases and sales. (Appendix II, Sec. 16) The purpose of this proposal is also to benefit the exchanges by imposing burdens on unlisted companies equivalent to those now imposed on listed companies, because few companies to-day will voluntarily list their securities on account of these burdens.

It is at once apparent that these proposals, if enacted, would tremendously extend the power of the SEC over private enterprise in this country. It is also apparent that these proposals to impose a heavy burden of regulation and governmental control upon a vast segment of American industry are designed primarily to serve the special interests of small groups who may indirectly benefit from these proposals. As every company is but an association of investors who have pooled their funds, the costs and burdens of this regulation and control will, in the final analysis, fall upon the shoulders of these investors. It is submitted that these proposals should be vigorously condemned as contrary to the best interests of industry and the investors in the companies which would thus be subjected to onerous and expensive regulation.

In considering any program to amend the securities laws, certain facts must be borne in mind in order to make a sound appraisal of its merits. The primary fact is that the present laws have, to a considerable extent, discouraged and blocked the flow of capital into industry and, thus, have materially retarded industrial expansion and the development of new enterprises and helped to perpetuate extensive unemployment. Indeed, the shortages in

(Continued on page 922)

SEC Amendments Seen No Help To Business

(*Continued from page 921*)

industrial capacity and skilled labor which are to-day hampering our national defense program are in part, at least, directly attributable to the operation of these laws as they have been administered by the Securities and Exchange Commission.

The second fact that must be borne in mind is that the impediments to the flow of savings into the expansion of industry are due principally to the way in which these laws have been administered and interpreted by the Securities and Exchange Commission. To anyone who is familar with the awkward forms and the complex rules prescribed by the Commission and acquainted with its numerous unwritten "policies" and "interpretations" of the law, it is obvious that the Commission itself might, if it were so disposed, remove most of the existing obstacles to the free flow of capital into private enterprise without in the least diminishing the protection to investors and without any very substantial changes in the laws. However, before any relief may be obtained along these lines, the philosophy of the Commission must be changed. Clear and specific directions from Congress offer the only hope of bringing about such a salutary change at this time.

The principal obstacles to the financing of industry through the sale of securities to the public are two-fold. These are, on the one hand, the unnecessarily burdensome costs, complexities and delays involved in the registration of securities for sale on the awkward forms and under the bureaucratic procedure dictated by the Commission, and, on the other hand, the throttling of our securities markets by vague and uncertain interpretations by the SEC of indefinite provisions of the law, which has in a large measure destroyed the capacity of our securities markets to absorb any substantial volume of new issues at reasonable prices. Thus, in effect, the capital markets have been closed to industry.

The present law offers no protection against or relief from the undue hardship which may result from arbitrary or unreasonable rules and regulations of the Commission, or from unreasonable or unfair acts or rulings of officers and employees of the Commission, or from the Commission's use of "smear" publicity charging unproven violations of the law in advance of any hearing. Consequently, within its realm, the Commission exercises the powers of an absolute despot with no checks or restraints upon its powers other than its own political and impersonal conscience.

Any program to amend the securities laws must be designed to enforce a reorientation of the philosophy of the Commission, if the amendments are to be effective. Such a program must not only provide restraints upon the arbitrary and capricious exercise of its power, but it must impose upon the Commission the affirmative duty of removing the administrative obstacles to the free flow of private capital into private enterprise and of fostering and encouraging orderly, active, stable and liquid securities markets for the protection of investors.

The SEC-industry proposals fail in a marked degree to satisfy these objectives. They offer no checks upon the rule-making power of the Commission but leave the Commission free to promulgate any regulation, regardless of how unfair, unreasonable or harmful it may be, without any relief from undue hardship for those adversely affected by it. Nor do the proposals provide any relief for persons adversely affected by unreasonable or unfair acts or rulings of officers or employees of the Commission. Nor do the proposals contain any provision which would abolish the vicious practice of releasing "smear" publicity charging violation of the law before any violation is established.

The SEC-industry proposals are devoid of any amendments which would enjoin the Commission to encourage and foster orderly and active securities markets, which are so vital to issuers and investors alike, or which would prevent the Commission from continuing to throttle the securities markets with vague and uncertain regulations and unpredictable interpretations of the law.

The proposals contain one amendment which would alleviate somewhat the burdens involved in the registration of securities for sale to the public. It is proposed that companies which have previously registered an issue of securities may register a new issue by filing an up-to-date prospectus. This proposal will considerably reduce the expense and labor involved in registering new issues of securities after a company has once been through the mill. But it falls short of giving full relief, for a company is still required, when it registers for the first time, to file a voluminous registration statement containing substantially the same statements which appear in the prospectus. There is no reason why this unnecessary duplication should not be eliminated.

The incomprehensibility to investors of the mass of detailed information required by the Commission in the prospectus represents one of the most serious defects in the operation of the present law, but the SEC-industry proposals offer no real solution to this problem. Prospectuses are so voluminous and so replete with technical information that they are confusing and frightening to investors.

The cause of this difficulty is the view taken by the Commission that the law requires *complete* information as distinguished from *fair and adequate* disclosure. Complete information is of no value to the investor if the essential facts are lost in a mass of verbiage and unimportant facts. Such disclosure, although complete, is inadequate to achieve the purpose of the law, which is to fairly inform investors. Fair and adequate disclosure involves the selection of the significant facts and their presentation in a manner calculated to present a fair and accurate picture.

It is of the utmost importance, therefore, that the Commission be specifically directed to require in the prospectus only such information as is necessary to enable the average investor to form a sound judgment with respect to the security he is being asked to buy. In other words, fair and adequate disclosure which will inform the investor, rather than mere completeness, should be the standard provided by the law. The SEC-industry proposals contain no amendment which would force the Commission to permit shorter, more adequately and fairly informative prospectuses.

Schram, NYSE Head, On Securities Laws

(*Continued from page 914*)

essential function in our economy." Mr. Schram further said:

We need to safeguard the usefulness of our exchange markets today as never before. I say this because of the great national defense undertaking in which we are engaged and because of the burdens which inevitably will be thrown upon these markets in the post-war reconstruction period. Although the Federal Government is today playing a major role in the financing of our defense preparations, all of us, the Government included, are looking forward to the time when the capital markets will again supply the requirements of our industrial enterprises. We can have no doubt that once our defense emergency is over, the nation will insist that we return to the traditional process of private financing.

It can be clearly demonstrated that there is a relation between the volume of business on the New York Stock Exchange and new public capital stock offerings. I presume that persons more expert than I in securities markets could debate at great length as to whether new issues were responsible for increased volume on our Exchange or whether the activity on our exchange markets was responsible for new capital stock financing. I will not attempt at this time to say which is the hen and which is the egg, but experience shows that we do not have any substantial amount of equity financing unless, at the same time, we have active stock markets on our exchanges.

I wonder if you fully realize the extent of the shrinkage in our securities markets which has taken place since 1935. The reported share volume for the first 9 months of 1941 on the New York Stock Exchange was but 46% of the reported share volume for the first 9 months of 1935. The reported share volume for the first 9 months of this year (1941) is but 69% of the reported share volume for the same period last year (1940). With the exception of 1936, this drying up has been progressive. In spite of extensive retrenchments, the operations of most of our members are still unprofitable and the Exchange itself is operating at a loss.

We are gravely concerned over the future of our exchange markets. Unless the trend in our business is reversed, they cannot survive indefinitely as the efficient organizations which they are today. It seems to me that the Congress and the Securities and Exchange Commission, no less than the securities industry itself, is faced with a problem of the first magnitude. I believe it is the clear duty of all of us to put our shoulders to the wheel in a concerted effort to correct a serious condition. Congress recognized the essential character of our markets when it adopted the Securities Exchange Act in 1934. I know that the weeks of painstaking study which you, or your predecessors, gave to this problem in 1934, were given that you might produce an Act which would not only eliminate the abuses which had crept into our markets, but one which would strengthen our markets as well.

In 1934 your problem was to stamp out certain evils which had developed in our exchange markets and to prevent the absorption of too large a portion of our national credit. The situation that existed then has been corrected. Today your problem, as I see it, is one of preserving our honest and efficient exchange markets and of encouraging their operation on a sound basis, in the public interest. I am confident that, with the helpful cooperation of Congress and of the Securities and Exchange Commission, our exchange markets can survive and attract the capital necessary for their operation.

All of us have a part in this effort. For their part, the exchanges must continue to maintain markets in which investors can have confidence and in which they may purchase and sell their securities at a reasonable service cost. We must see to it that these markets can continue to operate in times of stress. These markets must continue their close supervision of the conduct of their members. These are the markets which require full disclosure of information upon which buyers and sellers of securities may base their judgment. These are the markets which give full publicity to the prices at which securities are bought and sold. These are the markets which disclose the volume of transactions for the information of buyers and sellers.

The Securities and Exchange Commission, for its part, must exercise general supervision over the markets with the least possible interference with honest business, and we ask that the Congress, for its part, give public recognition to the fact that our exchange markets today are a vital factor in our economy and that they are honestly and capably administered.

As I see it, the effectiveness of any securities law passed by Congress must depend not so much upon what is written into the statute as upon its administration. I believe that the strongest ally which the Securities and Exchange Commission can have in the administration of the securities laws, is an industry which, capably managed, is encouraged to assume the responsibilities of regulation and which is, therefore, willingly cooperative. With the Commission and the industry working together in this spirit, the solution of our problems will not be difficult. I say this out of my own experience as Chairman of the Reconstruction Finance Corporation, and as one who can claim some acquaintance with the processes of Government administration.

The proposals which the representatives of the securities industry have made for amendments to the Securities Acts are based solely on the belief that they will help to enable our markets to continue to operate not only honestly and soundly, but also efficiently, in the public interest. Let me assure you that the exchanges are fully aware that any securities market which does not operate in the public interest cannot and should not survive.

At the start of his statement Mr. Schram said:

Having but recently become a member of the Stock Exchange community, I feel that I am in a position to present, with some sense of detachment, my views with respect to the legislation which is before you.

No doubt many who are not intimately acquainted with our securities exchanges have, from time to time, asked themselves, as I have done, whether these exchanges are a necessary part of our national economy. Before accepting the Presidency of the New York Stock Exchange, I wanted an answer to that question and I wanted the right answer. In fact, I made up my mind that I would not take the Presidency of the Exchange unless I was convinced that it was a useful institution—and I meant useful in the broadest sense.

I had heard it said, as you no doubt have, that the exchange markets do not supply industry with new money, this being the function of the investment banking business. It became apparent to me, however, that this statement was but a half truth. It was clear to me, from my own experience, that a person's desire or willingness to put his money into a security is dependent upon his ability to dispose of that security readily or to borrow on it should necessity arise.

Although the investment banking industry has built up an efficient mechanism for the sale of securities, that mechanism alone is not sufficient for the complete process of distribution. Generally speaking, when the primary distribution has been completed an issue of securities is in the hands of a limited body of holders who, by and large, are willing to invest in new enterprises, or in securities which have not had a widespread public market. As time goes on and as these securities become seasoned, the inclination of such holders is to dispose of their holdings and to seek further new ventures in which to put their money. This is a wholesome development since it facilitates the flow of funds into industry.

One of the prime attributes of an investment security is marketability. No prudent individual investor would buy a new security if he knew that he could not readily realize upon it. Once his funds had been tied up in such a security, he would serve no further economic purpose as an investor. It is through the mechanism of our exchange markets that security issues become seasoned and widely held.

As I see it, the function of our exchanges is to provide security holders with a market in which their security investments will constantly be appraised and re-appraised, and in which security holders may dispose of their investments at any time at current prices. It is this quality of marketability which, in addition to other qualities, makes listed securities attractive as investments and which is responsible for the willingness of banks and others to lend money on such securities. Without our exchange markets, I do not think that our security distributing machinery could long survive. Indeed, I will go so far as to say that without this machinery—I mean the whole process—the institution of private property, as we have known it, would be seriously impaired.

Mr. Schram, who was formerly Chairman of the Reconstruction Finance Corporation, assumed his new duties as President of the Stock Exchange on July 1, as was noted in our July 5, issue, page 44.

N. Y. S. E. Borrowings

The New York Stock Exchange announced Nov. 3 that the total of money borrowed as reported by Stock Exchange member firms as of the close of business Oct. 31 aggregated $444,162,810, an increase of $27,030,507 as compared with the Sept. 30 total of $417,132,303. The Exchange's announcement follows:

The total of money borrowed from banks, trust companies and other lenders in the United States, excluding borrowings from other members of national securities exchanges reported by New York Stock Exchange member firms as of the close of business Oct. 31, 1941, aggregated, $444,162,810.

The total of money borrowed, compiled on the same basis, as of the close of business Sept. 30, 1941, was $417,132,303.

Results Of Treasury Bill Offerings

Secretary of the Treasury Morgenthau announced on Oct. 31 that the tenders for $150,000,000, or thereabouts, of 91-day Treasury bills, to be dated Nov. 5 and to mature Feb. 4, 1942, which were offered on Oct. 29, were opened at the Federal Reserve Banks on Oct. 31. The following details of this issue are revealed:

Total applied for ___ $199,998,000
Total accepted _____ 150,098,000
Range of accepted bids:
High—100.
Low—99.944. Equivalent rate approximately 0.222%.
Average Price—99.962. Equivalent rate approximately 0.151%.
(52% of the amount bid for at the low prices was accepted.)

There was a maturity of a similar issue of bills on Nov. 5 in amount of $100,232,000.

The results of the previous week's offering of $150,000,000 of 91-day bills, dated Oct. 29 and maturing Jan. 28, 1942, which were offered on Oct. 24, were given as follows by Secretary Morgenthau on Oct. 27:

Total applied for _____ $269,407,000
Total accepted ______ 150,010,000
Range of accepted bids (excepting one tender of $10,000):
High—100.
Low—99.973. Equivalent rate approximately 0.107%.
Average Price—99.983. Equivalent rate approximately 0.067%.
(73% of the amount bid for at the low price was accepted.)

There was a maturity of a previous issue of Treasury bills on Oct. 29 in amount of $100,015,000.

The weekly offering of Treasury bills was increased to $150,000,000 on Oct. 17 in order to provide the Treasury with an extra $50,000,000 in cash.

The results to this first $150,000,000 offering of bills, dated Oct. 22 and to mature on Jan. 21, 1942, were announced on Oct. 20 by Mr. Morgenthau, as follows:

Total applied for _____ $303,852,000
Total accepted ______ 150,185,000
Range of accepted bids:
High—100.
Low—99,939. Equivalent rate approximately 0.044%.
Average Price—99.994. Equivalent rate approximately 0.024%.
(71% of the amount bid for at the low price was accepted.)

The bill maturity on Oct. 22 aggregated $100,127,000.

Following are the results of the last $100,000,000 offering of bills (dated Oct. 15 and maturing Jan. 14, 1942), as announced by the Secretary on Oct. 10:

Total applied for _____ $217,616,000
Total accepted ______ 100,207,000
Range of accepted bids:
High—100.
Low—99.999. Equivalent rate approximately 0.004%.
Average Price—99.9998. Equivalent rate approximately 0.001%.
(38% of the amount bid for at the low price was accepted.)

There was a maturity of a previous issue of Treasury bills on Oct. 15 in amount of $100,337,000.

The most recent item bearing on Treasury bill offerings appeared in our issue of Oct. 16, page 621.

Purchases Bank Offices

Former President Trujillo of the Dominican Republic on Oct. 24 issued a statement to the effect that the government of the Dominican Republic had purchased the Dominican Republic head office and five branches of The National City Bank of New York in that country. The head office is located in Ciudad Trujillo and the five branches are as follows: Barahona, La Vega, Puerto Plata, San Pedro de Macoris and Santiago de los Caballeros.

THE BOND SELECTOR

Encouraging Outlook For Oil Companies Focuses Attention On Convertible Bonds

Perhaps the most favorably situated industry under present and prospective future conditions is the oil industry. Due to heavy demand which is coupled with a firm price structure, full year earnings of the major companies will be well above those reported in 1940. Market action of the oil stocks in recent months has succeeded in marking this group the favorite, and the well-known inflation angle has probably had as much to do with this factor as any other.

For the interest of those of the bond fraternity who desire some representation in the future prospects of this industry we review briefly this week three convertible bonds. These are Continental Oil Co. debenture 2¾s, 1948, Phillips Petroleum Co. debenture 1¾s, 1951, and Richfield Oil Co. debenture 4s, 1952.

Continental is a completely integrated company with production substantially in excess of refinery requirements. Net crude reserves, estimated at 400 million barrels (85 bbls. per share) or about 17 years' supply at current rate of production, are located in California, Texas, New Mexico, Kansas, Louisiana and Wyoming.

The Continental 2¾s, 1948, are outstanding in the amount of $21,071,600 and constitute the sole funded debt. The bonds are convertible into common stock at $30 per share up to Dec. 15, 1943, and at $40 per share thereafter until maturity. They are callable on 40 days' notice as a whole or in amounts of not less than $1,000,000 at 103½ to Dec. 15, 1941; at 102 to Dec. 15, 1944; at 101 to Dec. 15, 1947, and at 100 thereafter. At present the bonds sell at 103½ to yield 2.20% and the stock at 25½. Latest reported earnings show fixed charges covered 13.18 times. Net earnings per share of common for the first six months of 1941 were $0.82. At June 30th last, net current assets per debenture outstanding were equivalent to $1,395. There is a possibility that these bonds may be called during the early part of November, since the redemption price drops to 102 after Dec. 15th.

Phillips is another integrated company with crude production substantially in excess of refinery requirements. It also is the leading manufacturer of natural gasoline and the largest supplier of natural gas for carbon black. Net crude reserves are estimated at 350 million barrels (77 bbls per share) or 15 years' supply at current rate of production, of which over 75% are in Texas and Oklahoma.

Outstanding in the amount of $20,000,000, the Phillips Petroleum 1¾s, 1951 are convertible into the company's common stock at $45.50 per share to Jan. 1, 1946, and thereafter to maturity at $50.50. Until Dec. 31, 1941, the debentures are callable at 102½ and at ¼ point less each calendar year thereafter until the end of 1945; thereafter at varying prices. Currently the bonds sell at 104¾ and the stock at 44½, or one point below the conversion price. In addition to these convertible debentures, there are outstanding $15,000,000 of serial notes to 1951. At Dec. 31, 1940, interest was earned overall 12.24 times, and net current assets per $1,000 of debt amounted to $829. For the first six months of 1941, earnings per share of common stock were $1.85. Maturity yield on the debentures at 104¾ is 1.20%.

Richfield Oil, controlled jointly by Consolidated and Cities Service, is engaged in all phases of the oil industry on the Pacific Coast, with major emphasis, however, on refining and marketing. Net crude reserves, all in California, are estimated at 130 million barrels (33 bbls. per share), or over 20 years' supply at recent rate of production.

The Richfield Oil 4s, 1952, are outstanding in the amount of $9,100,000. Up to and including Mar. 14, 1943, the debentures are convertible into common stock at $17.50, and thereafter to Mar. 14, 1947 at $20 per share. The bonds are callable at 105 to Mar. 14, 1942; at 102½ to Mar. 14, 1947, and at ½ point less each year thereafter. At the present time, the bonds sell at 104½ and the stock at 10¼. At June 30, 1941, interest coverage on these bonds amounted to 13.02 times. At the same date, net working capital per $1,000 of outstanding debentures amounted to $3,059, so representing unusual net current asset coverage. At 104½ the bonds yield 3.47%. Latest per share earnings amount to $0.46 for the first half of 1941.

The accompanying tabulation shows price ranges of the bonds described above together with the common stock of the three companies since 1938.

PRICE RANGES

	Recent Price	1941	1940	1939	1938
Continental—					
Bonds	103½	107 -102¾	110⅝-103⅞	114⅝-103½	109 -108¾
Stock	25½	26¾- 17⅜	25 - 16⅛	31½- 19⅞	35¾- 21¼
Phillips—					
Bonds	104¾	105¾- 99⅛	*	*	*
Stock	44½	46 - 35¾	41¾- 27⅛	46½- 31¼	44⅜- 27¼
Richfield—					
Bonds	104½	107 -104¼	109 -103½	110 -100¾	107 - 89½
Stock	10¼	12⅛- 7¼	9¼- 5⅞	10¼- 6⅝	9⅞- 5

*Offered to stockholders at 100, Jan. 10, 1941.

Tomorrow's Markets Walter Whyte Says—

(Continued from page 915)

treme. Such conditions are natural. At the top of a bull swing everybody is long and therefore everybody is cheerful. At the bottom, or close to a bottom, of a market everybody has either given up in disgust, or is grimly holding on expecting nothing but the worst.

* * *

In the present and recent market this condition was and is if anything magnified. This too is understandable. All you have to do is to read your daily papers and you will see the reason.

* * *

We have been closely indentified with the anti-Nazi group for so long that any victories reported by it—or conversely defeats shown for the Allies—is certain to have a dampening effect. And while I'm on the subject allow me to point out that further bad news from Russia is almost a certainty, though the market has discounted some of it; similarly the Japanese fist shaking has probably been taken into account by the market. The only thing the market has not discounted is our official entrance into the war. But that is another thing and I'll think about that when it happens.

On the domestic front the news of Congressional action on the Neutrality Act is dominant. From a market angle this is important only in that our shipping will be permitted to enter ports long closed to it. Naturally there will be sinkings but shippers will charge enough to take care of that. The other important development is the result of the Emergency Fact Finding Board. Naturally I don't know if its rail wage recommendations will be favorable (from a market angle) still a 10% salary boost won't hurt most rails as much as you might think. Anyway the market action of the rails doesn't seem to indicate it.

* * *

If figures don't bore you, here are a few you might keep in mind. If a 10% average over all wage boost is recommended it will take about $3.60 from an expected annual Atchison income of about $8.50, $3.30 from Atlantic Coast Line's $10 annual figures, $3 from N. Y. Central's estimated $5 earnings, $3 from Southern Pacific's estimated $9 and about $3.50 from Union Pacific's expected yearly $8 earnings.

Now to get back to the technical action of the market and why I think it is headed higher. Since last week the market has continued to dawdle. There was only one minor reaction, caused, I believe, by the news of the sinking of the Reuben James. Yet on this sell off the market showed enough ability to take stock without falling flat on its face. It was also apparent that on this decline volume dried up and the number of stocks participating in it dwindled, but more important a greater number of stocks showed an ability to snap back.

* * *

I believe all these are straws in the wind pointing to a turnabout which may be set off by a single isolated occurrence. Having told you that I now believe the market is headed up allow me to add that I don't think this reversal will be the beginning of a major up turn. There are still too many imponderables in the way. But I do think the market is building up, for say a rally of seven to 10 points, and that isn't to be snickered at.

* * *

Meanwhile you are still holding Bendix at 37, N. Y. Shipbuilding at 15 and Warner at 5. Hold positions.

* * *

Suggest adding following: U. S. Steel between 53 and 53½. Stop at 49 and hold for 60 or better. Gulf, Mobile & Ohio pfd. buy at 20 or better. Stop at just under 18 and hold for 28-30.

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

Emil Roth (& Co.) is a floor trader with a nose for a good trade, preferably a quick one. One day the opportunity for what he considered a good buy in second-hand cars was a little too much for him to resist. So he bought it. The following day he invited a fellow floor trader to drive home with him. They set off to the accompaniment of various and sundry rattles and wheezes. Whenever the car crossed some bumps it sounded as if it would fall apart. When they reached their destination Emil turned to his companion and said: "Swell car, isn't it? You'd never guess I bought it second-hand, would you?" "Nope," was the answer. "I thought you made it yourself."

From the Pacific Coast we learn that a group of film moguls were meeting Lord Mountbatten as their banquet guest. Somebody had told them that this cousin of British royalty and captain in the Royal Navy always wore his decorations on formal occasions. And this was certainly, they reasoned, a formal occasion. So not to be outdone the movie tycoons bedecked themselves with medals too. Few had any important decorations to pin on their swelling chests so they used all kinds of badges and medals. Some of these were prizes from bridge tournaments, athletic feats, bowling, convention orders, etc. In any case they made a proud appearance standing there in their cutaways, high silk hats and their "decorations. In due time the car bearing Lord Mountbatten appeared, pulled up and out stepped the gentleman wearing an old suit of tweeds and nary a medal.

We stepped into a brokerage office the other afternoon and visited with one of the partners. At one time the door to the adjoining office opened and we saw his partner reclining on the couch snoring away for all he was worth. "He must be awfully tired," we observed. "Sure he is," snorted our host. "He's now holding two positions—he sits up all night in night clubs, and lies down all day at the office."

Torr Enjoined

John M. Torr and Mabel L. Torr, his wife, co-partners in Torr & Co., 60 New Street, New York City, have been enjoined permanently from dealing in securities in the State of New York. The partners consented in the judgment, according to Ambrose V. McCall, Assistant Attorney General.

Torr & Co. had been investigated by the Attorney General's office on charges that they had failed to keep accurate records, had made "unconscionable, unfair and fraudulent profits," and that shares in a syndicate had been sold by them while incorrectly stating that no funds would be expended until the aggregate sum of $25,000 had been raised. Mr. Torr and a partner, Rudolph P. Mills, in 1938 were found to have violated the Securities and Exchange Act by Judge John M. Woolsey in United States District Court.

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.

If You Want New Customers Ask For Favors

The sage of old said, "The only men without vanity are dead men." Flattery is one of the most potent tools that any salesman can use. Skilfully applied it is irresistible. Blunder when you use it and it can become a damaging bomerang.

There is one method of using indirect flattery, however, that is almost 100% safe. That is, ASK FOR FAVORS. People like to do things for others. Especially, if it is something that requires a small amount of effort and at the same time shows off superior skill or knowledge.

Ask a man about his business —watch him open up. If he is interested in golf, ask him how he holds his driver. Does he pride himself on his knowledge of world affairs—ask his opinion on some current topic. Notice the inner pleasure he appears to radiate as he gives you his opinion.

Now, let us apply this simple fundamental trait of human nature to the business of selling securities. Mr. Salesman calls upon Mr. Prospect. At first Mr. Prospect is wary, he is aloof, at best "he is from Missouri." Mr. Salesman is aware that before he can even think of doing business, he must first create a feeling of good will between himself and the prospect.

Naturally, the first call is always on a get-together basis. In that first meeting, the salesman strives to make his good "first impression." He stresses the research facilities at his command, the time and study his firm puts into situations before they recommend them to their clientele, and he also uncovers his prospect's business interests and hobbies.

A few weeks later, the salesman again telephones or calls in person upon his new prospect. In this call, he asks for a favor. He asks for information. For instance, Mr. Prospect may be a machine tool jobber. Our salesman states that his firm is making a study of a certain machine tool company. Does Mr. Prospect know of them? If so, what does he think of their management, their position in the trade, the outlook for the industry, etc., etc. If not, can he get an opinion, or can he think of a friend who could be of assistance. Watch what hapens. If properly followed up, such a procedure will definitely break down scepticism and initial coolness toward a salesman.

This suggested procedure is a very valuable sales aid. It can also be used as an excellent method of corollary research by an alert salesman. There are several very successful salesmen who are known to this column that keep an indexed record of different individuals who can give them information of importance on many different businesses. When they need them, they don't hesitate to call for help. Their friends like it.

If you'll help me
My friend you'll be.
If I help you
We may be through.

Rea Of N. Y. Curb Sees Proposed Changes In Securities Acts As In Public Interest

George P. Rea, President of the New York Curb Exchange, appearing on Oct. 30 before the House Committee on Interstate and Foreign Commerce (which has been considering views anent the proposals to amend the Securities laws), stated that "we are convinced that the changes in the Acts which we are proposing are in the public interest. If we doubted this, it would be both stupid and suicidal to make them." In his statement Mr. Rea also said:

The Acts of '33 and '34 were passed when the memory of recent speculative excesses was vivid, and looking back toward a period which is now some 12 years in the past.

Not only has there been no comparable recurrence of such speculative enthusiasm but the industry feels strongly and sincerely that the Acts have gone so far as to make normal conduct of its business impossible.

On the other hand, the Securities and Exchange Commission in its point of view naturally emphasizes that it is a restraining body and not a constructive force.

It is for your Committee to weigh the factors, to consider the evidence and to conclude what is best for the public.

Today the private financing of industry faces a crucial test. It has disappeared in the totalitarian countries. That it may be given a fair chance to show what it may accomplish in our necessity is what the industry asks of Congress.

Preceding his remarks just quoted Mr. Rea also had the following to say in part:

We are asking you to review and consider two statutes around which there has developed a vast growth of rules, regulations, practices and experiences. These regulations and practices constitute the Federal Government's contribution to the rules relating to the use of our market places.

I am, naturally, primarily concerned at these hearings with the business of exchanges generally and with that of the New York Curb Exchange in particular.

In respect to exchanges, the rules which will be discussed will deal with information about the securities which are bought and sold on exchanges. They will deal with the way purchases and sales may be made on exchanges. They will also deal with broad grants of power over exchanges which has been made in the past to, and additional powers which are now sought by, one of your administrative bodies, the Securities and Exchange Commission.

Before plunging into the forest and looking at individual trees, I urge you to look at the whole stand of timber. I ask you to realize its value to the entire territory in which it grows—to consider its general health and what that means to the future of that territory. I believe, with such a perspective established, one can better diagnose both the internal and external ills and proceed to discuss cures.

Only Part of Securities Business

The exchanges are only a part of the whole securities business. The thousands of corporations, partnerships, officers, managers,

(Continued on page 927)

Calendar of New Security Flotations

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.

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 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)

SATURDAY, NOV. 15

SEVENTY-NINTH AND RACINE BUILDING CORP.

Lucius Teter, et al, voting trustees of Seventy-Ninth and Racine Building Corp., registered with SEC voting trust certificates for 2,961 shares of common stock, no par

Address—Trustees: 135 S. LaSalle St., Chicago

Business—The corporation owns and operates a commercial building consisting of stores, offices, and apartments, located at the southeast corner of 79th st. and Racine Ave., Chicago, Ill.

Offering—The voting trust certificates are to be issued to holders of corporation's common stock, under a proposal to extend the existing voting trust agreement, which terminates Nov. 23, 1941, to Nov. 23, 1951.

Registration Statement No. 2-4868. Form F1 (10-27-41)

MONDAY, NOV. 17

INVESTORS MUTUAL FUND, INC.

Investors Mutual Fund, Inc., registered with SEC investment certificates representing an equitable interest in the following two classes of Special Stock of company: (I) Investors Diversified Fund: (a) 60 units of $1,200 each of Monthly Payment Certificates without life insurance protection permitting aggregate payments of $720,000; (b) 400 units of $1,200 each of Monthly Payment Certificates with life insurance protection permitting aggregate payments of $480,000; and (c) 2,000 units of $250 each of Full Paid Certificates requiring aggregate payment of $500,000; (II) Investors Corporate Fund: (a) 600 units of $1,200 each of Monthly Payment Certificates without life insurance protection permitting aggregate payments of $720,000; (b) 400 units of $1,200 each of Monthly Payment Certificates with life insurance protection permitting aggregate payments of $480,000; and (c) 2,000 units of $250 each Full Paid Certificates requiring aggregate payments of $500,000.

The number of shares to be issued of the classes of Special Stock designated as Investors Diversified Fund and Investors Corporate Fund, respectively, are indeterminable in advance. However, shares of each class of Special Stock will be issued in such amounts as are necessary to meet the investment requirements of Investors whose Net Payments upon the Certificates covered by this registration statement will be applied to the purchase of such shares of Special Stock from time to time. The Shares will be first issued at $10 each, then at net asset value

Address—1016 Baltimore Ave., Kansas City, Mo.

Business—Investment trust

Underwriters—Investors Fund, Inc.

Proceeds for investment purposes

Registration Statement No. 2-4869. Form A1 (10-29-41)

PANAMA COCA-COLA BOTTLING CO.

Panama Coca-Cola Bottling Co. registered with the SEC 33,750 shares common stock $1 par

Address—19-A Avenue Jose Francisco de la Ossa, Panama, R. de P.

Business—Engaged in business of bottling Coca-Cola and other carbonated beverages and in manufacture of ice-cream and ice, all of which are sold wholesale in the Republic of Panama and in the Canal Zone

Underwriters—Elder & Co., New York, is the sole underwriter

Offering—The shares will be offered to the public at $12.50 per share; underwriting commission is $2.50 per share

Proceeds—Will be used to increase the company's working capital

Registration Statement No. 2-4870. Form S-2 (New Form) (10-29-41)

ROHR AIRCRAFT CORP.

Rohr Aircraft Corp. registered with the SEC 200,000 shares of capital stock, $1 par value

Address—Chula Vista, Cal.

Business—Manufacture and sale of parts for aircraft pursuant to subcontracts with and purchase orders from Consolidated Aircraft Corp. and Lockheed Aircraft Corp.; parts manufactured are in following categories: cowling, power plant assemblies, boom doors and bomb rack adapters

Underwriting—Lester & Co., Los Angeles, Cal., is the sole underwriter

Offering—Of the 200,000 shares registered, 135,000 will be offered for the account of the company and the remaining 65,000 shares (already issued and outstanding) will be offered for the account of the owner thereof, Consolidated Aircraft Corp. Such 200,000 shares will be offered to the public at $4.40 per share; underwriting commission is 88 cents per share

Proceeds to company from sale of the 135,000 shares will be used as follows: $125,000 for contemplated advance payments to sub-contractors; $262,500 to discharge the unpaid portion of Federal income and excess profits taxes for fiscal year ended July 31, 1941; and $73,700 for increase of inventories

Registration Statement No. 2-4871. Form A1 (10-29-41—San Francisco)

TUESDAY, NOV. 18

HIRAM WALKER-GOODERHAM & WORTS LTD., and HIRAM WALKER & SONS, INC.

These two companies jointly filed a registration statement with the SEC for $15,000,000 of Serial Debentures, due $1,000,000 each Nov. 1, 1942 to 1956, inclusive. The interest rates will be supplied by amendment. The Debentures are to be the joint and several obligations of the above two companies, and are to be payable in United States currency

Addresses—Hiram Walker-Gooderham & Worts Ltd., Walkerville, Ontario, Canada Hiram Walker & Sons, Inc., 4450 Penobscot Bldg., Detroit, Mich.

Business—Hiram Walker-Gooderham & Worts, Ltd., is a holding company, owning directly or through subsidiary companies, including the American company, Hiram Walker & Sons, Inc., all or a majority of the voting stock of various companies engaged in business of producing, warehousing, bottling, buying, selling, importing, exporting or otherwise dealing in alcoholic products for beverage and industrial purposes, and the by-products thereof

Underwriting — Smith, Barney & Co., New York, is named as the principal underwriter. Names of the other underwriters will be furnished by amendment.

Offering—The debentures will be offered to the public, at prices to be supplied by amendment

Proceeds will be received by the American company, Hiram Walkers & Sons, Inc., and applied by it as follows: (a) $3,821,940 to the redemption on Dec. 9, 1941, of the outstanding $3,747,000 of Ten-Year 4¼% Convertible Debentures of the two companies, at 102; (b) the balance to the payment of certain bank loans incurred jointly and severally by the two companies from Guaranty Trust Co., New York

Registration Statement No. 2-4872. Form A2. (10-30-41)

THURSDAY, NOV. 20

MARMON-HERRINGTON CO., INC.

Marmon-Herrington Co., Inc., registered with SEC 150,000 shares common stock, $1 par value

Address—1511 W. Washington St., Indianapolis, Ind.

Business—An outgrowth of the truck department of the former Marmon Motor Car Co., company is engaged in the manufacture, assembly, sale of heavy duty trucks, Ford conversion units, tracklaying tractors, military combat vehicles and other special military equipment. Unfilled orders of company totaled $23,712,126 on Oct. 20, 1941, of which a large portion are for track-laying military combat vehicles of various types, the production of which is just getting under way

Underwriting—All of the 150,000 shares registered are already issued and outstanding, and are to be purchased from three selling stockholders by Brown, Schlessman, Owen & Co., Denver, Colo., at $8 per share. Underwriter may form an underwriting group for the stock

Offering—The shares will be offered to the public at a price of $10 per share

Proceeds will be received by the three selling stockholders

Registration Statement No. 2-4873. Form A2. (11-1-41)

SATURDAY, NOV. 22

SAN DIEGO GAS & ELECTRIC CCO.

San Diego Gas & Electric Co. registered with the SEC 246,750 shares of common stock, $10 par value

Address—861 Sixth Ave., San Diego, Cal.

Business—An operating public utility company, supplying electricity and natural gas service in and adjacent to city of San Diego, Cal.

Underwriters—Blyth & Co., Inc.

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

Proceeds will be added to company's treasury funds and will be used for capital additions made and to be made, also possibly for discharge of bank loans

Registration Statement No. 2-4874. Form A2 (11-3-41 San Francisco)

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)

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)

Calendar of New Security Flotations

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 1,684 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).

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)

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 2.66 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 refilling, 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 6,453⅓ shares 6% Non-Cumulative Convertible Preferred Stock, $100 par, and 129,063⅓ 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 6,453⅓ 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 235,000 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 orginally 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.

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.)

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)

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 2 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, distribution 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 with the SEC, disclosing that the number 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 a 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 to others by company, at $25 per share, in sole discretion of company

If subscriptions do not total 150,000 shares then C. S. Mott and C. R. Bitting have agreed to purchase for investment an amount to bring the total amount sold up to 150,000 shares

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)

Effective—3:15 P.M., E.S.T., on Oct. 29 as of 4:45 P.M., E.S.T., Oct. 12, 1941

(This List is Incomplete This Week)

Rea Approves Changes In Securities Acts

(Continued from page 924)

partners, bookkeepers, salesmen and messengers who are the security business, not only in New York City, but in every city in the United States, are engaged in various jobs contributing to one big piece of work—the work of converting private funds into business capital. Business cannot operate without capital. From the point of view of employment, it has been estimated that it takes $7,000 of invested capital to keep one man at work in industry. The contribution to our economy of those engaged in making this capital available to business is, therefore, obvious and apparent.

* * *

Part of the securities business as a whole is the business of securities exchanges. What are exchanges? What part do they play in the whole organism? Why are they necessary?

Defines An Exchange

I venture to define what an exchange is quite simply. It is nothing more than a market place where persons wishing to sell securities may make offers and where persons seeking securities may buy. We must avoid confusing the machinery with the purpose of the machines.

If a market place is to be useful, it must be within easy reach of many people. An exchange obtains this characteristic of accessibility through quotation wires, tickers, widespread member officers, and the courtesy of newspapers which report its market activities every day. All of this machinery makes an exchange appear complicated. Such superficial complication does not alter the fact that exchanges are essentially nothing more than market places.

Because of the modern machinery of communication which makes an exchange market place instantly available to people scattered over vast areas, exchanges have acquired a secondary function. They have become not only places where buyers and sellers meet to dispose of or acquire securities, but they have become the places where values are established. Persons who have no intention of selling securities and others who don't wish to buy look to the values established by exchange transactions in deciding what loans they may make on securities offered as collateral; in deciding whether new offerings of securities should be sold or bought; and in deciding innumerable other questions involving the values which are being placed on securities by buyers and sellers at any given time. Pricing by the open market method is an essential of our economic system. Values established by command of Government or monopoly are not true values and can be made true only by constant support through political or economic propping. Values established by the expressed or reserved judgment of many people are true values. Because exchanges are accessible to millions of people they have acquired a usefulness as what might be called the people's "ballot box on values." It is the natural by-product of being accessible market places.

Please do not lose sight of this element of accessibility. Unless exchanges remain available to all groups and all individuals —to the pessimists, the optimists, the investors, and the speculator, the story which the daily tape tells will be a censored story.

RR. Guide Supplement

The first Supplement to the third annual issue of the "Guide to Railroad Reorganization Securities" has just been issued by Pflugfelder, Bampton & Rust, 61 Broadway, New York City, members of the New York Stock Exchange. Since the release of the annual issue, the Interstate Commerce Commission has issued the final plan for the Chicago, Rock Island and Pacific as modified and has certified it to the Federal District Court; it has also issued a final plan of reorganization for the St. Louis, South Western Railway Company, but has not yet certified this plan to the Federal District Court; The Commission's examiners have also issued proposed plans for the Denver and Rio Grande Western, the Florida East Coast and the Minneapolis, St. Paul & Sault Ste. Marie Railway —all these revisions are included in this supplement.

This supplement is sent free to those who purchased a copy of the "Guide"; for others, the price of the supplement is one dollar a copy. The third annual issue, with this supplement, is still available in a limited number, for the original price of five dollars, and may be obtained direct from Pflugfelder, Bampton & Rust.

"Petroleum on Parade"

An attractive booklet entitled "Petroleum an Parade — The March of Civilization" has been compiled by Tellier & Company, 42 Broadway, New York City, members of the Eastern Oil Royalty Dealers Association. The booklet, attractively illustrated, discusses the place of oil in the world of today, shows interesting diagrams of oil wells, gives tables of crude oil production and describes what oil royalites are.

Copies may be obtained from Tellier & Company on request.

Write for Analysis

An interesting and complete analysis discussing the current situation in the securities of Eastern Corporation has been prepared for distribution by R. E. Swart & Co., Inc., 40 Exchange Place, New York City, from whom copies may be obtained upon request.

Tidings From Phila.

PHILADELPHIA, PA. — Jim McAtee, of the trading department of Butcher & Sherrerd, 1500 Walnut Street, is back at his desk after a honeymoon in Virginia—having joined the ranks of the benedicts on Oct. 18th.

Our Reporter On "Governments"

Something has been happening in the Government market recently—something of prime interest to every holder of Treasury obligations. . . . That something has to do with the development of an important trend away from taxable securities into outstanding tax-exempts. . . Its basis involves angles that deserve close attention by every institutional and individual owner of Governments. . . . And whether you take action or not on the switches indicated, you certainly should know why a movement develops—what factors warrant it. . . .

Shortly after the sale of the long-term 2½s—the new taxables due in 72/67—a trend out of taxables and into tax-exempts began. . . . While the 2½s virtually stood still, several long-term tax-exempts rushed up to new record highs. . . . In some instances, the gains ranged to a point. . . .

There are two apparent explanations for the contrasting movements:

(1) For some time, the value of tax-exempt obligations in the Government list had been overlooked, disregarded by investors and traders;

(2) The floating supply of the 2½s was great, the issue was undigested and the contrast between the two trends thereby was heightened. . . .

Informed sources report there was considerable switching from the taxables to the tax-exempts during those days following the sale of the 2½. . . . Traders reveal too that the switching movement still is going on to some extent. . . .

So the question now arises as to whether that movement is justified. . . . Whether you—the investor—should take steps now to sell your taxables and get into tax-exempt. . . .

Both Sides

Here's an angle to keep in mind at all times. . . . The shift on the part of the Treasury from the sale of tax-exempts to the issuance of taxables has created a wonderful "switching" opportunity for institutional investors in the Government market. . . .

Two markets are being built up. . . . Two markets—one in which tax-exempts are traded, one in which taxables are traded. . . . Price spreads between these two markets have varied and will vary—sometimes sensationally, as has occurred recently. . . . Major institutional investors suddenly will decide to sell large blocks of their holdings of one type of security, move into another. . . . Traders will take advantage of the movements to make some quick profits on trades. . . .

In other words, what you have is a continuing—and ever increasing—opportunity to increase your income on Governments by moving with the trend of taxables or tax-exempts. . . . That trend sometimes is in favor of one kind of issue, sometimes in favor of another. . . . And that's where your profits lies, that's where your interest should be. . . .

For a fortnight, the movement has been out of taxables and into tax-exempts due to the two forces outlined above. . . .

Now the problem is to decide whether the trend has gone far enough in one direction and whether it is time to reverse your actions and sell tax-exempts, buy taxables. . . .

Reversing It

Alert traders believe the trend has gone far enough—at least, for the time being. . . . The tax-exempts now are over-valued in relation to the taxables. . . . This is not a discussion of long-term factors, of course. . . . We're not going into the question of the possible scarcity value of the tax-exempts in future months, the increasing demand for a decreasing amount of securities. . . Similarly, we're not going to attempt at this stage of the game to guess as to the Treasury's actions in 1942—its efforts to do away with outstanding tax-exemption, regardless of legal and moral precedent. . . .

Just on a week-to-week trading basis, the tax-exempts look less attractive than the taxables at the moment. . . . So if you're interested in trading, you may consider selling some of your intermediate tax-exempts today, buying taxables in the same maturity classification. . . . Or you may wish to switch out of a long-term tax-exempt into an issue like the new 2½s. . . .

Incidentally, one reason the tax-exempts are getting the play they are now is that when taxables first came out, most investors underestimated the growing attractiveness of the tax exempts—particularly around income tax adjustment periods. . . . But the publicity given to the tax law in effect now and the laws to come is having a profound effect on investor psychology. . . . You can carry this argument on from here—in relation to your own portfolio. . . .

Inside The Market

The "insiders" are talking now about another financing around November 15—much earlier than had been expected only a few days ago. . . .

Market could take an issue now, of course. . . . Despite recent $1,500,000,000 deal, there's a demand for Governments that is most encouraging for borrowers. . . .

The "feelers" are out too, by the way. . . . Gossip is this issue will be a short-term bond or perhaps, even a 5-year note. . . . Might be an additional issue of the 1s of March 15, 1946, issued in the amount of $500,000,000 a few days ago to refund the RFC's and CCC notes. . . .

If the issue were a 5-year note, market would be taken by surprise. . . . Offering would appeal to banks mostly. . . . Long-term market would be given breathing spell to prepare it for another flotation soon. . . .

Reports coming out on life insurance purchases of Governments in last month indicate insurance industry bought huge amounts of the taxable 2½s. . . . Purchases were way above preliminary estimates. . . . There's no denying it—Morgenthau is doing a job with his distribution of bonds among various sources. . . .

Singer Mfg. Outlook

Bristol & Willett, 115 Broadway, New York City, have prepared an eight-page booklet on The Singer Manufacturing Company, analyzing the earnings, financial position, dividend record and future outlook. Copies are available from them on request.