Final Edition THURSDAY NOV 14 1941 In 2 Sections – Section 1

The COMMERCIAL and FINANCIAL CHRONICLE

Reg. U. S. Pat. Office

Volume 154 Number 4006 New York, N. Y., Thursday, November 13, 1941 Price 60 Cents a Copy

Speakers Flay Proposed Amendments to Securities Acts at N. Y. Dealers Meeting

Edward E. Chase, President of the Maine Securities Company of Portland, Maine, at a general meeting of the New York Security Dealers Association at the Bankers Club on Nov. 6, told a gathering of representatives from approximately 200 Over-the-Counter firms that a committee representing Maine dealers has asked Congress not to enact the proposed changes to Section 14 of the Securities Exchange Act (the proxy section) unless Congress also enacted the bill which was introduced (H. R. 5832) which would prevent in the future the granting of "Unlisted Trading Privileges" to any Exchange except in securities fully listed upon some other national securities exchange. By this procedure, the right of decision would be restored to the issuer whose securities could not thereafter be exposed to the disadvantages of Exchange trading without his consent. Mr. Chase further stated that he believed that the great majority of listed securities would have more reliable and more stable markets if they were removed from the Exchanges and committed to the care of reliable distributors; also that the advantages of Exchange listing have been greatly exaggerated.

Mr. Chase asserted that if we consider financial conditions which the Securities Acts were designed to correct, the principal objectives are to curb speculation, to prevent the circulation of false and half-baked information, to encourage intelligent decisions by investors and to promote stability in prices and responsible ownership. He declared the Exchanges sold the country the cowardly philosophy of liquidity. No one ever should own any security, they said, unless they could get rid of it quickly; and it was intimated, falsely as it turned out, that the Exchanges would provide a ready market. The Exchanges have failed to provide a stable and reliable market. Whenever a real selling job comes along—witness the liquidation of the British securities and other large holdings—the methods of the distributor have to be used.

Marketability or activity was deemed a partial substitute for merit. Even the financial services fell into this error. The repercussions are still being felt with disastrous effect all over the country, with thousands of sound small business enterprises being deprived of long term bank credit, by reason of the activity—weighted ratings being accepted as a test of eligibility.

Mr. Chase called liquidity a cowardly philosophy because it denies the only justification for a system of free enterprise—responsible ownership and the taking of risks. He said, "What good is a system of free enterprise in which everyone is trained to run away quickly, especially when those who train them are the first to run?" He contended that if the system, implicit in the purposes

(Continued on page 1019)

OUR REPORTER'S REPORT

The upward adjustment of member bank reserve requirements to the full limits permitted by law has been accomplished without any serious change in the monetary picture. Surplus reserves, both at New York and for the Federal Reserve System as a whole, though sharply curtailed in consequence of the change, are still ample for any near-term needs that can be perceived.

Such available reserves, now about $775,000,000 for New York institutions, and $3,410,000,000 for the system, are the lowest for some three years. But no particular strain on the banking position is indicated.

Quite to the contrary, aside from the Treasury bill market where material stiffening is noticeable, the investment market generlly remains virtually unmoved. There has been considerable shifting of position in the Treasury market, reflecting the varying interpretation placed on the shrinkage in reserves by institutional investors, but beyond some narrow irregularity the situation has not been markedly altered.

The corporate market, which naturally takes its cue from the action of Federal Government obligations, has been doing little more than mark time. And what is more to the point, underwriters do not appear to have been perturbed and are proceeding, where there is business in hand, to carry on in the usual manner.

2.5% Yield On Top-Grades

In prevailing circumstances the best guide to the seasoned bond market is provided by the top-grade utility bonds. And these, almost without exception, are ruling at present, at or near their all time record highs.

(Continued on page 1013)

Holds Cash Customer Of Bankrupt Broker Can Regain Securities In Broker's Name

Cash customers of bankrupt brokerage houses may repossess their securities even if purchased in the name of the brokerage firm, the Third United States Circuit Court of Appeals at Philadelphia ruled on Nov. 4. Indicating that two phases of the Chandler Act of 1938, of importance to both stock brokers and their customers, with particular relation to bankruptcies, were in the ruling given formal court interpretation, the "Philadelphia Inquirer" of Nov. 5 said:

In an opinion written by Judge Charles Alvin Jones and concurred in by Judges William Clark and Herbert F. Goodrich, it was held:

1—A dealer in securities is a stock broker within the meaning of the act, and therefore subject to all of its provisions.

2—A customer who orders and pays for securities, which securities are procured by the broker in the purchaser's name and held by him at any time prior to bankruptcy, may be reclaimed by the customer under the law, provided he is not otherwise indebted to the bankrupt.

The following relative to the ruling is from a Philadelphia Associated Press account:

Court observers said it was the first interpretation by any of the higher Federal courts of a clause in the Chandler Act which provides that a customer, unless he can prove the securities claimed are the "identical ones" bought for him by the broker, becomes a common creditor sharing pro rata with marginal creditors the distribution of assets.

Trustees for creditors of the bankrupt investment house of McMillan, Rapp & Co. objected to the claim of Paul Freeman,

(Continued on Page 1018)

INDEX

Counter Dealers Wake Up!

With the opening of hearings on the proposed amendments to the Securities Act and the Securities Exchange Act before the House Committee on Interstate and Foreign Commerce, over-the-counter dealers are realizing that their interests were not properly represented at the conferences between the Securities Exchange Commission and the industry, that resulted in the voluminous report that was issued.

It is high time the over-the-counter dealers organized to oppose vigorously certain proposed amendments to the Securities Exchange Act.

LaSalle St. Cashiers To Hear F. Patton

CHICAGO, ILL.—Francis F. Patton, Vice-President of A. G. Becker & Co. and Governor and member of the Executive Committee of the National Association of Securities Dealers, will explain the functions and activities of the

Francis F. Patton

N. A. S. D. to members of the LaSalle Street Cashiers at a dinner meeting to be held on Tuesday evening, Nov. 18th, at 6 o'clock p.m., at DeMet's Board of Trade Grill, it was announced by Thomas L. Dowd, Chairman of the Practice and Procedure Committee of the Cashiers.

It is expected that Robert W. Baird, President of the Wisconsin Company, Milwaukee, National Chairman of N. A. S. D., William D. Fuller, Fuller, Cruttenden & Co., member of Board of Governors and Finance Committee of N. A. S. D., will be present. Regional officers of N. A. S. D. Messrs. Charles B. Crouse Crouse & Co., Detroit, Chairman; Ralph S. Longstaff, Vice-Chairman, and William R. Mee, Field Secretary, are also expected to attend.

The meeting, Mr. Dowd explained, is not confined to LaSalle Street Cashiers. Partners and officers of firms and associates interested in a first-hand explanation of the N. A. S. D. are invited to attend.

IBA Convention Forum To Feature Shop Talk

Word reached Investment Bankers Association members on Nov. 10 of an innovation for the 1941 convention which is to be held at Hollywood, Fla., Nov. 30 to Dec. 5. The new features is a session devoted strictly to shop talk, scheduled as a forum on "How to Meet the Overhead in 1942." A panel of eight investment bankers representing securities houses in as many different cities will form a "panel" of experts to lead the discussion and bring out an exchange of helpful ideas on day-to-day operating problems of everyone in the business, the announcement said. Included on the panel are the following:

John Clifford Folger, Folger, Nolan & Co., Inc. Washington, who will act as Chairman; John W. Clarke, John W. Clarke, Inc., Chicago; H. H. Dewar, Dewar, Robertson & Pancoast, San Antonio; Paul W. Loudon, Piper, Jaffray & Hopwood, Minneapolis; Laurence M. Marks, Laurence M. Marks & Co., New York; Charles B. Merrill, Merrill, Turben & Co., Cleveland; T. Edward O'Connell, Murphy, Favre & Co., Spokane; and Robert C. Webster, Webster & Gibson, Nashville.

The announcement states:

Behind the plan for the "our business" forum, are the "innumerable new and basic problems confronting investment banking. Profitable operation is made more difficult by new regulations, by increased taxes, by increased inroads by the Government into private financing, and by decreased investment opportunities for the general public.

"All these things form a new basis upon which the investment banking business must be operated. All of them accentuate the need for sound sales ideas, still more economies in operation, operating methods which can help the business to keep going so as to serve in the war emergency and, most important, in the post-war readjustment era."

An earlier reference to the Convention plans appeared in these columns Nov. 6, page 915.

Nominees Announced For NASD Dist. No. 8

The Nominating Committee for District 8 of the National Association of Securities Dealers, Inc., covering Illinois, Indiana, Iowa, Michigan, Nebraska and Wisconsin, have submitted L. Raymond Billet, Stern, Wampler and Co., Inc., Chicago, Ill.; Augustus Knight, Knight, Dickinson & Co., Chicago, Ill.; Bennett S. Martin, First Trust Co., Lincoln, Neb.; and C. William Raffensperger, Raffensperger, Hughes & Co., Inc., Indianapolis Ind., to fill impending vacancies on the district committee. These will succeed John W. Clarke, John W. Clarke, Inc., Chicago; Ralph S. Longstaff, Rogers & Tracy, Inc., Chicago, Vice-Chairman of the present committee; A. C. Potter, Burns, Potter & Co., Omaha, Neb., and E. J. Wuensch, Indianapolis Bond and Share Corp., Indianapolis, whose terms of office will expire on Jan. 16, 1942.

The nominating committed for the district is comprised of Nathan D. McClure, Harriman, Ripley & Co., Inc., Chicago, Chairman; Wesley A. Behel, Behel, Johnsen & Co., Inc., Chicago; Julien H. Collins, Harris, Hall & Co., Inc., Chicago; LeRoy Falvey, Thomas D. Sheerin & Co., Indianapolis, and Cecil W. Slocum, Burns, Potter & Co., Omaha.

Merrill Lynch Branch Now In New Location

ST. PAUL, MINN.—The new branch office of Merrill Lynch, Pierce, Fenner & Beane has moved into its permanent location, W-1591 First National Bank Building. The office has been operating in temporary quarters since Sept. 15, 1941, under the management of J. M. Wallace, Jr. William B. Webster is the assistant manager, Paul E. Casserly, an account executive, and Ralph W. Lamber has charge of the bond department.

Hugh Jacks Now With E. H. Rollins & Sons

(Special to The Financial Chronicle)

SAN FRANCISCO, CALIF.—Hugh J. Jacks has rejoined E. H. Rollins & Sons, Inc., Russ Building. Mr. Jacks was recently a partner in Kaiser & Co. with headquarters in Chicago, and prior thereto was manager of the municipal department of the San Francisco office of E. H. Rollins & Sons.

W. Berney Perry Elected Milhous, Gaines V.-P.

BIRMINGHAM, ALA.—W. Berney Perry has been elected a Vice-President of Milhous, Gaines & Mayes, Inc., investment dealers with offices in the First National Building, Birmingham, and Rhodes-Haverty Building, Atlanta, Ga. Mr. Perry has been associated with the firm for the past five years.

COMMERCIAL and FINANCIAL CHRONICLE
Reg. U. S. Patent Office
William B. Dana Company
Publishers
25 Spruce Street, New York
BEekman 3-3341
Herbert D. Seibert,
Editor and Publisher
Frederick W. Jones, Managing Editor
William Dana Seibert, President
William D. Riggs, Business Manager
Thursday, November 13, 1941

Published three times a week [every Thursday (general news and advertising issue) with statistical issues on Tuesday and Saturday]

Other offices: Chicago—In charge of Fred H. Gray, Western Representative, Field Building (Telephone State 0613). London—Edwards & Smith, 1 Drapers' Gardens, London, E.C.

Reentered as second-class matter September 12, 1941, at the post office at New York, N. Y., under the Act of Mar. 3, 1879.

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.

Hiram Walker Deb's Are Offered Today

Public offering of a new issue of $15,000,000 serial debentures of Hiram Walker-Gooderham & Worts Limited, a Canadian company, and its American subsidiary, Hiram Walker & Sons, Inc.—one of the big four distilling enterprises of North America—is being made today by a banking group headed by Smith, Barney & Co. and including 27 other underwriters.

The debentures, which mature from Nov. 1, 1942 to 1956, are priced at 100 and interest. They bear interest at rates ranging from .50% for the 1942 maturity to 3.20% for the 1956 maturity. The debentures are redeemable at the option of the two companies at any time prior to maturity at the principal amount plus a premium of 15/100 of 1% of such principal amount for each full year of unexpired life.

For the 12 months ended Aug. 31, 1941, Hiram Walker-Gooderham & Worts Limited and wholly owned subsidiary companies reported a net profit carried to earned surplus of $6,921,969, as compared with $6,065,664 for the corresponding period in 1940 and $5,295,979 for 1939.

Lachlan M. Vass With Steiner, Rouse & Co.

NEW ORLEANS, LA.—Steiner, Rouse & Company, members of the New York Stock Exchange and other leading exchanges, announce the opening of a department to deal in unlisted securities in their New Orleans office in the Maritime Building, with Lachlan M. Vass as manager. Mr. Vass for many years operated a securities business under his own name.

Tomorrow's Markets Walter Whyte Says—

The optimistic picture painted last week has now to be changed, but market is showing a build-up that indicates strength, although it must start from another zone; nonetheless don't ignore broken stops; further details below.

By WALTER WHYTE

Well, it begins to look like I put my foot in it again. Last week I came right out in meeting and wrote that the market was beginning to make little noises like the worst was over and that a rally was in the immediate offing. So what happened? No sooner did these deathless words break into print than the market reared up and emulated the well know McGinty.

* * *

Still, if I had last week's column to write over again I'm certain I'd have said just what I did. For despite the pessimistic overtones of the stock tape the underlying ones seemed indicative of strength to come. Stocks had begun to show a resistance to selling that, if it wasn't optimistic, certainly was not pessimistic. Yes, here and there certain other stocks were not acting well but as neither you nor I were interested in them I decided to overlook them. Meanwhile with the issues recommended here behaving well enough I saw little reason to start worrying about the immediate future of the trend.

* * *

Last Friday certain other signs began to creep in. Stocks which up to then had shown a marked resistance to bad news and, what at times looked like necessitous liquidation, began to back away from offerings. Outstanding among these was N. Y. Central. Of course it's easy to

(Continued on page 1020)

"JOTTINGS"

With so many dead cats being thrown at Leon Henderson, one trade now under his pretty rigid control is what you might call "reasonably well satisfied" with present ceilings—the textile industry. Not "satisfied," but feeling that it has "the best that can be hoped for" in the present automatic connection between cotton prices and prices of gray goods. No other trade so far has this arrangement, which fixes margins; but since the price of cotton is purely political and unfixable it was about the only possible compromise. Gray goods men won't shed any tears either over OPA's proposal to fix converters' margins also; they won't feel so singled out. Worth Street is also pleased by an OPA proposal to take a quarterly survey of stocks. There has always been more or less of a statistical black-out between the mills and retail outlets. So far, OPA wants to go only as far as converters; the trade would like to see it carry the survey clear down to retail outlets.

The cotton futures people, however feel particularly pleased with the gearing of textile prices to raw cotton. With practically all futures markets behind the political eight-ball, the direct tie-up of textile prices with raw cotton prices makes a beautiful argument for more mills, finishers, and even converters.

Speaking of the futures markets, if security brokers and dealers feel sorry for themselves they should take a look at the commodity futures business. If RFC, stock-piling, and other operations have dulled business so far, price control will be the finishing blow. That goes whether the Baruch plan, the Gore bill for all-over ceilings, or Henderson's plan for a "fly-swatting technique" of hitings one price at a time, goes through.

Incidentally, there isn't so much difference after all between these last two, so far as Henderson's power is concerned. In the one case all prices would be frozen and he could hand out exemptions; in the other they would start comparatively free and he could hand out ceilings, as now.

One member of the House Banking & Currency, speaking before the Commodity Club here last week, seemed to think that "leonine Leon" wasn't so averse to the over-all ceiling as he sounded in the press. Glad enough to compromise on the power in a one-ceiling-at-a-time plan first, while getting the credit for putting away the crown of greater power.

The same committee member pointed out that any time he wanted to, Henderson could wipe out anybody's profits by putting a low ceiling on him. Of course the victim could appeal. But it wouldn't do much good. How much good today is an appeal against an SEC ruling?

The Committee asked Henderson this: "If you had fixed a ceiling, and labor threatened to strike for wages which, at your ceiling, the employer couldn't possibly pay, would you raise the ceiling?" He said he wouldn't, but that if the strike succeeded and the wage increase was granted, he would raise the ceiling.

This is a curious contrast to recent New Deal arguments that price ceilings would ultimately hold wages down (after the employer's margin had been squeezed dry).

Incidentally, why shouldn't farm opposition to leaving wages out of the bill, and labor objection to leaving crops out of the blil, result in both going into the bill? Answer: Because the bill is a squeeze play against industrial profits more than a guard against inflation.

Incidentally, while grain and fiber-growing farmers have been jacking up their prices through higher CCC crop loan values, dairy farmers haven't been idle.

(Continued on page 1015)

DIVIDEND NOTICES

ALLIS-CHALMERS MANUFACTURING COMPANY

Common Dividend No. 70

A dividend of fifty cents ($0.50) per share on the common stock without par value of this Company has been declared, payable December 22, 1941, to stockholders of record at the close of business December 1, 1941. Transfer books will not be closed. Checks will be mailed.

W. E. Hawkinson
Secretary

November 6, 1941

COLUMBIAN CARBON COMPANY

The Directors of Columbian Carbon Company have declared a year end dividend of $1.70 per share, payable December 10, 1941, to stockholders of record November 21, 1941 at 3 P M.

GEORGE L. BUBB
Treasurer

ELECTRIC BOAT COMPANY
33 Pine Street
New York, N. Y.

The Board of Directors has this day declared a dividend of fifty cents per share on the stock of the Company, payable December 10, 1941 to stockholders of record at the close of business November 26, 1941.

Checks will be mailed by Bankers Trust Co., N. Y., Transfer Agent.

HENRY R. CARSE, President

November 12, 1941

HOMESTAKE MINING COMPANY
Dividend No. 847

The Board of Directors has declared dividend No. 847 of thirty-seven and one-half cents ($.37½) per share of $12.50 par value Capital Stock, payable November 25, 1941, to stockholders of record 3:00 o'clock P.M. November 19, 1941.

Checks will be mailed by Irving Trust Company, Dividend Disbursing Agent.

R. A. CLARK, Secretary.

November 4, 1941.

Spencer Kellogg & Sons, Inc.

A quarterly dividend of $0.50 per share has been declared on the stock, payable December 10, 1941, to Stockholders of record as of the close of business November 22, 1941.

JAMES L. WICKSTEAD, *Treasurer.*

UGI

The current quarterly dividend of $1.25 a share on $5 Dividend Preferred Stock and **a dividend of 15 cents** a share on Common Stock have been declared, payable December 23, 1941, to respective holders of record November 28, 1941.

THE UNITED GAS IMPROVEMENT CO.

I. W. MORRIS Treasurer

October 28, 1941 Philadelphia, Pa.

McAlpin Curb Director

The Board of Governors of the New York Curb Exchange on Nov. 5 elected Benjamin B. McAlpin Jr., of Laird & Co., as a Class B Governor to fill the vacancy created by the resignation of John B. Lord until the next annual election on Feb. 9, 1942.

Mr. McAlpin was born in New York City and after graduating from Princeton University in 1921 began his business career with the Bankers Trust Co. In 1926 he went to Laird, Bissell & Meeds, and from 1927 to 1941 was with Taylor, Bates & Co. He is a director of Snider Packing Co., Wellington Oil, McKay & Co., O. B. Potter Co., and Rockwood Associates.

Class B Governors of the Curb Exchange are required by the Constitution to be associate member partners or non-member partners of regular or associate member firms doing business for the public.

NOTICE OF REDEMPTION

West Virginia Pulp and Paper Company

First Mortgage Bonds, 3% Series due 1954.

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

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

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

IRVING TRUST COMPANY, as Trustee,
By F. G. HERBST, Vice President.

Dated: New York, October 25, 1941.

SEC Applications for Dealer Broker Registry

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

Oct. 16, 1941—Irwin S. Spellman Co., 351 East 72nd Street, New York, N. Y., Irwin S. Spellman, sole proprietor.

Oct. 17, 1941—Philip J. Liuzza, Inc., 204 Maritime Building, New Orleans, La., Philip J. Liuzza, formerly an individual dealer, Michel J. Liuzza, and Mary Elizabeth Mangiaracina, officers, Tait-Thompson, Inc., 347 Madison Avenue, New York City, Ivan Vernon Weisbrod and Walter H. Morgan are officers in addition to J. Parker Thompson, President.

Oct. 18, 1941—Mercantile Investment Company, 922 Perrine Building, Oklahoma City, Okla., William Henry Walker, Thomas Jefferson Collins, and Robert William Moss, officers; John D. Howard & Co., South & Redwood Streets, Baltimore, Md., John D. Howard withdrawn as partner, and Harry R. Piet, Jr., formerly cashier of the firm, admitted to partnership.

Oct. 22, 1941—Walter Swan, 2721 East 21st Street, Brooklyn, N. Y., a sole proprietorship.

Oct. 23, 1941—Charles R. Connolly & Co., 2 Montrose Drive, North Chevy Chase, Md., Charles Robert Connolly, sole proprietor; Georgianna Hysom, Tyler Hotel, Tyler, Texas, a sole proprietorship to deal in oil royalties.

Oct. 24, 1941 — Morphy and Smart, 329 Hibernia Bank Building, New Orleans, La., Clifford C. Morphy and Lawrence F. Smart, partners; Southwestern Investment Company, 814 Polk Street, Amarillo, Tex., R. Earl O'Keefe, S. Wayne O'Keefe, W. A. Meyers, J. B. Bourland, D. M. Lynch, Fred J. Chastain, J. A. Mitchell, M. C. Finley, M. K. Brown, R. L. Howsley, E. L. Green, Jr., S. D. Safranko, and C. P. Buckler, officers.

Oct. 27, 1941—Lawrence Mattikow & Co., Inc., 44 Court Street, Brooklyn, N. Y., Lawrence Mattikow, Jack Labie, and Martin Niederhoffer, officers; Texas-Arkansas Fund, Inc., 1003 Kirby Bldg., Dallas, Tex., Roy E. Bell, J. E. Berry, E. J. Browne, C. P. Dodson, Logan Ford, J. R. Grant, Ben H. Powell, O. K. Shannon, H. E. Sullivan, and W. H. Thomson are officers in addition to C. L. Moruzzi, Robt. B. Hincks, O. W. Erringer, J. Edward Brown, and Marshall Newcomb.

Oct. 28, 1941—Edson R. Waters, Main Street, Glen Gardner, N. J., a sole proprietorship.

Oct. 30, 1941—Heinzelmann & Ripley, 40 Exchange Place, New York, N. Y., Henry B. H. Ripley and Paul Heinzelmann as partners.

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)

BOSTON, MASS.—**Joseph Warren Downs, Jr.**, has become associated with **Draper, Sears & Co.**, 53 State Street.

(Special to The Financial Chronicle)

BOSTON, MASS.—**William H. Beever** has been added to the staff of **Trust Funds, Inc.**, 89 Broad Street. In the past Mr. Beever was associated with Studley, Shupert & Co.

(Special to The Financial Chronicle)

CHICAGO, ILL.—**John F. Moffett**, formerly of A. R. Hughes & Co., is now associated with **Jackson & Curtis**, 231 South La Salle Street, in their investment department.

(Special to The Financial Chronicle)

CHICAGO, ILL.—**Mrs. L. Blanche Bowen** is now connected with **Daniel F. Rice & Co.**, 141 West Jackson Boulevard. Mrs. Bowen previously was with Merrill Lynch, Pierce, Fenner & Beane and J. S. Bache & Co. in Miami, Florida.

(Special to The Financial Chronicle)

CHICAGO, ILL.—**Alfons Sophie** is now with **Ryan-Nichols & Co.**, 105 South La Salle Street. Mr. Sophie was previously with John J. Seerley & Co and prior thereto with Addison Warner & Co. and F. A. Brewer & Co.

(Special to The Financial Chronicle)

CLEVELAND, OHIO—**Clarence W. Whitwell** has become affiliated with **William J. Mericka & Co., Inc.**, Union Commerce Building. Mr. Whitwell was formerly with Morrow & Co., Cunningham & Co. and Byram & Co.

(Special to The Financial Chronicle)

DOVER, N. H. — **Chester J Greenier** is representing **Gordon B. Hanlon & Co.**, whose main office is located at 10 Post Office Square, Boston, Mass. Mr Greenier was previously with R H. Johnson & Co. and prior thereto for some years with Charles A. Day & Co.

(Special to The Financial Chronicle)

LOS ANGELES, CALIF. — **George W. Woolley**, previously with Norman B. Courteney & Co., is now associated with **Davies & Co.**, Pacific Mutual Building.

(Special to The Financial Chronicle)

LOS ANGELES, CALIF. — **James F. Ferron** is now with **Pacific Company of California**, 623 South Hope Street. Mr. Ferron was formerly with William H. Jones & Co.

(Special to The Financial Chronicle)

LOS ANGELES, CALIF.—**J. W. Gustavson**, previously with Bankamerica Company, has become affiliated with **Franklin Wulff & Co., Inc.**, 650 South Spring Street.

(Special to The Financial Chronicle)

LOS ANGELES, CALIF.—**Clarence J. Montgomery** has been added to the staff of **Wyeth, Hass & Co.**, 647 South Spring Street.

(Special to The Financial Chronicle)

MACON, GA.—**John M. Greene** has joined the staff of **Merrill Lynch, Pierce, Fenner & Beane**, 363 Third Street.

(Special to The Financial Chronicle)

RALEIGH, N. C.—**Frank Bergmann Mund** is now connected with **Scott, Horner & Mason, Inc.**, Law Building, Lynchburg, Va.

(Special to The Financial Chronicle)

SACRAMENTO, CALIF. — **I. Earle Russell** has become associated with **Franklin Wulff & Co., Inc.**, Farmers & Mechanics Building. Mr. Russell was previously with Insurance Securities, Inc., and in the past was local manager for American Fidelity Corp., Ltd

(Special to The Financial Chronicle)

SAN FRANCISCO, CALIF.—**Robert Fleetwood Hunt** is now affiliated with **Eastland, Douglass & Co.**, 317 Montgomery Street. Mr. Hunt was formerly with Geo. H. Grant & Co. and Brush, Slocumb & Co. In the past he was Pacific Coast Wholesale Representative for Broad Street Sales Corporation and was with Schwabacher & Co.

Bank Stock Interesting

M. A. Schapiro & Co., 1 Wall Street, New York City, have prepared an interesting analysis on the current situation in bank stocks with particular consideration to the question whether bank stock dividends are likely to be reduced because of present Federal income and excess profits taxes. Copies may be had from M. A. Schapiro & Co. upon request.

Fred Wulfing Now With Goldman, Sachs St. Louis

(Special to The Financial Chronicle)

ST. LOUIS, MO.—Fred H. Wulfing, formerly Vice-President of the Mutual Bank of St. Louis, has become associated with Goldman, Sachs & Co., Boatmen's Bank Building.

Merrill Lynch Issuing New Monthly House Organ

Merrill Lynch, Pierce, Fenner & Beane, 70 Pine Street, New York City, has recently inaugurated a new monthly house organ for the personnel of the firm, known as "Around the Circuit." The new publication will contain news of "men, methods and events" in the organization and will be distributed to the firm's 91 offices throughout the country.

Increase Differentials On Low Price Stocks

V. C. Brown & Co., Carlisle & Jacquelin, De Coppet & Doremus and Paul Zuckerman, principal odd-lot dealers on the New York Stock Exchange, announced on Nov. 3, in a joint letter to customers, that they find it necessary to increase, effective Nov. 10, the odd-lot differential of 1/16 now charged on stocks selling below $1.00 to ⅛, "because the present differential does not cover the dealer's costs in these stocks." The letter further explains:

This is due to the fact that practically all of the orders in stocks selling under $1.00 are selling orders which require the dealers to sell round-lots against them in the open market. On such round-lot sales the dealer pays stamp tax and commission costs that are in excess of the differential now received.

Effective on Nov. 10, 1941, the odd-lot differential will be ⅛ on all stocks that sell above ⅛. On stocks selling at ⅛ or less the differential will be one-half the selling price.

Klein of SEC in New York Elected To Congress

Arthur G. Klein, for the past few years attorney in charge of the over-the-counter division of the New York Regional Office of the Securities and Exchange Commission, has been elected to the House of Representatives from the 14th District of New York.

Mr. Klein has recently formed the firm of Klein, Wikler & Gottlieb to engage in the practice of law with offices at 50 Broad Street, New York City.

Our Reporter's Report

(Continued from First Page)

To cite just a sprinkling it develops that Boston Edison's thirty-year issue is selling to afford a yield of just about 2.50%, while Consolidated Gas, Electric Light & Power of Baltimore 2¾s and Cleveland Electric Illuminating Co. thirty-year bonds are moving to afford similar yields.

Such securities yield approximately the same to the investor as the Treasury's 12-year special defense bonds which may be bought, up to $50,000 a person, to yield 2.50%.

Due Out Today

Bankers handling the marketing of Hiram Walker-Gooderham & Worts and Hiram Walker & Sons, Inc. serial debentures, were expected to bring that $15,000,000 project to public offering today.

Preliminary inquiry was regarded among dealers as indicative of a favorable reception for the securities of the big liquor firm.

Westinghouse Due Friday

Public offering of the $20,000,000 issue of ten-year Westinghouse Electric & Manufacturing Company's debentures is looked for tomorrow morning. This issue was placed in registration on Nov. 6, indicating rather generous acceleration upon the part of the Securities and Exchange Commission.

Proceeds of the undertaking will be used together with some $36,659,000 raised through the sale of common stock, to retire bank loans, provide for capital expenditures and add to working capital.

Although the coupon rate had not been fixed definitely, the Street was inclined to look for an interest rate of 1⅞%, or possibly 2%.

Private Placements and SEC

The much interrupted hearings on proposed amendments to the Securities Acts, now going on before a House group, has for the present, revolved itself pretty much around the matter of private placement of corporate securities.

Investment bankers naturally have been pressing their side of the question on this problem and have strongly emphasized their belief that all such issues should be subject to registration with the SEC.

Their argument, as set forth yesterday by R. McLean Stewart, speaking for the Investment Bankers Association, has been that all issues for more than $3,000,000 be required to register whether or not they are sold privately.

R. Gillis Appointed to NASD Dist. 10 Committee

CLEVELAND, OHIO—Roderick A. Gillis, Gillis, Russell & Co., Union Commerce Building, has been appointed to serve the unexpired term of Corwin L. Lison on the National Association of Securities Dealers, Inc., District No. 10 Committee.

RAILROAD SECURITIES

Speculators and investors have noted with interest and satisfaction the continued firmness of new "when-issued" income bonds in the period of general market weakness that followed announcement of the wage recommendations of the Fact Finding Board, and the refusal of operating unions to consider the terms. The answer is, obviously, the general confidence in the drastic capital revisions the Commission has required, and the belief that regardless of the ultimate outcome there will be sufficient income left under all but the most severe depression conditions to service these new bonds. In contrast, it is pointed out that any burden more onerous than that proposed by the Board, and particularly any move to make the increases permanent, would likely spell disaster for many of the marginal roads in the post-war deflation, and cause widespread dividend suspensions by the stronger properties.

In the group of "when-issued" income bonds there has been a notable increasing demand for the Chicago & North Western Income 4½s, 1999, which are selling below prices obtaining for junior series income bonds of other reorganization properties such as Wabash, "St Paul" and Missouri Pacific. The basic position of the bonds, and the fundamental earning power behind the "North Western" issue, does not warrant such a disparate market appraisal. Moreover, with the exception of Erie and Wabash, which reorganizations are virtually completed, it is conceded that the "North Western" should be the first of the major reorganization properties to emerge from the Court and that its plan is the least likely to be upset on appeal. This appeal to the Circuit Court should be heard this fall, with a decision likely by spring.

The current low price for the "North Western" incomes may probably be traced to the disposition on the part of investors to accept pro forma application of earnings during the past six or seven years at face value and as a definite criterion of what the road can earn under a recurrence of similar economic conditions. In part, the showing of such figures (admittedly discouraging) may be traced to the manner in which such pro forma exhibitions have been set up in most publications and reports. These show an additions and betterment fund of $3,000,000 a year deducted before arriving at income available for income bond interest. This amount applies only for the first three years to (Dec. 31, 1941) and thereafter is reduced to 2½% of gross or $2,500,000, whichever is the lesser. This alone adds ½% to earnings on the Incomes. Secondly, these pro forma earnings show fixed charges as actually provided in the Commission plan. This plan provided for $13,100,000 of new money at 4%, but with improving finances the company believes that the money will not be needed. Finally, interest and serial maturity requirements have been reduced by liquidation of PWA loans and reduction of RCC debt since the plan was set up. All in all, annual requirements ahead of the income bonds will be approximately $1,300,000 less than those generally allowed for. This is equivalent to more than a quarter of the annual interest requirements on the income bonds.

More important in obscuring the earning power of these income bonds has been the distortion caused in the trusteeship period by the state of physical disrepair into which the properties sank in the immediately preceding years when efforts were being made to maintain solvency. This has been general for bankrupt properties, but more pronounced in the case of "North Western." Compared with an average annual maintenance ratio of 32% for the whole western region, "North Western" spent 34.7% of revenues for upkeep in 1934, climbing to 38.3% in 1936 and reaching a high of over 42% in 1937. The maintenance ratio subsequently declined to 33.7% last year and will probably be no higher than 31% this year.

There have been important indirect earnings results from the poor physical condition of the properties. Transportation costs also naturally rise sharply when the plan is in a state of inefficient disrepair. For the three years 1937-1939, transportation ratio averaged above 41%, whereas it is estimated that it should be held to 34%, or less, this year. This showing will be closer to normal. Now that the rehabilitation program has been completed, the real earning power is beginning to show, but the public is naturally slow to accept the new operating base as permanent. When it is more fully realized that past performances actually are deceiving the bonds should be accorded their full quota of investor confidence. This trend is beginning to show itself. In this connection, it is pertinent that each drop of 1.2 points in either the maintenance or transportation ratio is equivalent to 1% on the income bonds. With a reasonable adjustment for the proportion of gross that will normally be absorbed by maintenance and transportation costs, now that the properties have been completely rehabilitated, it is indicated that the company will have no difficulty covering the full income bond interest under all but the most severe depression conditions; that is, conditions under which most of the now solvent marginal roads could be expected to succumb.

Appointed Manager

It was announced on Oct. 31 that the Board of Directors of the Federal Reserve Bank of New York has appointed Loren B. Allen an officer of the bank with the title of Manager, effective Nov. 1. The Bank states:

Mr. Allen will serve as Manager of the Credit Department and, for the present, will be particularly concerned with the administration of Regulation "W" having to do with consumer credit. Since joining the staff of the bank in January, 1929, Mr. Allen has been engaged for the most part in the loans and credits function of the bank.

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—32⅝.

Bank and Insurance Stocks

This Week — Insurance Stocks

Dealers will find that dividends of insurance stocks offer particular stability and tax advantages to investors at this time of higher taxes and income uncertainties.

First, there is the need for reasonable assurance that dividends will not be reduced and instead might be increased in the times ahead. Reasonable assurance against reduction is derived from "external" and "internal" sources:

"External" sources: At the paying end, although higher taxes, larger inventories and receivables, increased payrolls, etc., have dictated conservative dividend policies since elimnation of the undistributed profits tax, corporations have nevertheless increased dividends moderately, at a pace well afforded by higher earnings. Thus, for the first half of 1941, 570 listed corporations showed a 24% increase in net profits, after all charges including taxes. For the same period, 838 listed stocks showed an 8% increase in volume of dividend payments. For the year 1940, net income increased 18%, while dividends rose moderately by 13%—yet to their highest point for any of the preceding 9 years, excepting the abnormal 1937 peak, which was affected by the undistributed profits tax.

This low ratio of dividends to earnings shows corporations can well afford current dividend scales. Even should rise in profits, after higher taxes, slow down substantially, this might mean no worse than a horizontal trend in aggregate dividend payments. This stability of rates would be bullish to investment income of insurance companies, because their volume of funds available for investment constantly increases through accumulation of "ploughed back" earnings, and thus tends automatically to increase investment income.

To the extent high grade bonds are held, of course, stability of income is assured. Best's study of 260 companies shows that for the years 1931-1940, relative proportion of stock and bond holdings to assets has remained fairly steady—about 35% bonds and 45% stocks for fire companies; and 50% bonds and 21% stocks for casualty companies. The proportion of Government bonds held, however, has tripled to 20% for fire companies and quadrupled to 32% for casualty companies.

"Internal" sources: Insurance companies in turn limit dividends to a conservative proportion of investment income alone, a sound accounting principle now generally recommended for investing institutions but followed traditionally by insurance companies for many decades of uninterrupted dividends.

The following table shows the relation of operating earnings (unconsolidated) to aggregate dividends of a group of 20 leading fire insurance stocks for the past 5 years:

	Underwriting Gain	Investment Income	Operating Earnings	Annual Dividends	% Dividends to Investment Income	% Dividends to Operat. Earns.
	(000 omitted)					
1940	12,587	26,703	39,291	24,199	91%	62%
1939	13,164	25.660	38.823	23,899	93	62
1938	13,438	23.994	37,432	23,899	99	64
1937	16.453	27.047	43.501	22,939	85	53
1936	13,277	25,773	39,050	23,019	89	59
Total	68,919	129,177	198,097	117,955	91%	60%

With dividends averaging only 60% of operating earnings, all other earnings have been retained in the business, resulting in a 5-year growth in liquidating values of $146,408,000 or 32%, an average annual accretion of 6.4% after payment of dividends. The 168% average of dividends by operating earnings and 110% coverage by investment income alone is strong "internal" assurance of present dividend scales. As funds available for investment increase through "ploughed back" earnings and heavier inflow of premium volume, resulting increase in investment income might justify higher extra dividends.

Secondly, the investor needs protection from rising taxes. Insurance stocks offer it in two ways: (1) By their own high degree of exemption from taxes; (2) by their low proportion of dividends paid to earnings, permitting the investor lower current income under present severe surtaxes and instead, benefit from tax-free large "ploughed back" earnings.

Company tax liability: Insurance companies, like other corporations, are subject to normal tax (24%), surtax (7%), and excess profits tax (35% to 60%). But: On normal tax, insurance companies are allowed to deduct tax-exempt interest on U. S. obligations and credit of 85% of adjusted net income for corporate dividends. In view of the fact that investment income accounts for two-thirds of operating earnings, and that Government securities and stocks total 65% of fire and 53% of casualty company assets, a high degree of exemption from normal tax is apparent.

Surtax, too, is assessed after 85% of net income credit for corporate dividends. And most insurance companies, for excess profits tax purposes, use the average earnings alternative, whereby the company is allowed a return of 95% of average earnings for 1936-1939, plus $5,000. Judging from the above table of earnings, it will be noted this would result in a larger exemption from excess profits taxes than 1940 operating earnings. In addition, of course, a company can always hold down its taxes by taking of capital losses.

Individual tax liability: Most investors with comfortable incomes would reinvest their income from securities anyway. Thus, in view of the new high surtax rates on current income, it is to the investor's advantage to select stocks which pay conservative dividends and "plough back" a high proportion of earnings tax free. The reinvested earnings increase equity and market and produce in turn larger earnings; and the investor may look forward to eventually higher dividends in a period of possibly lower surtax rates.

Insurance stocks classify as "growth stocks," paying out a low ratio of current earnings and reinvesting all the remaining earnings for future growth and enhancement. The conservative proportion of earnings paid out keeps down the individual investor's surtax net income and helps him to keep out of the severely high brackets, especially above $12,000 surtax net income.

WHISPERINGS

Last week William A. (Traction Securities of Chicago) Spanier arrived in New York to complete a business deal with Norvin (Lancaster & Norvin Greene) Greene. Spanier was just about tying up the loose ends in Norvin's office when somebody interrupted. "Mr. Spanier," he was asked, "is it true that Muggsy Spanier, whose band is playing at the Arcadia Ballroom is your brother?" Bill Spanier looked up with a grin and proudly admitted the relationship. Thereupon, Norvin came into the discussion with an explanation. "Last week," he said, "seven employes of this office celebrated the return of their friend from a long stay in a hospital. They went to the Arcadia and heard your brother's music. And now," he added ruefully, "instead of concentrating on business all they talk abut is 'in the groove'—'send me Jackson' and such stuff. They're no longer securities minded. They've become 'jitterbugs' and hepcats'." The Vice-President of Traction Securities of Chicago beamed at this explanation. In any case, whatever the business deal was, it was completed.

Back in 1878 a British general invented the Sam Browne belt, the affair that goes around officer's waists and up one shoulder. Today this belt is still required equipment for American Army officers. But a correspondent to the Infantry Journal takes a poke at it. "It is bulky and unpackable," he writes "It catches on doorknobs and evening gowns and it doesn't even hold up the stomach. Just dents it in." . . . How's about a two-way stretch girdle, general?

A man who apparently had imbibed well if not wisely was weaving along the sidewalk in front of the Bankers Trust Building, 14 Wall Street, one afternoon. Every now and then he collided with some passersby, a situation which apparently enraged him. After each collision he glared around and roared, "I can lick anybody here . . . wanna fight?" Apparently nobody did. Finally he was brought up short against a man who didn't notice his condition. "Aha!" yelled the belligerent alcoholic and promptly aimed a fist in his direction. The man realizing what was happening caught the drunk's arm, spun him around and he sat down hard. "Tha's alri'," said the befuddled man getting up from the sidewalk. "I and my frien' here can lick anybody."

One day we were standing in front of 61 Broadway deliberating whether or not to go in and visit with someone when our eye caught a little disturbance around a car parked in front of the building. A decision having been made for us we walked over to see what it was about. There was a chap (who we later learned was a newspaper photographer) disgustedly but futilely twisting the door handle of the car. It developed that in getting out he had locked the door and forgotten his keys which could be observed dangling in the ignition. By this time the crowd were full of suggestions, none of which worked. Suddenly a dignified looking gentleman made his way through the crowd and asked, "what's the matter son? In trouble?" The car owner explained. "Mind if I try?" asked the man. "Go ahead," replied the photographer. The man proceeded to take out a key ring full of keys—50 if there was one—and began fitting them into the lock. After about 20 keys were used he found the right one and the door opened. The photographer being mindful of a story promptly offered to take the man's picture. "No, sorry," smiled the good Samaritan, backing out of the crowd. "Well then, can I have your name?" he was asked. "No," was the answer. "This is just a hobby of mine," and slipping the keys back into his pocket walked into 61 Broadway. We don't know why we mention it except the gentleman was a dead ringer for the senior partner of a prominent Stock Exchange firm with offices in the building.

Saul, A.F.-G.L., Wins $500

Mr. William Saul, Albert Frank-Guenther Law advertising agency executive, has won "Time's" $500 circulation sweepstakes by ranking in their correct pulling position all seven of the circulation letters that "Time" tested later to lists of business men.

JOTTINGS

(Continued from page 1011)

In the New York milk-marketing shed the dairy farmers are now getting just about 50% more in revenues for their milk than a year ago—partly due to higher fluid milk prices in New York, partly to higher by-product prices, particularly for lease-lend cheese, dried and evaporated milk; and they are now asking substantially more. It's not all gravy for them, though; feed prices are sharply higher and other costs.

There are rumors that John Lewis, in exchange for a closed shop in the captive mines, will sign a freezing agreement on further closed-shop moves. It seems highly implausible.

One informed but probably too sanguine guess about the wire merger talk is this. Congress will pass a bill at this session, following the Senate Commerce Committee recommendations, to permit telegraph mergers. Purely permissive, such a bill would merely lift the present ban on such mergers, and would carry no mandatory feature. Then hearings before the Federal Communications Commission, with Chairman Fly much in favor of merger. No hope, however, of inclusion of ATT's teletype system or Dave Sarnoff's domestic radio communications — nothing, in short, except a Western Union-Postal Telegraph merger, which in effect would amount to Western Union's taking over Postal and burying it. Reason the thing has gone so much further this time than in recent years is that Postal is again on its last legs, has only $1,000,000 of the $5,000,000 it borrowed from Jesse Jones, and Jesse wants his money. Western Union's attitude, naturally, is that Postal should never have been born and anyway why should WU bail it out. Real opposition comes from labor, however, though in recent hearings it was testified that the problem of surplus personnel could be liquidated in about eight years; messenger turnover is round 200% a year, but maintenance and wire operator turnover is virtually nil. Most feasible arrangement would be for WU to exchange stock (rumor has it two for one), but then how would Jesse get his $5,000,000 back?

There just doesn't seem any answer but "never" to the question when the railroads will come out of reorganization. With earnings the best since 1929, two mighty obstacles have now risen. First is the ICC's extinction of stockholders' equities, now facing a two-year legal grind to the Supreme Court with Vanderbilt money backing the Northwestern stockholders' case. Second is the Treasury's ruling, following ICC policy, that reorganized roads must use shrunken "invested capital" figures for their exempt base from excess profits taxes, bringing such poignant results as were last week aired in the case of Missouri Pacific.

And then there's the ICC's firmer attitude on its long-standing wish that the roads use straight-line depreciation instead of retirement accounting for way and structure. Though the roads are likely to get it postponed from Jan. 1 to July 1 it seems ultimately inevitable, as it has been with certain recalcitrant utilities.

Nobody can tell how much more it will cost, because nobody knows how much retirement has been mixed up in maintenance accounts in the past. But certainly it will cost more, and for another thing it will not be variable from year to year, so that the roads will not be able to cushion their earnings fluctuations with fluctuating maintenance charges as in the past.

Anent recently published predictions by economists that we shall soon inflate and go bust, it does not seem safe to assume that a good economist and a good forecaster are one and the same. Dr. Kemmerer, to cite a good economist, has been predicting inflation for years, like most orthodox economists. In May, 1937, for instance, he told the California Bankers' Association that "we are now facing a continuation of a long period of rising commodity prices which is likely to attain increasing momentum during the immediate years ahead." That was the month when economists jumped all over Charlie Dawes for guessing that the existing prosperity couldn't last more than two years beyond 1937. They said he was too bearish.

Incidentally, your Jotter understands that that famous Henderson prediction of the 1937 collapse has never been seen by anybody outside the inner circle. Everybody has heard of it but nobody seems to have seen it.

Speaking of predictions—two standard Washington shockers don't seem to fit each other very well. One is that we are "on the brink of inflation," as Henderson told the Banking & Currency last Summer; the other is that we face ,000,000 of "priority unemployed." How can those two occur at the same time?

UP-TOWN AFTER 3

NEW PLAYS

"Blithe Spirit," Noel Coward's latest farce, presented at the Morosco, by John C. Wilson; with Clifton Webb, Peggy Wood, Leonora Corbett, Mildred Natwick, Phyllis Joyce, Philip Tonge and Jacquiline Clark. Staged by J. C. Wilson; settings by Stewart Chaney.

The 1941 fall season has seen few plays that could last long enough for your reviewer to tell you about. They open in high hopes, stay around a few days and close. This will not be true of **Blithe Spirit.** For in this one Broadway has what is so far the funniest play of the season. It has gayety, sparkle and a fine cast to interpret Noel Coward's grand play. The plot is an ingenious airy little thing reminiscent of Thorne Smith's "Topper." A novelist (Clifton Webb) looking for material for his novel invites a seer (Mildred Natwick) to his home to demonstrate her knowledge of the occult to his guests. The lady medium, a bouncing, hearty feet-on-the-ground-shoulders-to-the-wheel-chin-up-pip-pip bursts in and after downing a couple of Martinis settles down to seance. The result is the ghost of the novelist's first wife (Leonora Corbett), who is invisible to everybody but her ex-husband. The second wife (Peggy Wood) doesn't like the ectoplastic interloper at all, a dislike heartily returned by the ghost of wife No. 1. It wouldn't be fair to tell you any more but rest assured you won't stop laughing for an instant. It's that kind of a play. Put it on top of your list, if you can get tickets.

NEW MOVIE

"Shadow of the Thin Man (MGM), starring William Powell and Myrna Loy; with Barry Nelson, Donna Reed, Sam Levene and others. Directed by Maj. W. S. Van Dyke II.

The title doesn't belie the story. It's just that: A shadow of the original Thin Man, and not a good one at that. It describes the murder of a jockey and a bookie, both of which mysteries William Powell airily solves. Some portions of the film are amusing but too many others are just dull rehashes. Asta, the wire haired pup is back again; there is a new addition to the family—Nicky Junior who is proud of his pop, and Sam Levene of the mobile face, who has yet to give a bad performance, is in there too. But even he can't carry the whole burden.

RESTAURANTS

Cafe Le Arnold (240 Central Park South) is still the same pleasant spot it promised to be when it opened about a year ago though the newness has worn off. It's glass walls, it's indirect lighting effects and it's location, right across from Central Park, makes it a nice place for either lunch or dinner. Incidentally, if you like to see how celebrities look when they eat I suggest dinner here about 8. It's a poor evening that won't find Jules Romain and Maurice Maeterlinck sitting here in different corners, but you'd better hurry, both gentlemen are Hollywood bound.

English Grill (Rockefeller Plaza) is not only the home of English mutton chops, and charcoal grilled roast beef but also has an ice show that goes on continually. In it's strictest sense it isn't a floor show but with the ice rink just outside the plate glass windows you can see some of the finest professionals and amateurs practising. For comedy relief you might even see your reviewer on ice. Another feature of the place is Raymond, the headwaiter. He speaks English like the proverbial Hollywood Frenchman, but it isn't how he says anything but what he says you'll find interesting. He has been a part of the French Navy; he has seen action and if he'll warm up to you he'll answer questions.

AROUND-THE-TOWN

The Cotillion Room (Hotel Pierre—61st & 5th Ave.) The newest and probably the most beautiful room in New York. Patterned on the famous Chicago Pump Room, the place just reeks of elegance. Even the waiters are togged out as if they were to be presented at Court. They wear black silk knee breeches, buckled shoes and red coats. The only thing missing are powdered wigs. For entertainment there is Peggy Fears who is still able to hold an audience, but the entertainment I like best was furnished by Bert Allerton, an ex-salesman turned magician. He goes from table to table demonstrating that the hand is quicker than the eye and doing it with a flair that keeps audiences howling with laughter. Ask him to show you the sponge trick. It will not only puzzle hell out of you but it's Rabelasian implications will help you feel young again. . . . **Spivy's (139 E. 57th),** a grand place to finish a night. Spivy of course is still the same rotund booming Spivy doing those songs that begin with chuckles and end with howls. Hardly a night passes that some star, movie or stage, doesn't stand up and sing or just tell stories. It's that kind of a let-your-hair-down-kind-of-a-spot-you'll-go-for.

Investment Trusts

Common stocks have, until recently, made up by far the larger part of mutual investment company portfolios. Bonds were seldom found in a mutual company's list of holdings.

For this reason the trusts have commonly been criticized as being too speculative. However, there is now a growing tendency to adopt a more realistic attitude toward securities generally. Bonds are no longer considered the only conservative investments, and stocks are not thought of as being purely speculative.

An interesting interpretation of the changed attitude was given by SEC Commissioner Sumner T. Pike before a recent session of the New York Joint Legislative Committee for revision of the insurance law to permit life insurance companies to invest in common stocks. Mr. Pike, a former Wall-Streeter, was reported by Massachusetts Distributors' *Brevits* as saying, in part:

"Safety of investment is a relative and not an absolute term. Safety of investment, as we speak of it, really means investment in securities with a minimum risk of capital loss and a maximum assurance of income return. There is no securities investment that is absolutely safe.

"Prudent investment may dictate purchase of the common stock of one company as a safer and more conservative investment than the bonds of another company. Labels are frequently misleading. There are high-grade common stocks which are not far from the conservative investment equivalent of high-grade bonds.

"I subscribe to the proposition that the real security behind investment lies in the continuing earning power of the enterprise, not the liquidation or reorganization value of the property owned by the enterprise.

"On an earnings basis, bonds do not assure better performance than stocks. The paper assurance of security found in the words of a bond is meaningless in the absence of the brute fact of corporate earnings.

"Although bondholders have a prior claim to corporate earnings, this may mean little in a healthy, going enterprise whose earnings are more than sufficient to pay fixed charges and dividends. The truth is, of course, that some common stocks in companies with a well-balanced capital structure are so close to the earnings source that they are, in effect, not far different from bonds in respect of dependability of earnings. Generally speaking, therefore, emphasis upon corporate earnings as a basis for conservative investment seems both sensible and proper."

While the general trend, therefore, has been toward a more realistic appraisal of securities on the basis of individual merit, rather than just by type or class of issue, the practice of considering all investment trust issues as just "investment trusts" has persevered. Actually the types of investment trusts are many and varied. One which invests solely in common stocks may be conservative in its security selection and portfolio management, while another investing solely in bonds may in reality be extremely speculative.

Accordingly, there are investment trust securities to answer nearly every investment need. Each must be considered individually on the basis of its corporate set-up, its portfolio, and its management aims. No investment trust is or should be just another investment trust—it is an investment medium based on a definite philosophy of investment and with a particular investment aim. Its measure of success lies not in its comparison with other investment trusts, but rather depends on how well it has achieved its particular objective.

Investment Company Briefs

Changes in the portfolio of Boston Fund for the months of

(Continued on Page 1016)

Municipal News & Notes

Debt trends, long evident in State and city affairs, were emphasized in the elections last week, which saw one of the smallest totals of new issues approved in recent decades. Voters in many and scattered parts of the country made their desire for local government economy plainly manifest in turning down virtually all new debt proposals. This raises anew the problem of financing the social services demanded of their municipalities by voters who, at the same time, turn thumbs down on bond flotations. Some of them proposing public ownership of utilities were emphatically disapproved.

For the eighth time a public power distribution proposal, this time strongly advocated in Washington, D. C., notably by Interior Secretary Harold L. Ickes, was rejected by San Francisco voters. The proposal was to issue $66,500,000 revenue bonds to enable the city to buy the power distribution system from the Pacific Gas & Electric Co.

For the second time, Cincinnati voters turned down a proposal to put their city in the utility business at a cost of $100,000,000 by rejecting a plan to issue that amount of bonds to purchase the electric properties of the Cincinnati Gas & Electric Co. or to build a municipal plant.

The diversion of $60,000,000 previously authorized financing by New York State gained approval at the polls, but cannot be regarded as approval of a fresh commitment. This indebtedness was destined originally for grade crossing elimination, and now is to be used for parkways. Leaving that switch out of account, only $6,290,000 bond issues gained approval at the polls, while projects involving bond issues of $82,037,000 were turned down. Implied in all this is a fresh examination by voters of the functions and limitations of State and local government.

Municipal finance experts long have been familiar with the tendencies thus fortified, and various suggestions have been advanced from time to time to cope with the problem. The widespread application of the pay-as-you-go principle is an obvious but only partial answer. The growing use of the revenue bond is another while a third answer is to be found in the formation of special districts with plenary powers of incurring debt.

Cities Advised To Plan For Priorities Demands

Fire engines can forego some of their shiny brass and other trimmings during the emergency and still do a good job in putting out fires, the American Municipal Association said Tuesday in a "priorities guidebook," which recommended that specifications for fire engines as well as other equipment "be pared down to include only absolutely necessary parts."

The recommendation was one of eight measures whereby municipalities might help cushion the impact the priorities system is likely to produce on city services. Pointing out that the Office of Production Management has established the State and Local Government Requirements Branch to assist in securing priorities on supplies for essential government services, the guidebook said that "certain alleviative measures" could be employed by each local government itself.

The additional recommendations were that cities should:

Check all potential sources of supply before seeking priorities assistance from the OPM, and make periodic checkups to help avoid unexpected delays in delivery.

Maintain stores of supplies sufficient to meet current needs only. Unnecessary expansion of either equipment reserves or supplies "are strictly taboo for the duration."

Schedule deliveries to coincide with actual need, and arrange for longer advance-notice periods in cases of certain supplies.

Use substitutes whenever possible, especially in materials where shortages are particularly acute.

Institute conservation programs by careful scheduling of trips in publicly owned trucks and automobiles, servicing regularly all automotive and mechanical equipment, and putting any idle equipment into use to reduce the load on currently operating machinery.

Designate one official to handle priorities problems for the municipality, preferably an official connected with the city purchasing office if there is one.

Develop intergovernmental arrangements for the exchange of supplies and equipment, especially in metropolitan areas.

The four OPM priorities procedures of primary importance to municipalities are: (1) the individual preference rating certificate, enabling the city to secure prompt delivery on supplies or equipment required to operate essential government services; (2) the general maintenance and repair order, permitting municipal governments to get deliveries of required repair parts merely by endorsing a special statement on the purchase orders certifying their purpose; (3) the utilities maintenance and repaid order covering electric, gas and water utilities, public sanitation and steam heating for public use; and (4) the project rating plan, generally limited to new construction or plant expansion such as a new school or a power dam.

Arkansas Reoffering Successful

One of the high spots of last week's municipal news was the purchase from the RFC by a group of 167 securities dealers headed by Halsey, Stuart & Co., Inc., of $30,000,000 State of Arkansas highway refunding bonds of 1941. Upon public reoffering, these bonds moved out rapidly, indicating that yield-hungry buyers are wide awake.

Original purchase of the $136,330,557 bonds was made by the RFC on better terms for Arkansas than the bankers who then were considering the flotation could name. Mr. Jones arbitrarily lowered the interest charge to the State, bringing down upon his head a storm of financial criticism. The value then set on Arkansas bonds by the Federal Loan Administrator since has been bettered in the open market.

In three sales of large blocks and some smaller dispositions, the RFC marketed in the weeks after the acquisition all but the $44,140,000 of the Arkansas bonds now held. Out of that sum, the $30,000,000 sale now is contemplated, which will leave only $14,140,000 in the portfolio of the Federal agency.

Halsey, Stuart & Co., Inc., is reported to hold for its own account about $19,000,000 of bonds previously sold to the house by the Federal agency.

The huge block of $136,350,557 State of Arkansas 3 and 3¼% refunding highway bonds comprises almost the entire debt of the state. The refunding was undertaken early this year under pressure of time and the RFC from the beginning was a participant in the plan, which reduced debt charges sharply. Aid of the federal agency was requested both by Arkansas and the bankers, because of delayed delivery of a sizable part of the original block of bonds.

Success of the project prompted many inquiries as to likelihood of offering being made soon of the $14,000,000 of the bonds held by the RFC or the $19,000,000 held by Halsey, Stuart & Co. Inc., from a previous purchase. It was pointed out, however, that both the Federal agency and the investment house had been committed to a waiting period of at least 70 days before any of the two blocks may be offered.

Municipal Bond Default Question Revived

A subject of considerable heated discussion in the not too distant past, which has been lately pushed into the background by the pressure of more timely topics, the matter of default on principal and/or interest by local units has again cropped up. The medium for this revival of a sore subject was a letter received last week by the "Chronicle" from the William E. Lohrman Co., a stock and bond house located at 76 Beaver Street, New York. We pass along the text of Mr. Lohrman's remarks to our readers for their consideration:

"A thought struck me that you might think it interesting enough to ask questions in future in spots of why this and that issue has defaulted and what is being done about meeting obligations. You will find for your reporters some interesting subjects I am sure. An illustration for present check-up I would say would be Price River (Utah) Water Conservation District 6s an which we have heard very much criticism which is not good for the business and for future similar loans of other Districts in other States. These bonds were put out in the good old days, as they are termed, and defaulted around 1929 and a Protective Committee was formed (of local character I understand—although the bonds were purportedly offered in the East) and this diligent committee later disbanded and if you wanted your bonds back out of Committeeship hands you had to pay the Bank which acted as Depostiary 2%, meaning two points. In other words, they were adding to your loss and woes. And then you were on your own again and try to collect individually. Just try. You'll try hard I am sure and get nowhere fast. Thus the bondholders were left stranded and still are stranded. I wonder why the original issuer is not interested enough to take a hand in working out some sort of a friendly plan, perhaps along the lines of the Florida State Legislature's plan to assist the subdivisions of the State and keep the credit of all."

Florida Bond Bulletin Issued

The November edition of the regular monthly bulletin on Florida bonds, prepared by the Clyde C. Pierce Corp., Barnett Building, Jacksonville, Fla., has just come to hand. In addition to the regular listing of quotations on the bonds of the various cities, counties and related local units, these bulletins now incorporate a statement of receipts from ad valorem, gasoline and other taxes applicable to debt service on roads and bridges issues during the fiscal year ending Sept. 30, 1941. Interested parties may obtain copies of these informative bulletins upon application to the above firm.

Municipal League To Meet

The 47th annual national conference on government of the National Municipal League will be held at the Hotel Chase in St. Louis, Mo., next Monday, Tuesday and Wednesday. Because of the importance of the conference at this time, when many municipal problems are to be threshed out, all are urged to attend, including the general public.

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. 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.

$544,000 High Point, N. C.

This city awarded bonds in April, 1940, to a syndicate headed by B. J. Van Ingen & Co. of New York. Only other bid was entered by Graham, Parsons & Co. of New York, and associates.

$662,000 Salt River Project, etc., Ariz.

Last January the above district awarded bonds to syndicate headed by Stranahan, Harris & Co., Inc. of Toledo, outbidding Fox, Reusch & Co. of Cincinnati, and associates, among others.

Nov. 20th

$922,000 Jackson, Tenn.

Previous sale took place in Dec. 1938, the bonds going to Smith, Barney & Co. of New York, and Hunter, Jones & Co. of Memphis, jointly. Second highest bid was by Phelps, Fenn & Co. of New York, and associates.

Nov. 24th

$1,500,000 Massachusetts, State of

Last sale took place on Feb. 24, the award going to the Bankers Trust Co. of New York, and associates. Runner-up was a syndicate headed by Halsey, Stuart & Co., Inc., of New York.

Nov. 25th

$3,000,000 Chicago Sanitary Dist., Ill.

This district awarded bonds on Sept. 4 to a syndicate headed by Halsey, Stuart & Co., Inc. of Chicago. The Chase National Bank of New York, and associates, was runner-up in the bidding.

Nov. 26th

$2,700,000 Port of Astoria, Ore. (Astoria)

There has been no recent sale of bonds by the above district.

Dec. 1st

$4,400,000 Cincinnati, Ohio

On Feb. 27, 1940, this city sold an issue to a syndicate headed by the National City Bank of New York, and associates. The First Boston Corporation headed the second best group.

Investment Trusts

(Continued on Page 1015)

September and October were reported in *Brevits* as follows:

Shares	BOUGHT	Now Owned
500	Borg Warner	4,500
1,400	Carrier Corp.	5,000
700	Crane Co.	3,500
*100	Dow Chemical	1,100
1,000	Greyhound Corp.	7,500
8,000	North American Co.	15,000
500	Westinghouse Electric	1,500
	SOLD	
100	St. Joseph Lead	----
2,400	Timken-Detroit	600
300	U. S. Gypsum	----

*Subscription.

High points of National Securities Series and First Mutual Trust Fund, condensed from "Current Information," Nov. 1, 1941:

NATIONAL SECURITIES SERIES	Number Issues in Portfolio	*Recovery to 1937 Highs	†Estimated Annual Rate of Distribution
Bond Series	26	48%	6.3%
Low-Priced Bond Series	23	69%	7.8%
Pref. Stock Series	26	49%	8.1%
Income Series	40	77%	8.8%
Low-Priced Com. Stock Series	34	268%	2.0%
First Mutual Trust Fund	47	69%	‡6.7%

*Recovery possibilities, based upon the fund as a whole returning in 1937 highs. †This is the estimated total net distribution to shareholders for the next four quarterly periods based upon Nov. 1, 1941, portfolios and it includes net income (after expenses) and realized profits of approximately 1% of asset value which profits will be paid when, as, and if available as an offset to expenses in accordance with our distribution policy regardless of any accumulated net realized or unrealized losses which might exist at the time of the distribution. ‡Based upon aggregate of last four quarterly distributions, which include realized profits.

Hugh W. Long, President of Manhattan Bond Fund, reported that variations in the relative percentages of the various issues held in the portfolio constituted the only changes in investments during the month of October. Only 4.19% of the Fund's assets were in cash as of Nov. 1, 1941.

Commenting on the railroad strike situation Mr. Long said:

"The outcome of the railway wage hearings seems likely to have an important near term influence on securites values. Since the conclusions of the Board appointed by the President are due before this communication reaches shareholders, any attempt to forecast its findings would be useless.

"It may properly be pointed out, however, that the heavier traffic generally expected for 1942 should effectively offset a reasonable wage increase and assure continuance of adequate bond interest coverage for the great majority of American railroads."

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 Abraham Eller, a partner of Salomon Bros. & Hutzler, which will continue as a member firm, to Eugene Greenberger will be considered on Nov. 19th. It is understood that Mr. Greenberger will act as an individual floor broker.

Watts & Lovell, New York City, has discontinued business as a New York Stock Exchange member firm.

Interest on Leon Osterweil, deceased, in Abraham & Co., New York City, ceased as of October 31st, 1941.

Interest of the Estate of Emil Eisemann, substituted limited partner in Alexander Eisemann & Co., New York City, ceased on Nov. 1, 1941.

F. Bliss Winn retired from partnership in Waller C. Hardy & Co., Charleston, West Virginia on Nov. 8th.

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.

Low Priced Stocks Can Make Profits For You And For Your Customers

Some firms and their salesmen will not recommend the shares of companies that are in the very low priced group. There are several reasons for this attitude, but undoubtedly one of the main considerations for this reluctance to sell low priced speculations is that there is a fear that a loss of prestige will be the result.

On the contrary, there are dealers who have made offerings of these low priced issues, and when they are properly presented to a selected group of clients and prospects, such offerings have been unusually successful. In addition, the profit possibilities to both the dealer and the customer, when figured upon a percentage of cost basis, are usually more attractive than are many issues selling in the higher priced brackets.

Following are just a few of the exceptional profits that were available among low-priced over-the-counter stocks during the past year or so:

Stock	Approx. Recent Low	Approx. Present Price
Missouri Kan. Pipe Line	4¼	6¼
Wickwire Spencer Steel	6	14
Federal Screw Works	2½	6
United Drill & Tool com.	2½	6
National Tool	2	3½
West Indies Sugar	4	8½
Thompson Aut. Arms	4	53
Chilton Co.	4¼	6¼

Such profits as these, ranging anywhere from a low of 50% to as high as 1350% in the case of the now famous Thompson Automatic Arms, should be enough in itself to convince anyone that low-priced stocks, just because they are low in price should NOT be avoided by the investment dealer and his clients. In fact, price considered by itself, has absolutely nothing at all to do with intrinsic value. It is when price is taken into consideration along with the other factors that make up value that a sound decision regarding the purchase or sale of any security is made. This rule applies equally well, whether the price of the security under consideration is in the highest or the very lowest price brackets.

Once the dealer or the salesman begins to have respect for low-priced stocks, then and then only can he present them to his clients in a dignified manner. Of course, you can call your client on the telephone and give him a half-hearted story that you like "such and such" a cheap little stock, that your firm thinks some money could be made in it, that after all, friend client ought to buy just a couple of hundred shares because he couldn't lose much on it anyway; and believe it or not, this is just about the worst thing any salesman could say who wanted to sell anything. Yet, it is done every day in the week by securities men.

On the other hand, the salesman can make an actual study of a sound company whose stock is selling in the low priced range. He should only try to sell himself after he has found a real buy, and the more convinced he becomes that this is so, the better. Then, when he has the facts, when he can feel reasonably certain of his ground, and when he actually can convince himself that he has an opportunity to offer to his clients—THAT'S THE TIME HE SHOULD APPROACH THEM.

Under these conditions, the procedure is different. Now the salesman telephones his client for an appointment. He builds up the importance of his call (because he now begins to feel that he actually has something of real value to offer). He sits down with his client and he says something like this, "Mr. X., there are times when some of the lowest priced securities offer the greatest possibilities. I know this is just contrary to what the general public usually thinks about low priced stocks. You know how most people are, once they see a stock selling under five dollars, they instinctively say to themselves, 'that dog can't be anything in which I would be interested.' But after all, it is the exception that proves the rule. As a general procedure, you know that my firm tries to be circumspect, but we also will not let any worn out generalization keep us from bringing something to the attention of our clients, just because a lot of people have some fixed ideas. In other words, Mr. X., I've got a real low priced stock to show you today, and the only reason we are bringing it before you is that we honestly believe it has got more of an opportunity for real appreciation behind it than anything we've seen in a long, long while." Now, keep on with your sales talk. You'll have a real one if you know enough about your company and you believe you're right. What kind of sales talk do you think you could have made if you had known what was ahead of Thompson Automatic Arms a year or so ago? Don't you think you could have sold that one to your most conservative clients without any apologies whatsoever? And don't you think they would have liked it? Or how about Wickwire Spencer Steel Common? The writer remembers that it could have been profitably offered by salesmen on Aug. 21st at 6¾—it closed Nov. 7th at 13¼ bid.

Truly, these are exceptional cases, but the thing to remember is that they have actually happened—these situations and many more just like them are not fiction—they are stocks that we trade every day in the week in our "over-the-counter" market.

So, first find your opportunity—be thorough—better take weeks and months for your investigations, and be as certain as is possible that you are right than to jump at any conclusions. Then go after the orders—and don't ask for any odd lots or little dribbles and drabs. Go after the real orders, go after your biggest clients. Ask the smaller buyers for 500 shares even when you know they will only take on a hundred or even less. They will be flattered and you will show your faith in your offering. A thousand shares of a two, three or four dollar stock isn't very much of a commitment for any sizable account—but if you're right, friend customer can make a real profit and your own commission account will not suffer either.

In conclusion, remember, don't sell dogs—they can ruin the confidence of your clients more quickly than anything else. We have been talking about selling attractive, low priced stocks of companies that have a future. There are many of them—if you will take the trouble to pick them out.

Govt. Insurance Corp. Increases Surplus

Surplus and reserves of the Federal Savings and Loan Insurance Corporation reached a total of $30,825,743 on Sept. 30, a gain of $1,436,860 in the third quarter of the year, Oscar R. Kreutz, General Manager, reported on Nov. 1. Assets of the Corporation stood at $132,221,706 on that date. Since its establishment by Congress in 1934, with an initial capital of $100,000,000, all operating expenses of the Insurance Corporation have been met out of earnings on its invested reserves, according to the announcement which further said:

> The Federal Savings and Loan Insurance Corporation now insures the investments of some 3,000,000 savers in 2,330 savings and loan associations and similar home-financing institutions. Their average savings account is $816. In the latest 12-month period for which data is available, the amount of savings held by insured institutions increased by 20%. During the 1941 fiscal year, these associations made home loans totaling $800,000,000.

Sept. Sales On Exchanges

The Securities and Exchange Commission on Oct. 29 announced that the market value of total sales on all registered securities exchanges for Sept., 1941, amounted to $618,258,297, an increase of 23.0% over the market value of total sales for August and an increase of 9.0% over the market value of total sales for Sept., 1940. Stock sales, excluding rights and warrants, had a market value of $512,480,923, an increase of 24.3% over August. Bond sales were valued at $105,508,102, an increase of 20.2% over the August value. The market value of right and warrant sales in September totaled $269,272. The SEC further reported:

> The volume of stock sales, excluding rights and warrants, was 24,324,939 shares, an increase of 17.8% over August. Total principal amount of bond sales was $177,028,825, an increase of 10.0% over August.
>
> The two New York exchanges accounted for 93.5 of the market value of total sales, 92.2% of the market value of stock sales, and 99.8% of the market value of bond sales on all registered securities exchanges.
>
> The market value of total sales on all exempted securities exchanges for Sept., 1941, amounted to $409,586, a decrease of 30.3% from August.

President Signs RFC Bill

President Roosevelt signed on Oct. 24 the bill authorizing the Reconstruction Finance Corporation to increase its lending authority by $1,500,000,000. The measure passed the House on Oct. 7 and the Senate on Oct. 13 (see issue of Oct. 23, page 734). It is planned to use approximately two-thirds of this increased borrowing power for expansion of the steel industry while the remainder will probably be used by RFC subsidiaries for expansion of other defense industries and for the purchase of strategic materials.

Cash Customer Can Repossess Securities

(Continued from First Page)

Philadelphia, who sought to reclaim 700 shares of Missouri-Kansas Pipe Line Co. stock.

They contended that Mr. Freeman could not regain the securities, found among the broker's assets, because the certificates were listed in the broker's name.

The Circuit Court decision, which sustains a ruling by United States District Court Judge Guy A. Bard, holds that Congress, in passing the Chandler Act, meant that a cash customer had sole ownership of securities purchased for him by a broker. The fact that the certificates remained in possession of the broker represented only a step in the purchase arrangement, the court said.

Exchange Seat Sold

Two New York Stock Exchange memberships were transferred on Oct. 30 at $25,000 each. The previous transaction was on Oct. 27 also at $25,000. The only other sale this month was on Oct. 2 at the same price.

THE BOND SELECTOR

Local Housing Authority Bonds

The United States Housing Authority, popularly known as the USHA, was created by the U. S. Housing Act of 1937. The purposes of that Act were to "promote the general welfare of the nation by employing its funds and credit to assist the several States and their political subdivisions to alleviate present and occurring unemployment and to remedy the unsafe and insanitary housing conditions and the acute shortage of decent, safe and sanitary dwellings for families of low income, in rural or urban communities, that are injurious to the health, safety and morals of the nation." To effectuate this policy, the USHA as an instrumentality of the Federal Government, was empowered to enter into contractual relations with local public housing agencies, known as Local Housing Authorities. The contracts between the USHA and the local housing authorities provide for the granting of loans and certain annual payments to the local authorities by the USHA.

The USHA may lend up to a total amount of $800,000,000. Individual loans to each local housing authority must not exceed 90% of the total development or acquisition cost of the low-rent housing project under consideration and must be repaid within a period not exceeding sixty years. Since the USHA may, by the terms of the Act, lend only a maximum of 90% of the project cost, the remaining 10% must be provided by the local housing authority from other sources. This 10% is raised through sale to the public of the local housing authority's own bonds. These are the bonds, always known as Series A, to which attention is directed in this study since they are the issues available for public investment. Series B bonds are sold by the local authorities to the USHA as will be shown later on.

As an example of the method of financing USHA projects, Projects I and II of the New York City Housing Authority are cited. These projects consist of six developments known as Red Hook Houses, Queensbridge Houses, Vladeck Houses, Kingsborough Houses, South Jamaica Houses and East River Houses. To finance the cost of these developments, the New York City Housing Authority authorized the issuance of $46,778,000 of bonds. Of this amount, $8,046,000 were designated Series A bonds and sold to the public through competitive bidding. The balance of $38,732,000 were sold to the USHA. The total amount of bonds authorized in this case was less than the maximum development cost by an amount equal to capital donations to the project.

The contract between the USHA and the local authority is known as the Assistance Contract. Under its provisions, the USHA covenants to make annual contributions to the local authority. The purpose of making these annual contributions to the local housing authorities is to assist them in achieving and maintaining the low rent character of these projects. To this end, all such contributions go toward principal and interest payment of both Series A and B bonds. The Act authorizes the USHA to pay annual contributions for a period not exceeding sixty years.

The amount of money to be paid each year as the annual contribution to the local authority is computed exactly for each project, and cannot exceed an amount equal to the "going Federal rate of interest" plus 1% of the total cost of the project. In turn, the Series B bonds bought by the USHA (and serviced out of annual contributions) bear interest at not less than the "going Federal rate of interest" plus ½% and are to be repaid within 60 years. In effect, then, the annual contribution made to any local authority exceeds the latter's total interest requirements by approximately ½% of the total cost of the project involved. In the case of the New York City Housing Authority's Projects I and II previously referred to, annual contributions accrue at the rate of 3½% for Project I and 3¾% for Project II while the local authority pays interest rates of 3% and 3¼% on the Series B bonds held by the USHA for Projects I and II, respectively.

The important consideration regarding the Series A bonds of local housing authorities in the hands of the public is that they are retired serially in toto before any of the Series B bonds held by the USHA begin to mature. Consequently all Series A bonds mature before any Series B bonds become due.

As a more graphical presentation of the funds available for interest and principal payment of Series A bonds, some figures from the Prospectus of the New York City Housing Authority, First and Second Issues, Series A bonds which were offered in the Fall of 1940 are shown below.

After providing for operating expenses (there are no taxes to be paid), the net revenues derived from operation of these projects are applied in the following order:

First—To the payment of principal and interest ratably on Series A and B bonds to the extent that debt service exceeds the then anticipated annual contributions.

Second—To the creation of a reserve fund, within a specified number of years, for Series A bonds in an amount equivalent to the amount of principal and interest of Series A bonds maturing in the next succeeding calendar year after its creation.

Third—To the payment of the cost of repairs, replacements, etc., for the project.

If a balance exists after fulfilling these requirements, the annual contribution may be reduced by the amount of this balance.

In essence, these bonds are backed by the solemn pledge of the faith of the United States through its guarantee by the Act to make annual contributions. The interest on these bonds is exempt from Federal income taxes and from most State and local income taxes.

PROJECT I—FIRST ISSUE

	At Minimum Development Cost $37,858,000	At Estimated Development Cost $39,650,000	At Maximum Development Cost $39,825,000
USHA annual contribution	$1,325,030	$1,387,750	$1,393.875
Less: interest on series B bonds	908,760	962,520	967,770
Available for series A bonds	$416,270	$425,230	$426,105

Debt service on series A bonds after 1941:
Maximum, $417,045
Average, $401,403

PROJECT II—SECOND ISSUE

	At Minimum Development Cost $7,200,000	At Estimated Development Cost $7,796,000	At Maximum Development Cost $7,950,000
USHA annual contribution	$270,000	$292,350	$298.125
Less: interest on series B bonds	185,998	205,368	210.373
Available for series A bonds	$84,002	$86,982	$87,752

Debt service on series A bonds after 1941:
Maximum, $84,245
Average, $79,985

Oppose Proposed SEC Acts Amendments

(Continued from First Page)

of the Securities Acts is what the nation wants, then the distributors are—and the Exchanges are not—the business agency best designed to make the ideal a reality. Exchanges have virtues of course; and the distributors have faults. The distributor, however, performs the essential function, and he ought not to be continually harrassed by the ambitions of the Exchanges to take away his business.

Lt. Col. Edward B. Twombly, counsel for the Committee for Reemployment of Men and Money of the Commerce and Industry Association of New York, remarked that after a year of conferences between the SEC, the Investment Bankers Association the two New York Exchanges, and to a lesser extent, the National Association of Securities Dealers, Inc., the result does not reflect the wishes or needs of business, over-the-counter dealers or the public in general, who were not asked to "sit in."

Through proxy requirements and required reports of officers directors and stockholders—and penalties for stock dealings for officers, directors and stockholders, all companies with over 300 stockholders and over 3,000,000 in total assets are drawn within the powers of the Securities and Exchange Commission. Thus while the Securities and Exchange Commission has gained most in power, offsetting advantages for the big fellow in the Investment Bankers Association and for the Stock Exchanges may be found But what of little industry, the investor, the little underwriter and the over-the-counter dealer?

Col. Twombly stated that the President of the New York Curb Exchange advised the Convention of the National Association of Securities Commissioners at Biloxi, Mississippi on Oct. 8, that they should require listing as a prerequisite to sales of securities within their respective states. His was also the idea to "induce" listing contained in the proposed amendments to the Securities and Exchange Act. The two ideas, if adopted, will destroy the over-the-counter market and with it a host of small dealers.

In his opening address, Frank Dunne, President of the New York Security Dealers Association, and also a member of the Board of Governors of the National Association of Securities Dealers, Inc. declared, "The real purpose of the suggestions made by the Exchanges to equalize the proxy and common control sections of the Securities Exchange Act of 1934 is to increase the volume of trading on the Exchanges, by making practically all over-the-counter issues available for application for unlisted trading And don't let anyone tell you anything to the contrary.

"The suggestions to have these sections apply to corporations with total assets of $3,000,000. and 300 stockholders have been made apparently without consideration of the public interest. Everyone experienced in security markets knows, if such small yardstick is used for application for unlisted trading privileges in issues under Section 12 of the Act, that such issues, almost without exception, do not lend themselves to auction trading. It is questionable whether the admission of such securities to Exchange trading will increase the volume on the Exchanges appreciably, but it will definitely result in hurt to the public because of inferior Exchange markets in the issues, and lack of dealer interest necessary to merchandise the securities and maintain their over-the-counter markets now serving the public."

Mr. Dunne paid tribute to the National Association of Securities Dealers, Inc. for the splendid work the Association is doing in regulating and policing the industry throughout the country, and through this procedure he thinks the undesirable element in the business will be eliminated.

Vollmar Receives Award

Paul J. Vollmar, manager of the real estate and mortgage loan departments of The Western & Southern Life Insurance Co., of Cincinnati, has been selected to receive the 1941 Distinguished Service Award of the Mortgage Bankers Association of America, Frederick P. Champ, President, announced on Nov. 1. The award is given to honor the man in the Association who has done more than any other for mortgage banking during the past year. At the 28th annual convention of the Association in New York in October, Mr. Vollmar planned and conducted a clinic on conventional-type mortgage loans at which more than 20 life insurance executives, bankers and mortgage bankers spoke. Mr. Vollmar was formerly a mortgage banker in Omaha until he joined The Western & Southern in 1931.

Joins Mortgage Bankers

Roy E. Dahlstrom, who has been in the mortgage loan business in Chicago for the past 20 years, has become associated with the Mortgage Bankers Association of America as assistant to the Secretary, George H. Patterson. For the past 15 years Mr. Dahlstrom has been with Cooper, Kanaley & Co. in Chicago. He is a member of the Chicago Real Estate Board and the Illinois Association of Real Estate Appraisers and is a registered real estate broker. He will have charge of statistics and research for the Association and will be active in working with the Association's 33 chapters over the country.

Commodity Contracts By Blocked Accounts

The Treasury Department Oct. 24 announced the amendment of General License No. 9 issued under the freezing order and relating to the purchase and sale of commodity futures contracts for the accounts of blocked nationals. The amended license permits transactions only for the purpose of covering short positions or liquidating long positions taken prior to Oct. 25, 1941.

Following is the text of the License as amended:

(1) A general license is hereby granted authorizing the bona fide purchase and sale of commodity futures contracts and of evidences of ownership of actual commodities on an exchange or board of trade within the United States by banking institutions within the United States, for the account of nationals of any blocked country, pursuant to the instructions of such nationals, and necessary transfers or other dealings in evidences of ownership of commodities, transfers of credit and payments between accounts in banking institutions within the United States as required in connection with such purchases or sales or because of fluctuations in the market value of the commodities covered by such contracts or evidences of ownership, provided that:

(a) No such purchase shall be made except for the purpose of covering a short position taken prior to Oct. 25, 1941, in the account of the national for whom the purchase is made;

(b) No such sale shall be made except for the purpose of liquidating a long position taken prior to Oct. 25, 1941, in the account of the national for whom the sale is made; and

(c) In the case of either purchase or sale the net proceeds of the transaction are credited to a blocked account in the name of the national for whose account the transaction was effected and in the banking institution within the United States which maintains the account for which the transaction was effected.

(2) Each banking institution engaging in any transaction herein authorized is required to file promptly with the appropriate Federal Reserve Bank monthly reports showing the details of each such transaction, including a description of the commodity futures contracts or evidences of ownership of actual commodities purchased or sold, the dates of the purchases or sales, the persons for whose account the purchases or sales were made, the price at which each purchase was made, the name of the exchange or board of trade on which each such transaction was effected, and the net market position in the commodity in question of the national for whose account the transaction was effected before such transaction and after such transaction.

Financial District Is At Work For Red Cross

Prominent men of the financial district are working this week for the success of the 25th roll call of New York Chapter of the American Red Cross. General Chairman of the roll call is S. Sloan Colt, President of the Bankers Trust Company, with Leon Fraser, President of the First National Bank, as roll call Vice-Chairman. Irving S. Olds, Board Chairman of the U. S. Steel Corporation, is special gifts chairman.

The New York Chapter seeks to enroll 300,000 members and to raise $700,000 in Manhattan and the Bronx, to carry on local and national Red Cross activities. The roll call is being conducted from Armistice Day to Nov. 30.

Three campaign divisions identified with the financial district are the Banks division, Exchanges division, and Insurance division.

Mrs. Eugene A. Yates is Chairman of the Banks division, with Lewis E. Pierson heading the groups for national banks, trust companies, State banks and private banks. Henry Bruere is Chairman of the Savings Banks group.

The Exchanges division has Mrs. George Emlen Roosevelt as Chairman and Mrs. Sidney Weinberg as Vice-Chairman. The groups Chairmen are: Cotton Exchange, Robert Murray; Investment House, Allan M. Pope; Curb Exchange, Ramon O. Williams, and Stock Exchange, Robert L. Stott.

Mrs. Frederic H. Cruger is Chairman of the Insurance division. Its group Chairmen are: Life Insurance, Frederick H. Ecker; Fire and Casualty, F. J. O'Neill; Insurance Brokers, Floyd R. DuBois; Marine Insurance, William D. Winter; Credit & Loan Agencies, J. E. Mason.

General Chairman Colt, in order to give continuous attention to the campaign, has established a financial district office of the New York Red Cross roll call at 14 Wall Street.

Black-Out Ordered

The Office of Production Management on Oct. 30 ordered an immediate "black-out" of nonessential lighting in seven Southeastern States in view of the defense power shortage. The order, issued by Donald M. Nelson, OPM Priorities irector, also calls for an electric rationing program for Southern industry to become effective Nov. 10 unless heavy rains end the region's water shortage. Under the decree the immediate pooling of power by interconnected systems of 40 publicly and privately owned companies in 13 States is required to bring power to the needed areas. Mr. Nelson said the orders were designed to insure uninterrupted operation of defense plants despite the rapidly mounting demand for energy and a prolonged drought which has reduced the supply of hydro-electric power, according to the Associated Press. In Oct. 30 advices to the New York "Times" from Washington it was stated:

> Curtailment is required by the new regulations in Alabama, Georgia, Tennessee, Eastern Mississippi, Northwest Florida, Southeastern South Carolina, including Charleston, and North Carolina. The 30% cut will apply to every non-exempt consumer who used more than 10,000 kilowatt hours of electricity during the month for which his meter was read between Sept. 15 and Oct. 14, inclusive. In North Carolina, and in most io South Carolina, a curtailment of 5% will be sufficient.

Tomorrow's Markets Walter Whyte Says—

(Continued from page 1011)

point to the rail wage news and blame Central's action on that. Still after all is said and done it showed a weak link in the market chain that had already been strained too much.

* * *

In such cases "reasons" or "excuses" mean little. They merely act as sops for poor judgment.

* * *

Monday the weak Central action began spreading to other portions of the market and levels that I had been watching for months began not only to be approached but in too many cases were giving signs of breaking. These signs were confirmed in yesterday's market (Wednesday) when not only did they break through but did so on increased volume.

* * *

This means that the whole optimistic picture that I painted last week must now be changed. We are now thrown right back into the statement made here on Oct. 16th "if the market got down more than two points under Tuesday's lows (Oct. 7) prices would go lower."

* * *

Yet after all is said and done it's the easiest thing I know of to step out and follow the crowd. However, I have yet to see anybody make any money by drifting along with the current. The general opinion is that the market is headed lower. How much lower no one knows, but the opinion is unanimous that lower prices are in the immediate future. If there is anybody that has a kind word to say for the outlook of prices I don't know who it is. That being the case I shall stick on my unsecure perch and say that despite the present rotten market action the market shows a buildup that indicates strength.

* * *

There is this to be added (and I don't intend to hedge) the current reaction having broken important levels, the market will have to build up another zone from which more than a small rally can begin. But all this pertains to the market as a unit and we are theoretically interested in certain specific stocks. For the record, therefore, let me list them again:

Bendix was bought at 37. Your stop is now 34. On the current break the low was 35¾. N. Y. Shipbuilding was bought at 15. The stop is still 26. During yesterday's decline the low was about 30. Warner Brothers was recommended at 5. The stop was and is 3¾. During the present and all the recent weakness the low was 4⅝.

* * *

Last week I suggested adding two more stocks to your list: U. S. Steel 53, stop at 49; Gulf, Mobile & Ohio Pfd. at 20, stop at 17. The first made a low of 50¾, the second a low of 18¾.

* * *

To get back to what I said above: I may still be alone in thinking this market is headed higher but I don't advise holding any of the above stocks if the levels at which the stops are placed are broken. It would be far more practical to cut what losses you have (and they won't be many because the profits on at least one stock would just about take care of them) and sit back and wait for another day.

* * *

R.J.S. Minneapolis: Sorry cannot undertake personal replies. When I like certain stocks I say so in this column. While I don't disapprove of the securities in your client's list I cannot undertake to advise you as to their merits. It would require personal research, a study of market performance, etc., all of which would take more time than I can give.

* * *

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.]

Calendar of New Security Flotations

OFFERINGS

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 for 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

Offered—Nov. 10, 1941, at $105 per share and dividend.

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)

Amendment Filed — Hiram Walker-Gooderham & Worts, Ltd., and Hiram Walker & Sons, Inc., filed an amendment with the SEC, disclosing that the $15,000,000 of serial debentures, to be issued as the joint and several obligation of each of the two companies, will be offered to the public at 100. The underwriting commission is 1¾%. The interest rates on the respective maturities will be supplied by later amendment.

The names of the underwriters, and the amount each has agreed to underwrite, are as follows (all of New York, N. Y., unless otherwise noted):

Smith, Barney & Co.	$3,600,000
Blyth & Co., Inc.	975,000
First Boston Corp.	975,000
Harriman Ripley & Co., Inc.	975,000
Mellon Securities Corp., Pitts.	975,000
Kidder, Peabody & Co.	750,000
Lazard Freres & Co.	600,000
Eastman, Dillon & Co.	525,000
Hornblower & Weeks	525,000
Lee Higginson Corp.	525,000
Union Securities Corp.	525,000
Estabrook & Co., Boston	300,000
Harris, Hall & Co., Inc., Chicago	300,000
Janney & Co., Philadelphia	300,000
Merrill Lynch, Pierce, Fenner & Beane	300,000
G. M.-P. Murphy & Co.	300,000
Paine, Webber & Co.	300,000
Spencer Trask & Co.	300,000
Bacon, Whipple & Co., Chicago	225,000
Central Republic Co., Inc., Chic.	225,000
Illinois Co. of Chicago, Chicago	225,000
Stern, Wampler & Co., Inc., Chic.	225,000
G. H. Walker & Co., St. Louis	225,000
The Wisconsin Co., Milwaukee	225,000
Farwell, Chapman & Co., Chic.	150,000
First of Michigan Corp., Detroit	150,000
Knight, Dickinson & Co., Chic.	150,000
Watling, Lerchen & Co., Detroit	150,000

Offered—Nov. 13 at 100.

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 emendment 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.)

Effective—4 p. m., E.S.T., on Nov. 5, 1941

Offered—Nov. 6, 1941, $27 per share and dividend

UNITED STATES SUGAR CORP.

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

Address—Clewiston, Fla.

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

Underwriter—None named

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

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

Offered—Oct. 30, 1941

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

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

Offerings will rarely be made before the day following.

THURSDAY, 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)

Amendment Filed—Company has filed an amendment with the SEC to its registration statement disclosing that the bonds would bear interest at the rate of 3½% per annum. The public offering price of the bonds and the preferred stock will be supplied by later amendment

Also disclosed in the amendment is the names of the underwriters for the bonds and preferred stock, together with the amount of each issue underwritten by each, as follows (all of New York City, unless otherwise indicated):

	Prin. amt. of bonds	No. of shs. of pref. stk.
W. E. Hutton & Co.	$1,700,000	8,000
Goldman, Sachs & Co.	1,700,000	8,000
R. S. Dickson & Co.	127,000	600
Drexel & Co., Phila.	425,000	2,000
Field, Richards & Co., Cincinnati	85,000	400
First Boston Corp.	425,000	2,000
Harriman Ripley Co.	425,000	2,000
Hemphill, Noyes Co.	255,000	1,200
Hornblower & Weeks	340,000	1,600
Johnson, Lane, Space & Co., Savannah	85,000	400
Kidder, Peabody Co.	765,000	3,600
Kuhn, Loeb & Co.	850,000	4,000
W. C. Langley & Co.	340,000	1,600
Lee Higginson Corp.	511,000	2,400
Piper, Jaffray & Hopwood, Minneapolis	127,000	600
White, Weld & Co.	340,000	1,600

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

Calendar of New Security Flotations

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)

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)

MONDAY, NOV. 24

CAROLINA TELEPHONE & TELEGRAPH CO.

Carolina Telephone & Telegraph Co. registered with SEC 10,625 shares common stock, $100 par, and subscription warrants evidencing rights to subscribe for such 10,625 shares common stock

Address—122 St. James St., Tarboro, N. C.

Business—This operating company is engaged in the telephone business in the eastern part of North Carolina. About 31.67 of its common stock is owned by Southern Bell Telephone & Telegraph Co. (a subsidiary of AT&T)

Underwriters—There is no underwriting involved in connection with this financing

Offering—Common stockholders of record Nov. 26, 1941, are being granted transferable warrants to subscribe at $100 per share for the 10,625 shares of common stock, at the rate of one share for each 4 shares then held. Warrants expire Dec. 29, 1941. Company reserves right to reoffer for sale, at a price in no event less than $100 per share, such of the 10,625 shares of common stock as are not subscribed for by stockholders in the exercise of the warrants

Proceeds to payment of $830,000 of bank loans, balance for plant and equipment additions and betterments, and for working capital

Registration Statement No. 2-4875. Form A2 (11-4-41)

TUESDAY, NOV. 25

SUPERIOR OIL CO.

Superior Oil Co. registered with SEC $15,000,000 3½% debentures, due Nov. 1, 1956

Address—930 Edison Bldg., Los Angeles, Cal.

Business—Engaged in acquisition through purchase, lease, or otherwise, of prospective and proven oil lands; exploration and development of such lands, and the production and sale of crude oil and natural gas. Also, purchases crude oil and natural gas, primarily from the lessors of oil lands leased by it. Company is not engaged in refining or processing crude oil

Underwriters—The principal underwriter is Dillon, Read & Co., New York; others will be named by amendment

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

Proceeds will be used to redeem the outstanding $9,800,000 of company's 3¼% debentures, due April 1, 1950, at 103, requiring $10,094,000; balance of proceeds will be added to company's general funds, to be used for corporate purposes.

Registration Statement No. 2-4876. Form A2. (11-5-41)

UNITED FUNDS, INC.

United Funds, Inc., registered with SEC 300,000 shares of United Income Fund Shares; and $8,000,000 principal amount of Stock Purchase Agreements covering periodic payments toward the purchase of United Accumulative Fund Shares previously registered

Address—1420 Walnut St., Philadelphia, Pa. (executive office); Kansas City, Mo. (home office)

Business—Investment trust.

Underwriter—United Funds Management Corp.

Offering—The 300,000 shares of United Income Funds Shares, will be offered to public at the prevailing market price

Proceeds for investment purposes

Registration Statement No. 2-4877. Form A1. (11-5-41)

WEDNESDAY, NOV. 26

WESTINGHOUSE ELECTRIC & MANUFACTURING CO.

Westinghouse Electric & Manufacturing Co. registered with the SEC $20,000,000 of debentures, due Nov. 1, 1951. The interest rate will be supplied by amendment.

Address—306 Fourth Ave., Pittsburgh, Pa.

Business—Company and subsidiaries engaged in manufacture and sale of machinery, apparatus and applicances for generation, transmission, utilization and control of electricity and in the manufacture and sale of steam turbines and associated equipment

Underwriters—Names of the underwriters, and the amount of the debentures underwritten by each, are as follows:

Kuhn, Loeb & Co.	$2,000,000
A. C. Allyn & Co., Inc.	225,000
Baker, Weeks & Harden	150,000
A. G. Becker & Co., Inc.	350,000
Blair & Co., Inc.	225,000
Blyth & Co., Inc.	700,000
Bonbright & Co., Inc.	500,000
Central Republic Co., Inc.	225,000
Clark, Dodge & Co.	225,000
Dominick & Dominick	350,000
Drexel & Co.	500,000
Eastman, Dillon & Co.	225,000
Estabrook & Co.	225,000
The First Boston Corp.	700,000
Glore, Forgan & Co.	1,000,000
Glover & MacGregor, Inc.	100,000
Goldman, Sachs & Co.	600,000
Grubbs, Scott & Co.	100,000
Hallgarten & Co.	300,000
Harriman Ripley & Co., Inc.	700,000
Hayden, Stone & Co.	225,000
Hemphill, Noyes & Co.	350,000
Hornblower & Weeks	225,000
W. E. Hutton & Co.	500,000
Jackson & Curtis	225,000
Kidder, Peabody & Co.	500,000
Ladenburg, Thalmann & Co.	500,000
Lazard Freres & Co.	500,000
Lee Higginson Corp.	500,000
Lehman Brothers	825,000
A. E. Masten & Co.	100,000
Mellon Securities Corp.	1,200,000
Merrill Lynch, Pierce, Fenner & Beane	350,000
Moore, Leonard & Lynch	150,000
F. S. Moseley & Co.	350,000
Paine, Webber & Co.	225,000
E. H. Rollins & Sons, Inc.	350,000
Schoellkopf, Hutton & Pomeroy, Inc.	200,000
Schroder Rockefeller & Co., Inc.	225,000
Shields & Co.	225,000
Singer, Deane & Scribner	150,000
Smith, Barney & Co.	700,000
Stone & Webster and Blodget, Inc.	425,000
Spencer Trask & Co.	225,000
Union Securities Corp.	600,000
White, Weld & Co.	225,000
Whiting, Weeks & Stubbs, Inc.	200,000
Dean Witter & Co.	350,000

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

Proceeds will be used for payment of outstanding bank loans, for capital additions, improvements and betterments, and for working capital

Registration Statement No. 2-4878. Form A2. (11-6-41)

PACIFIC TELEPHONE & TELEGRAPH CO.

Pacific Telephone & Telegraph Co. registered with the SEC 656,250 shares of common stock, $100 par value.

Address—140 New Montgomery St., San Francisco, Calif.

Business—Company and its subsidiaries provide telephone service in about 650 exchanges in California, Nevada, Oregon, Washington and northern Idaho, including San Francisco, Oakland, Berkeley, Sacramento, Portland, Seattle, Spokane, Tacome, Los Angeles, San Diego and Pasadena. Company is controlled by American Telephone & Telegraph Co.

Underwriters—No underwriters named in registration statement.

Offering—The 656,250 shares common stock will first be offered by company to its stockholders of record Dec. 1, 1941, through warrants at a price of $100 per share. The warrants will expire on Dec. 31, 1941. The unsubscribed portion of such shares will later be offered to the public, at not less than $100 per share. Further details as to the offering will be supplied by amendment.

Proceeds will be used to repay advances from the parent company, and any excess is to be used for plant extensions, additions and improvements, and for working capital.

Registration Statement No. 2-4879. Form A2. (11-6-41-San Francisco)

THURSDAY, NOV. 27

CONSOLIDATED AMUSEMENT CO., LTD.

Consolidaaed Amusement Co., Ltd., registered with SEC 50,000 shares common stock, no par

Address—Honolulu, Hawaii

Business—Engaged in exhibiting motion pictures in theatres owned or operated by it on the Islands of Oahu, Hawaii and Kauai in the Territory of Hawaii and of distributing motion pictures for exhibition purposes to other exhibitors on the Islands of Oahu, Hawaii, Maui, Lanai, Molokai and Kauai in the Territory of Hawaii

Underwriters—None

Offering—The shares will be offered for subscription at $10 per share pro rata to holders of common stock of record Oct. 15, 1941, on a one for three basis, through warrants, exercisable up to and including Dec. 27, 1941. Unsubscribed portion of such 50,000 shares will be sold at public auction in Honolulu. There is no underwriting in connection with this offering. Of the 50,000 shares so offered, 33,813 shares will upon their issuance be subject to the Voting Pool Agreement, as extended to April 15, 1950

Proceeds will be used to redeem, on Dec. 10, 1941, the outstanding 6% Series A cumulative preferred stock of company

Registration Statement No. 2-4880. Form A2. (11-7-41)

Consolidated Amusement Co., Ltd., also filed registration statement with SEC covering voting trust certificates to be issued for a maximum of 33,813 shares of common stock, no par, registered above (2-4880)

Registration Statement No. 2-4881. Form F1 (11-7-41)

1061 ROSEMONT AVE. BUILDING CORP.

Lucius Teter, et al, voting trustees of 1061 Rosemont Ave. Building Corp., registered with SEC voting trust certificates for 5,029 shares common stock, no par, of the corporation

Address—Chicago, Ill.

Business—Corporation owns and operates an apartment hotel building in Chicago, Ill.

Offering—The voting trust certificates are to be issued under a plan to extend the life of the existing voting trust agreement from Dec. 9, 1941, to Dec. 9, 1951

Registration Statement No. 2-4882. Form F1 (11-7-41)

DATES OF OFFERING UNDETERMINED

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

AIR ASSOCIATES, INC.

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

Address—Bendix Airport, Bendix, N. J.

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

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

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

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

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

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

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

AIRPLANE MANUFACTURING & SUPPLY CORP.

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

Address—Lockheed Air Terminal, Burbank, Cal.

Business—Purchase, service and sale of airplane equipment

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

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

Proceeds will accrue to the selling stockholders

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

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

AMERICAN BAKERIES CO.

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

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

Business—Manufacturing and distributing bakery products in souther states

Underwriter—None named

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

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

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

AUTOMATIC TELEPHONE DIALER, INC

Automatic Telephone Dialer, Inc. registered 75,000 shares of common stock no par

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

Business — Development of automatic telephone dialing devices

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

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

Proceeds—For engineering and development expenses and working capital

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

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

BEACON ASSOCIATES, INC.

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

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

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

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

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

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

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

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

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

BEAR MINING AND MILLNG COMPANY

Bear Mining and Milling Co. registered 153,145 shares of common stock, $1 par

Address — 513 Majestic Bldg., Denver, Colo.

Business—Mining and milling

Underwriter—None

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

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

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

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)

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 $25,000,000 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)

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)

Effective—4 p.m., E.S.T., on Nov. 5, 1941

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)

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)

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)

KENSINGTON MINES, INC.

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

Address—Seattle, Washington

Business—Mining and Milling

Proceeds — For property, construction development and working capital

Underwriters—Kressly and Campbell

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

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

KIRKLAND GOLD RAND, LTD

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

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

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

Underwriters—To be named by amendment

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

Proceeds—For development, purchase of equipment and working capital

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

LA CROSSE TELEPHONE CORP.

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

Address—La Crosse, Wisconsin

Business—Telephone service to La Crosse Wis.

Underwriter—Alex. Brown & Sons

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

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

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

McDONNELL AIRCRAFT CORP.

McDonnell Aircraft Corp. registered with SEC 6,453⅙ 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 6,453⅙ 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, adio 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.

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)

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, betterments and improvements to its plants and property

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

Effective—4.45 p. m., E.S.T., on Nov. 7, 1941

Bids will be received by the company at Edison Bldg., 900 Sansom St., Philadelphia, up to 1 p. m., E.S.T., on Nov. 24, 1941

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)

Effective—4.45 p. m., E.S.T., on Nov. 6, 1941

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 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

(This List is Incomplete This Week)

Lower Co. In Merger With O'Melveny House

LOS ANGELES, CALIF.—The personnel of William A. Lower & Co. has become associated with O'Melveny-Wagenseller & Durst, 626 South Spring Street, members of the Los Angeles Stock Exchange, it is announced. Opening of two new branch offices, one in Santa Ana and the other in Long Beach, is also announced.

William A. Lower, who has been actively engaged in the investment banking field in Southern California for the past fifteen years, has become a Vice President of O'Melveny-Wagenseller & Durst with headquarters at the firm's Los Angeles office. Associated with the main office also are Mr. Lynn P. Walker and Mr. Walter S. Weeks, both of whom have had many years' experience in the investment banking field.

Expansion of O'Melveny-Wagenseller & Durst to Long Beach and Santa Ana affords that firm a chain of branch offices encircling Los Angeles, as branches have been maintained for a number of years in Santa Monica, Beverly Hills, Pasadena, San Bernardino, Claremont and Redlands.

The Long Beach office is in the same location formerly maintained by William A. Lower & Co. and is under the management of John M. Woods, associated with him is Neil Harvey. The Santa Ana branch, which also in the former William A. Lower & Co. location, is under the direction of Mr. Ray P. Tarr.

"The addition of the above men to our personnel and our expansion into Long Beach and Santa Ana is a brief testimony of our faith in the future growth and development of Southern California," according to Willis H. Durst, Vice President of O'Melveny-Wagenseller & Durst.

Richard Clarke to Be NYSE Member; Reorganize Firm

Transfer of the New York Stock Exchange membership of Charles S. O'Neil, Jr. to Richard W. Clarke will be considered by the Exchange on Nov. 19th. Mr. Clarke proposes to form the firm of Richard W. Clarke & Co. with offices at 17 East 42nd Street, New York City, in partnership with David L. Terwilleger as general partner and Catherine C. Clarke as limited partner. Mr. Clarke and Mr. Terwilleger have been officers of Richard W. Clarke & Co., Inc., New York.

Our Reporter On "Governments"

Will there be another cash borrowing by the Treasury this month? . . . Or will Secretary Morgenthau hold off until December, follow through on his recent statement that financings will be every other month, permit the market's present receptivity to continue "unused" for a while, at least? . . .

There are the two important questions in the Government mart today. . . . Important because the professional traders are concentrating on them, arranging their own portfolios according to their decisions. . . . And important because it is in new issues that the profit for banks and individual investors lies. . . . It is in new issues that insurance companies are centering their efforts these days. . . .

It is folly to attempt to judge to the day the timing of the next financing. . . . At earliest, late November would be the date. . . . More likely, say the majority of experts, the deal will come in early December, at the same time that Morgenthau refunds the $426,000,000 1¾s of March 15, 1942. . . . But a week's difference is a minor point. . . . What is significant is the fact that a pattern for financing the defense program is developing and developing fast. . . . And that pattern is of vital import to all investors—whether they are individuals, whether they represent insurance companies, commercial banks or savings institutions. . . .

The Four Parts

As informed sources see it, the Treasury is now intent on dividing its gigantic financing program into four distinct parts:

(1) Sales of defense bonds. This is the "individual" approach. Morgenthau expects to intensify the defense bond drive later this year and through 1942, until sales approximate $3,500,000,000 or more a year. . . .

(2) Sales of tax-anticipation notes to corporations and individuals. . . . This is not real financing, of course, for the money obtained in this way would come in anyway at a later date. . . . But it does help place the revenue-raising program of the Treasury on a more "even" basis over the year. . . .

(3) Sales of long-term bonds—bonds bearing 35 and 40-year maturities and perhaps even longer due dates—to insurance companies, individuals investors of large funds, estates, trust funds, fiduciary institutions, etc. . . . This is an important forward step in public finance in the United States. . . . The last sale of 2½s represented the first time the Treasury actually keyed in the open market a deal to a certain type of investor (outside of commercial banks) and succeeded in distributing its securities to a variety of buyers. . . .

(4) Sales of short-term bonds, notes and Treasury bills to commercial banks and savings institutions. . . . The short maturities here will meet the demand of banks for readily saleable securities. . . . They will be in line with accepted bank policy, keep the banks within the confines of official regulation. . . . And it is expected that commercial banks will become less important rather than more important sources of funds for the Government. . . .

There's nothing visionary about this pattern. . . . It's developing at this minute. . . . It has the blessing not only of Washington authorities but of many private financiers. . . . It is based on logic and the authorities' desire to prevent inflationary moves from arising out of uncontrolled monetary factors. . . .

Study this pattern. . . . See where you come in. . . . Then rearrange, work out your portfolio on the basis of what you may expect to receive in the way of new issues over the coming months. . . .

The Next Deal

One story is that the next deal will be aimed at commercial banks—the issue, in other words, will be short-dated and in the note or intermediate-bond classification. . . . Insurance companies had their inning last time. . . . Commercial banks are next on the list. . . .

Life insurance companies today hold about $7,000,000,000 of U. S. Government obligations — counting what they bought on the last deal. . . . (Best estimate here is that the Nation's insurance concern's bought a quarter-billion dollars' worth of the 2½, a tremendous amount). . . .

Insurance company holdings amount to around 12% of the total debt of the country, as compared with commercial bank holdings of about 37% ($20,000,000,000); mutual savings bank holdings of about 6% ($3,400,000,000); general public holdings of about 26% ($14,000,000,000). . . .

Obviously, the commercial banks are the largest single owners of Government obligations in the Nation and during a period of rising prices, continued heavy purchases by commercial banks are dangerous. . . . On this basis alone, Morgenthau's plan to distribute the debt more widely, to emphasize insurance company, savings bank and individual purchases rather than commercial bank purchases may be justified. . . .

Regulation

The prevention of commercial bank purchases of Government issues on the financing dates is a problem which hasn't been considered generally. . . . But this will be an important angle—make no mistake about that. . . .

How will commercial banks be kept out of deals aimed for other portfolios? . . . Perhaps by the maturity choices. . . . or instance bonds due in 2000 or in 1980 might solve the problem neatly, for insurance companies have no hesitancy in buying maturities of this kind—but commercial banks have. . . .

The issuance of "consols," such as England sells, might do the trick too. . . . This is unlikely though. . . . Consols never have been popular here, for the American public simply doesn't like issues without a due date and education of the investing public now might be a dangerously slow task. . . .

Sale of open-end issues is another alternative. . . . Also considered unlikely for the time being, at any rate. . . .

The imposition of regulations on bank subscriptions, however, is a possibility that deserves consideration. . . . Especially since former New York Reserve Bank President George Harrison appears in favor of this move. . . . Bank subscriptions on certain issues might be limited by rule in the issue circular. . . . The word might be passed around "privately" that subscriptions above a certain percentage will be frowned upon. . . . The job might be handled more gracefully at first by cutting of allotments on large subscriptions. . . .

The pattern is there. . . . Regulations seems a part of it. . . . Again, if you wish a certain type of issue, swing into that classification by yourself. . . . New issues will be as profitable as ever in the future, but the bonds you want may not be obtained with as little trouble. . . .

Inside The Market

Market took the reserve requirement boost with a minimum of interest. . . . No surprise, no attention. . . . Despite large drop in reserves at New York City banks, no difficulty is anticipated. . . .

Reaction to lower reserves may show up in commercial loan figures as much as or more than in Government bond holding statistics. . . .

Insurance companies have been buying bonds in the open market since the sale of the 2½s. . . . Two major companies have been outstanding purchasers of long-terms, according to reports. . . . More than 25% of insurance company purchases so far this year have been in the Government market. . . .

"Right" situation still disturbing dealers, but faith in Treasury's handling of "rights" is returning. . . . Feeling is any elimination of "rights" will be gradual and large program of refinancing in 1943 militates against unsettling action by Treasury. . . .

Confidence also returning in Government's complete ability to do what it wishes with short and long-term interest rates. . . . Not only a question of domestic policy but fact that record low money is a world-wide phenomenon. . . . And if "goldless, poverty-stricken" nations can hold down interest rates, why the United States can. . . .

Results Of Treasury Bill Offering

Secretary of the Treasury Morgenthau announced on Nov. 7 that the tenders for $150,000,000, or thereabouts, of 91-day Treasury bills, to be dated Nov. 12 and to mature Feb. 11, 1942, which were offered on Nov. 5, were opened at the Federal Reserve Banks on Nov. 7. The following details of this issue are revealed:

Total applied for ___ $313,335,000
Total accepted _____ 150,018,000
Range for accepted bids:
High—99.980. Equivalent rate approximately 0.079%.
Low—99.938. Equivalent rate approximately 0.245%.
Average Price—99.950. Equivalent rate approximately 0.200%.
(71% of the amount bid for at the low prices was accepted.)

There was a maturity of a similar issue of bills on Nov. 12 in amount of $100,118,000.

Gilholm With Rollins

(Special to The Financial Chronicle)

LOS ANGELES, CALIF.—Robert E. Gilholm has become associated with E. H. Rollins & Sons Incorporated, California Bank Building. Mr. Gilholm was formerly sales manager for Morrison Bond Co., Ltd., and prior thereto was with Banks, Huntley & Co. In the past he operated his own firm in Long Beach, Calif.

N. Y. Stock Exchange Seat Sale

Arrangements were made on Nov. 10 for the transfer of a New York Stock Exchange membership at $22,000. The previous transaction was at $25,000, on Oct. 30.