Southern California Dealers Strongly Oppose "Equalization Clause" Amendment

(Special to The Financial Chronicle)

LOS ANGELES, CALIF.—The tide of opposition to the proposed so-called equalization clause amendment to the Securities Exchange Act of 1934 is high and rising in southern California. The subject has been much under discussion here recently and arrangements were made to discuss the matter during recent weeks, and arrangements were made to discuss the matter and to present a letter to the well-known Board of Governors of the Federal Reserve Bank. The letter was signed on behalf of the local banking community, and was accepted by the Board of Governors.

A group of dealers composed of R. J. Richey, Carey B. Hill, Harvey R. L. Wills, and Sherman R. T. Wrixon have taken the lead in getting this matter before the dealers of the state, and the response has been most satisfactory.

On Nov. 15 these individuals, acting as individuals only, drafted and prepared a letter on the subject to invest¬ment dealers in southern California in which the situation is explained and dealers urged to give the matter serious consider¬ation.

A copy of the letter follows: Hearings are now going on before the Interstate Commerce Committee of the House of Representatives at Washington concerning proposed amendment to the Securities Acts of 1933 and the Securities Exchange Act of 1934.

Certainly of these amendments deal with changes in the Act, particularly concerning the underwriting of new issues of securities. These changes are among those proposed by the National Association of Securities Dealers, and the National Association of Securities Dealers. Our letter, however, on the proposed amendment to Section 16 of the Exchange Act particularly sponsored by the New York Curb Exchange, which is in our opinion very inimical to the welfare of the investment business as a whole.

(Continued on page 1321)

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The action of Secretary of the Treasury Morgenthau in raising the proportions of his projected new money borrowing from $1,000,000,000 to $1,500,000,000 overnight caused the suggestion to some members of the government market that institutional buyers probably will be accorded a choice of two maturities.

It had been the general purpose that the new issue would be set to appeal chiefly to the institution of the insurance companies which are partial to long-term loans with a reasonably attractive coupon.

But raising of the total to be borrowed has caused a re¬vision of such ideas and it is now quite widely anticipated that the new undertaking will be directed toward the banks as well. The latter is as generally known, are partial to short and intermediate maturities.

The set-up of the Bank of the Manhattan Company's portfolio, as disclosed at this week's annual meeting of stockholders, is interest¬ing in regard to government prices.

That institution reported it held on Nov. 15, $176,700,000 of Treasury obligations with an average maturity of eight years and three months. Of these 44% mature in less than five years, 52% in less than ten years and 4% after ten years. Even should the Treasury decide upon an intermediate term issue, however, it is not expected now that such a bond will run for less than 12 years.

Some Prevailing Ideas

Causing the ideas in keeping with prevailing market conditions, as reflected in our bidding U. S. Government issues, and recognizing the desire of the Treasury to (Continued on page 1318)

Our Reporter's Report

Defence Awards To Under-Industrialized Areas Increasing, Says Conference Report

Government contracts for defense materials and industrial facilities are more widely dispersed geographically in the early months of this year, according to a study prepared by the Division of Defense Conference Board, following is the Board's analysis issued on Dec. 5:

An increasing proportion of these contracts has been placed in the South and in other areas outside the heavily industrial¬ized regions in the past few months. The cumulative total of defense contracts placed in the West South Central region increased from less than $1,000,000,000 at the end of March to $3,100,000,000 at the beginning of October. Awards in Okla¬homa advanced from $150,000,000 to $400,000,000. Those placed in Texas rose from $220,000,000 to almost $600,000,000.

The West North Central region has also benefited from the trend toward decentralization. It now has $1,000,000,000 in contracts, as against slightly less than $500,000,000 in March. Awards placed in Kansas totaling $320,000,000, as compared with less than $50,000,000 at the end of March. Minnesota's awards have increased from $15,000,000 to $150,000,000; Wisconsin's $5,000,000 to $162,000,000; and Nebraska's $900,000 to $187,000,000. Missouri leads all states in the category with contracts of about $500,000,000.

Regional Distribution of Awards

The most marked decrease in the proportion of contracts received occurred in the Middle Atlantic area, whose share of defense contracts dropped from 31.3% in March to 28.6% at the beginning of October. There was also a slight decrease of New York, from 11.3% to 10.8%, but in New Jersey there was a decrease of 10.9% to 9.9%, and Pennsylvania's share fell 9.2% to 8.9%.

The cumulative regional allo¬cation of defense contracts, in percentages of total contracts awarded, has been as follows:

United States Government

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The Chase National Bank

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Broaden your customer service with Chase correspondent facilities

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Cleveland

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THE CHASE NATIONAL BANK

of the CITY OF NEW YORK

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THE NEW YORK TRUST COMPANY

Capital Funds: $37,500,000

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New York

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AMERICAN MADE MARKETS IN CANADIAN SECURITIES

The New York Stock Exchange

Price 50 Cents a Copy

Volume 154 Number 4015

New York, N. Y., Thursday, December 4, 1941

FINANCIAL CHRONICLE

THURSDAY

DEC 5 1941

In 2 Sections — Section 1
POTTER SUGAR P. D.  
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We also operate in all Westchester County Securities including Mortgage, Preferred & Common.

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328 Broadway  
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New York Stock Exchange  
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BALTIMORE & OHIO R. R.  
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Incorporated  
New York Security Dealers Association  
63 Wal St., New York, N. Y.

The Maruss Room of the Mayflower Hotel on Friday, Dec. 19, 1941, at 6 p.m. Tickets are $30.

Trading on the New York Mercantile Exchange, 40 Exchange Pl., N.Y. DIGIT 4-4650  
Bell Tel. 1522

PUBLIC UTILITIES

We find that investors are more than ever interested in having their investments in PREFERRED STOCKS of Operating Public Utilities rather than common stocks because the increased taxes will not disturb the dividends on the preferred stocks.

We issue monthly, a statistical GUIDE of 126 dividend paying public utility preferred stocks with income YIELD to average over 6% and A CURRENT SUGGESTION of an issue with early appreciation possibilities and greatly enhanced security values and increased dividend protection.

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Says Utilities Have Developed Rate Structure Rendering Them Virtually Depression-Proof

By W. Truistine Hyde, Jr.

Between the speed of their price rise on which the public has focused its attention in recent years, the utilities have developed a rather impressive financial structure that imparts stability to income and renders them practically depression-proof.

This stability is derived by Utilities, under the supervision of regulating authorities, are based on three main considerations—cost of production, the use to which these revenues are put, and the amount consumed. Industrial users are granted extremely low rates, due in part to competitive factors and in part to the large volume they require. In most cases, industrial power contracts contain fuel clauses by which the rate is automatically increased to compensate for fuel rises during the winter. Since one-half to two-thirds of the energy generated is sold to industrial users, this clause provides an important protection against the effects of higher fuel costs on this large but relatively low margin market.

The backbone of the utility industry, from an earnings standpoint, however, is commercial and domestic consumption. Rates for these types of services are much higher than for industrial power and vary in accordance with local cost conditions. In general, however, there is a minimum charge for the generation of the energy sold, but, once the initial charge is paid, the rate is then progressively lower rates apply to larger amounts of energy consumed, proportional rates, which have been largely responsible for the increased use of electric power in recent years, result in a spread which increases in size as one-third the initial rate.

The effect of this rate structure during a period of business depression is to maintain utility income at a far more stable level than the unit output. Since industrial power provides only about 10% of utility revenues compared with one-half to two-thirds of unit volume, the loss of a large part of this, low profit margin business during a depression, makes the income of the industrial depression would not reduce to a rate proportionately.

Domestic and commercial de-

mend is far less variable, but even so, the stability that is provided (Continued on Page 1322)

BANK STOCKS · INSURANCE STOCKS

MEDITATION FOR MORTGAGE CERTIFICATES

BOND & MORTGAGE GUARD, CO.  
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LAWYERS TITLE & GUAR. CO.  
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FITZGERALD & WALKER TRUST Co.

1314  
THE COMMERCIAL & FINANCIAL CHRONICLE  
Thursday, December 4, 1941

Treasury To Reduce Weekly Bill Offerings

Secretary of the Treasury Morgenthau on Thursday that beginning Dec. 18 the Treasury would reduce the amount of its weekly sale of 91-day Treasury bills from $200,000,000 to $150,000,000.

The weekly bill offering since the middle of November has been $200,000,000, with the Treasury saying that because of the volume of "domestic money" after paying off $100,000,000 of maturing bills.

In this period of the year, the Treasury would have one-half the time the Treasury had been selling $150,000,000 worth of bills. This latest reduction was in view of the large Treasury cash borrowing.

Secretary Morgenthau had previously announced on Nov. 27 that the Treasury plans to borrow $15,000,000 at the point ofimer.

The reason for the reduction was that the question of rights to the public was concerned, but mixed up with cash offering and the securities might be better placed. The Treasury felt that the recent $40,000,000,000 of Treasury bonds and $15,000,000,000 of Federal Home Loan Banks for Range for accepted bills.

Ins. Stock Looks Good

Butler-Huff & Co. of Los Angeles and Chicago is interested in acquiring a railroad in the middle west is of interest to the railroad industry.

Lord & Morris In N. Y.

Albert C. Lord and Harold N. Morris, 5,000,000 common stock of the firm, which now is $10,000,000, has been sold to the firm, which now is $10,000,000, has been sold to

Annual Christmas Fete For

Seattle Bond Traders

Seattle, Wash.—The Seattle Bond Traders Club announced that its annual Christmas social will be held in the Maruss Room of the Mayflower Hotel on Friday, Dec. 19, 1941, at 6 p.m. Tickets are $50.

Morgan Stanley & Co.  
Will Be Partnership

Morgan Stanley & Co. Incorporating, New York investment bankers, announced on Nov. 27 that it will dissolve prior to Jan. 1, 1942 and form a partnership under the name of Morgan Stanley & Co. The firm's announcement states:

Morgan Stanley & Co. Incorporating announced that it will dissolve prior to Jan. 1, 1942. Harold Stanley, Henry S. Morgan, Perry E. Hall, John M. Young, all partners in the firm, Edward H. York, Jr., Albert Shriver and Sumner B. Emer- 

Upon the." The formation of Morgan Stan- 
ley & Co. will be engaged in the underwriting and writing of investment securities of immediate interest to the bond analyst. Morgan Stanley & Co. New York Times" times No. 28, Mr. Stanley, in the set-up said.

We think that we can be more effective as a partnership than as a corporation because the former type of organization opens up severe societies to paperbacking, and it was organized by a group of partners and a group of J. Morgan & Co. of New York, and Drexel & Co. of Philadelphia, who are able to the bond analysts formerly handled by the private banking firms.

Now Stanley Heller & Co.

Heller & Levenson, members of the New York City bond firm, 29 Pine Street, New York City, announce that their firm has been changed to Stanley Heller & Co.

Louisiana Securities

STEINER, ROUSE & CO.  
Members New York Stock Exchange  
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Brown-Mann Bidg.  
New Orleans, La.

ROXBOROUGH  
Preferred  
Triumph Explosives  
Common  
Trading Department  

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Members New York Stock Exchange  
65 BROADWAY, NEW YORK, N. Y.  
Tel. Whitelaw 4-6190-31

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AUTOCAR  
LIBERTY AIRCRAFT PRODUCTS  
KATZ BROS  
Established 1928  
Members New York Security Dealers Assn  
25 N. W. 12 St., New York, N. Y.

BELL TELEPHONY 1-420
We are interested in offering:

Columbus & South Carolina Electric Co. 6%, Cumulative Preferred Stock, Series B

Connecticut Light & Power Co. 5%, Cumulative Preferred Stock

Spencer Trask & Co.
25 Broad Street, New York
Telephone Hanover 2-4000
Teletype, N.Y. 1-1-5

B. B. LICHTENSTEIN

Dead Beats
Some of the securities listed in the preceding tables are not as advertised—neither now. Much of the time we can get about the listed prices. Be sure to check!

Obliged Securities Dept.
30 WALL STREET, NEW YORK
Telephone: Whitehall 4-6051

Aldred Investment Trust
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Flour Mills of America
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A. E. DE VAINE & CO.

202 Capitol Bldg.
N. Y. City Telephone Marble 1-9667

Seattle Bond Club Will Hold Xmas Party Dec. 13
SEATTLE, WASH.—The Seattle Bond Club will hold its Christmas party Dec. 13 at the Washington Athletic Club. A good time is promised to all attending by Burle D. Brundall, Brundall &5, President of the Club.

A. E. Aub In Cinti. 30 Years
CINCINNATI, OHIO—A. E. Aub & Co., which recently moved from the Dixie Terminal Building to the Union Trust Building, are celebrating the firm's 30th anniversary in business under single management.

Washington Gas & Electric Company
5 c, due 1955 5½ c, due 1953 5½ c, due 1947
5½ c, due 1960

Bought—Sold—Quoted

R. E. SWART & CO.

EXCHANGE PLACE, NEW YORK

Teletype, N.Y. 6-410

Meyer & Gordon Join Harris, Lamoreux Co.

SEATTLE, WASH.—Fred Meyer, Jr. and Paul H. Gordon are new members of the Harris, Lamoreux & Norris, Inc., Hoge Building, which has recently opened a new trading department. Mr. Meyer was formerly manager of the trading department of Dagg & Co., and prior thereto was an officer of Meyer, Leggatt & Co. Mr. Gordon was also formerly with the trading department of Dagg & Co., Inc., and in the past was in business in Seattle as Paul Gordon & Co.

New Ogo, Office For Huff Geyer & Hecht

CHICAGO, I11.—Huff, Geyer, & Hecht, Inc, dealers in insurance stocks, have opened an office here in the Field Building, at 123 South LaSalle Street, to facilitate trading transactions and to handle their home-owned real estate properties in the Middle West. Corwin L, Liston, of the firm's New York office, will be in charge temporarily.

Manning & Shanley To Be Formed in Newark

NEWARK, N. J.—John R. Manning of 29 Smith Street and Michael Shanley will form the New York Stock Exchange firm, Manning & Shanley here on Jan. 1. Mr. Shanley, who is also a member of the exchange, membership of John W. Foster, a partner in Paline, Webber & Co., which will continue as a member firm.

Mr. Manning has been a partner in Nugent, Igoe & Manning and prior thereto was a partner in Hirsch, Lillianco & Co.
Securities A Buy

Strong resemblance between the situation today and in the late 1920's—only in reverse.

Fanatic optimism, for instance, in the 1928-29 period when the immediate future had never appeared brighter, and with much more gusto, in keeping with the true characteristic American temperament—Y. Billard, J. R. Williston & Co.

Cinti Traders To Hold Xmas Party & Election

CINCINNATI, OHIO—On Friday, Dec. 12, the Cincinnati Mercantile Exchange will hold its annual Christmas party. Mr. Curtiss, formerly the Trust Trustee, in the past, has been the outstanding figure here, and the Entertainment Committee has made special efforts this year and be worthy of the name. The affair will be better than any previous party. A large out-of-town attendance is expected.

Dinner will be served at 7:00 p.m. and will be followed by an elaborate floor show. Other entertainments have been arranged to conclude the evening. The tickets are $10 for members and $7.50 for non-members. The entertainment will be arranged by Harry O'Brien, Chairman.

The Financial Chronicle

The Nominating Committee has announced the following nominations: Charles A. Hinsche, Charles A. Hinsh, Charles A. Hinsh, Charles A. Hinsh.

The Financial Chronicle

The Nomination Committee has released the following nominations: C. M. Hinsche, Charles A. Hinsh, Charles A. Hinsh, Charles A. Hinsh.

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Rainbow Room (Rockefeller Center) has a new show featuring Russell Swann, ex-customer’s man who found out that pilling rabbits out of hats, and grosses out of baskets gets him more customers than pulling stocks out of manuals. Swann isn’t an ordi-
nary rabbit. He doesn’t seem to take his work too earnestly or his audience too seriously. For even while he flabbergasts his customers, he always seems to be on the look-out for the next big thing. More likely than not he may suddenly shoot off a pistol and yell, “No sleeping in this act!” And if you don’t find out about the Rainbow Room by droping in, top billing goes to Ruth Page and Bentley Stone, a pair of graceful and accomplished dancers who are known for their consummate control and rhythm. Their next show is a dancing duet where the two partners display to the full extent of their technique. The show is presented by Bette Minskya who sings with a charming foreign accent.

The dance music is provided by Maurice and the Sartorius, a mar-
net of three hot ragtime bands. Dinner at the Rainbow Room starts at 6:00; cocktails from 6:00 to 7:00. There is a cover charge of $1.00 on weekdays and $2.00 on Satur-
aday nights. Dinner guests are charged $1.00 cover on Saturday nights if they choose to attend the show. The new show is headed by the facile faced Emile Borelo, a comedian with a fine singing voice and a strong sense of natural humor. The programs are under the direction of Carlos & Carlia, a diminutive pair of Latin dancers, Torni Lasa, a extremely tall dancer, designed and directed by his band.

During the Rainbow Room returns to stage. “Best,’ Fool Foot,” and a line of beautiful girls for the Sartorius provided by Bette Minskya, and headed by Jack Harris and Nore Morales. After ten a minute of $2 (food or drink.) On Saturday and holiday 1s it $2.50.

DOING THE TOWN (OR A HUNTING WE GO)

Being the story of what I saw and, though others jealously refer to it as something else, I am always in search of play clubs. The only one I went to was the Central Park South one of the few that the music of the Crescent Club (36 Central Park South) insisted that the place had all the ingredients I was looking for. I decided to stop in. The room is low—14%.

Looking for a good and honest place for my dollars, I walked in. The music of the Crescent Club (36 Central Park South) insisted that the place had all the ingredients I was looking for. I decided to stop in. The room is low—14%.

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Bank and Insurance Stocks

Inquiries invited in all Unlisted Issues

 Laird, Bissell & Meeds

710 BROADWAY, NEW YORK CITY

Bell Telephone—NY-1-2144
A. O. Pack, Manager Trading Department.

Bank and Stocks

This Week—Bank Stocks

The first two weeks of December should prove of crucial interest to bank stock investors: (1) On Dec. 1, Bank of the Manhattan Co. holds its annual meeting, followed by "keynoter" of bank annual reports; (2) Fourth quarter dividend meetings will be held during this period.

The Manhattan annual report institution's reaction to bigging operating costs and the question of continuing present dividend scale in view of these higher costs and the likelihood of more dividends. Fourth quarter dividend meetings are held in many cases in certain "bittersweet" cases. That there should be anxiety over dividends seems paradoxical. Operating earnings should continue to improve appreciably, because while costs have gone up, the bulk of the banks are sound and do not automatically keep pace with the general rise in gross; and gross should continue to improve uptrend because of the even heavier volume of business which is likely in the future under the National Banking Act. Furthermore, there will probably better short-term money rates will add to the improvement in gross. And dividends, to begin with, are at moderate level of 8½% of net profit, after provision reserves.

Granted this, however, responsible banking quarters with view about the small capital funds cushion as earning assets and deposits now stand and as they will ever stand during the future. They point out that as the leverage ratios rise beyond the 12½, that the danger of an increased danger to solvency arises. Furthermore, the interest rate on these small capital funds is dropping; especially if money rates rise and depreciate bond values. Furthermore, it appears, there is no such thing as credit in the capital markets. New capital will not be available, to strengthen capital. (2) Raise new capital from stockholders; (3) Obtain new capital from the RFC. (4) Bankers are left with the last. The second is difficult. So if the first, it is, however, should be the obvious solution. Analysis's will show that reducing dividends is no solution at all of the problem. It improves stockholder confidence, raises definitely prospects of financing through the new capital markets. It provides sufficient capital funds for mounting interest rates and deposits, and finally will force banks to new dividend increases—hence obtain new capital from the RFC.

(1) New York City member

Central Hanover
Guaranty Trust
New York Trust

Bought-Sold—Quoted

A.M. Kidder & Co.

Members New York Stock Exchange

19 WALL ST., NEW YORK

Telephone 5-4500

Bank and Stocks

Inquiries invited in all Unlisted Issues

Laird, Bissell & Meeds

710 BROADWAY, NEW YORK CITY

Bell Telephone—NY-1-2144
A. O. Pack, Manager Trading Department.

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JOTTINGS

(Continued from Page 1315)

The British unions are commonly classified into two types: the union, which is militating, and the union, which is political. The former is organized to promote labor's interests, while the latter is organized to promote political objectives.

However, in recent years, many of the labor unions have become increasingly involved in political activities, such as supporting political candidates and lobbying for legislation that would benefit their members. This has led to growing opposition from business leaders and the general public, who view unions as navigating away from their traditional focus on wages and working conditions.

The tension between the labor unions and business leaders has increased over the past decade, with both sides engaging in increasingly aggressive tactics. The labor unions have sought to expand their influence by forming alliances with other organizations, such as environmental groups and consumer advocacy groups, while business leaders have sought to weaken the labor unions' power by legal challenges and dismissals.

Despite these challenges, the labor unions remain a powerful force in British society, with millions of members across a wide range of industries. Their ability to negotiate effectively with businesses and governments is crucial to ensuring fair working conditions and wages for workers across the country.

Although the labor unions have faced significant challenges in recent years, they remain an essential voice for workers in the United Kingdom. They continue to play a critical role in shaping the country's economic and social policies, and their influence is likely to be felt for many years to come.
Municipal News & Notes

The municipal securities committee of the Investment Bankers Association of America, at its annual convention held last Sunday, submitted to the convention the following report, which reflects the present status of the future volume of State and municipal issues.

"During the present crisis the people are not being practical and are practically no new construction work is being undertaken. The future necessity for rational defense or clearly essential facilities for a war is being pondered over by the civic population."

The report also declared a vigorous attempt on the part of the municipal financial officers. The high income taxes upon all State and local securities, warning that such action may be a direct usurpation of rights.

Four Recommendations For Effective Housing Result From Nation-Wide Survey

For the purpose of increasing the effectiveness of housing, a National Housing Survey week in a report, by the National Association of Real Estate Boards, presents a nation-wide study of activities and proposals for housing in neighboring communities.

According to the report, few are the effective housing and relocation of slum areas which have been in development: (1) Broad plans for land use, so that where land is now many less developed projects may be planned; (2) an attempt to bring the Federal government away from cities higher-income developments, industries necessary to the economic growth of the community; (3) measures of providing housing for all income classes; and (4) ways of enticing direct private participation in these parts of the rebuilding process that can return a legitimate and attractive profit.

Although proof that attractive profits can be made will provide the greatest impetus for widespread large-scale housing operations by private enterprises in the near future, the survey in the report indicate that no profits can be derived from unsubsidized housing developments, in the families.

Neighborhood rehabilitation legislation enacted this year in Illinois, New York and other States, however, "holds promise of greater inducement making available to the public funds heretofore not available," the report said. "It is probable that there must not be only a more realistic rehabilitation period, but that towards such private profit-seeking operations, which may tend to defraud taxpaying public institutions, there can be maintained in less extravagant terms a 'reasonable profit in real estate.'"

Among problems facing the industry, the report, are decentralization and decline of population, high land areas, rapid traffic congestion and municipal bankruptcy. Survival of the city as an economic entity may depend largely upon its ability to continue to be a place of trade or an environment that is rapidly reaching a stable point. While neighborhood remodeling is necessary to suppress the present peopled- to-cost-rent, they are equally necessary to an environment that can complete successfully with the lure of the suburbs.

Local Governments Increase Investments in Bonding

The practice of investing public funds in Federal defense savings bonds is growing. This instance at the expense of the States and their governments is not being seriously unfavorable to pay, by the same reasoning the government work for an avenue through which the community may have provision for municipal home rule may, in progressive steps, be carried out.

Record Tax Yield Tops 750 Million

The yield on the tax yielded last year report, says, "actively pay taxes, and do citizens of most other States?" In 1918 New Jersey's property tax yielded $108 million, while those of 20 states averaged $36 million. Pointing out that New Jersey cities more heavily upon the property tax system, the survey declares that if property tax revenue would decrease and remain reduced "stringent measures for the community would be inevitable." It asserts that New Jersey does not tax activities not favored by the Government, and is not费ombined to wipe out positions of control. Whether the present allotment of taxing responsibilities among economic groups is to be maintained if property taxes are reduced. In this connection it stresses the increased Federal divorce and privileges and not new cost to the State.

Ledgers Bids

Four banking syndicates com

Federal Reserve Bank of St. Louis
Digitized for FRASER
http://fraser.stlouisfed.org/
Gal. Dealers Oppose
"Equalization Clause"
(Continued from First Page)
This particular amendment is the so-called "Equalization Clause," and would extend the reporting requirement to as much as 10% or more of the stock of any company. Such reporting is not required only of those persons trading in stocks listed on the various exchanges. The sole exemption would be in trading in stocks not listed on more than 300 stockholders and less than $1,000,000 in gross assets.

We take the position that any extension of restrictive rules that would add to the already numerous burdens of our corporate constituents, and to our business as a whole, must be resisted throughout the country, in fact, the world. We believe the New York Curb Exchange, to deal exclusively in listed trading facilities to include many issues not listed.

We all know that many issues of small and medium-sized corporations not now listed on the various exchanges might enjoy a satisfactory market due to the fact that investment opportunities throughout the country have an ability to redistribute capital in such securities—providing good markets and thus satisfied investors.

As we understand it, the National Association of Securities Dealers, Inc., and the Investment Bankers Association, tacitly agreed not to oppose this amendment. We believe, therefore, that it seems you are barred from receiving any help from these quarters.

Therefore, the individuals listed below, standing as individuals, as well as companies, have consented to the above-mentioned amendment to do whatever is possible in cooperation with interested dealers to prevent this passage of this amendment.

We have no reservation in obtaining the consent of Mr. Harry D. Wyeth, of Wyeth, Hass & Co., 30 Union Square, New York, representing a large number of Southern California in Washington, and represent all the issues as of now.

We will be able to meet you in our office at the end of the above-mentioned amendment. We believe the territorial and any other financial obligations on your part.

If you are in agreement with this plan, we ask you to sign the enclosed card immediately and send it to Mr. Wyeth, Hass & Co.

If you write him, give him your reasons for feeling that the above-mentioned amendment is not now in your best interests.

Dated: New York, December 3, 1941.

Volume 154 Number 4015

THE COMMERCIAL & FINANCIAL CHRONICLE

Gal. Dealers Oppose
"Equalization Clause"
(Continued from First Page)

$15,000,000
State of New York
1¼% Bonds

Date Dated December 3, 1941. Principal and semi-annual interest, June 3 and December 3, payable in New York City. Coupon Bonds in denomination of $1,000, registerable as to principal and interest to denominations of $1,000, $5,000, $10,000 and $50,000.

Interest Exempt from all present Federal and New York State Income Taxes

Eligible, in our opinion, as legal investments for Savings Banks and Trust Funds in New York, Massachusetts, and certain other States.

These Bonds are acceptable to the State of New York as security for deposits, to the Superintendent of Insurance to secure policyholders, and to the Superintendent of Banks in trust for Banks and Trust Companies

Maturities: $375,000 Bonds each December 3, 1942-1981, inclusive

Yielding from 0.30% to price of 99 ¼, according to maturity

(Accredited interest to be added)

The above Bonds are offered subject to prior sale, for delivery when, as and if issued and received by us and subject to the terms and conditions of the New York Curb Exchange, to the New York city

The National City Bank
First National Bank
Bankers Trust Company

Smith, Barney & Co.
Harriman Ripleys & Co.
Halsey, Stuart & Co. Inc.

Lazard Freres & Co.
Goldman, Sachs & Co.

Union Securities Corporation

Under-Industrialized Areas Get Contracts
(Continued from First Page)

At the beginning of the defense program, the bulk of government plant contracts was for ordnance. In recent months, however, there has been a sharp increase in government awards for industrial facilities that duplicate privately owned plants. Almost $400,000,000 has already been invested in facilities to produce iron and steel. Under the present schedule, government expansion in the iron and steel industry will exceed $1,000,000,000. Government investment in plants producing non-ferrous metals and their products is already more than $300,000,000.

In the total government investment in such miscellaneous industrial facilities comprised 13% of total defense facilities. By the beginning of October, it comprised almost 40%.

The distribution of defense plant by type of product, in percentagess of total defense plant awards since the beginning of the program, has been as follows:

<table>
<thead>
<tr>
<th>Type of Product</th>
<th>Percentage</th>
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<tbody>
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A Hedge Against Inflation
Leverage investment trust shares may provide a valuable protective hedge against these market movements, according to an exhaustive study entitled "Options on Inflation," compiled by Arthur Wiesenberger, of Arthur Wiesenberger & Company, 50 Beaver Street, New York City, members of the New York Stock Exchange. Many of these shares now available are being sold on the New York Stock Exchange at prices well above their intrinsic value, and are virtually perpetual options with great appreciation possibilities, according to the study, which states that old prejudices about investment trusts should be discarded as correcting influence have eliminated past abuses and leverage factor outweighs performance results.

Included in the brochure, which is attractively bound in a ring binder for ready reference, are details of preferred shares which the author considers offer high yields plus substantial profit opportunities, common, and preferred stock comparisons, and brief but comprehensive statistical analyses of 29 investment trusts.

E. L. Kline Co. in Ipl.

INDIANAPOLIS, Ind.—Eugene L. Kline has formed E. L. Kline & Company with offices in the Circle Tower to engage in an investment business. Mr. Kline was previously Vice-President of William E. Shumaker & Co., Inc.

New Issue

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Oct. Sales On Exchanges

The SEC announced on Nov. 28 that the market value of total sales of all exempted securities for October, 1941, amounted to $601,722,889, an increase of 0.1% over the market value of total sales for October and a decrease of 12.4% from the market value of total sales for October, 1940. The sales, excluding rights and warrants, had a market value of $601,722,889, a decrease of 4.0% from September. Bond sales were valued at $120,155,147, an increase of 18.6% over the September value. The market value of right and warrant sales for October totaled $737,839.

The volume of stock sales, excluding rights and warrants, was 22,784,198 shares, a decrease of 6.5% from September. Total principal amount of bond sales was $500,210,868, an increase of 18.2% over September.

The two New York exchanges accounted for 93.1% of the market value of total sales, 91.4% of the market value of total sales, and 99.6% of the market value of bond sales on all registered exchanges.

The market value of total sales on all exempted securities exchanges for October 1941 amounted to $574,236, an increase of 40.2% over September.

Chase Looks Good

The situation in the common stock of Chase National Bank is particularly attractive at this time, according to an analysis just issued by Butler-Huff & Co. of California, 210 West Seventh Street, Los Angeles, Calif. Copies of this interesting circular may be obtained from Butler-Huff & Co. upon request.
DIVIDEND NOTICES

AMERICAN BANK NOTE COMPANY

Preferred Dividend No. 443
Common Dividend No. 227
A dividend on the Preferred Stock of this Company of $.93 per share has been declared payable December 15, 1941, to the holders of record of said stock at the close of business on December 9, 1941. Transfer books will be closed on December 11, 1941.
Checks will be mailed by the Banker Trust Company on December 21, 1941.
J. T. GANTNER, Jr.
November 26, 1941
Secretary

American Locomotive Company

24 CHURCH STREET
NEW YORK, N. Y.

Preferred Dividend No. 134
A dividend on the Preferred Capital Stock of this Company of $.75 per share has been declared payable December 15, 1941, to the holders of record of said stock at the close of business on December 9, 1941. Transfer books will be closed on December 11, 1941.
Checks will be mailed by the Banker Trust Company on December 21, 1941.
J. H. P. HOUGHTON, Secretary
November 26, 1941

BENEFICIAL INDUSTRIAL LOAN CORPORATION

Dividends have been declared by the Board of Directors, as follows:

PRIOR PREFERENCE STOCK $2.50 Dividend Series of 1938
Dividend of $1.05 per share has been declared payable December 15, 1941, to the holders of record of said stock at the close of business on December 9, 1941. Transfer books will be closed on December 11, 1941.
Checks will be mailed by the Banker Trust Company on December 21, 1941.
RANFORD R. WHITE, Secretary

COMMERCIAL INVESTMENT TRUST CORPORATION

Convertibility Preference Stock, $4.25 Series of 1933, Dividend
A dividend of $1.05 per share has been declared payable December 15, 1941, to the holders of record at the close of business December 9, 1941. Transfer books will not close. Checks will be mailed by the Banker Trust Company on December 21, 1941.

A regular dividend of 70s per cent on the par value of the stock has been declared payable December 15, 1941, to the holders of record at the close of business December 9, 1941. Transfer books will not close. Checks will be mailed by the Banker Trust Company on December 21, 1941.

November 27, 1941.

E. L. DE PINTO DE MOURIROS & COMPANY

DUPONT

19 West 42nd Street, New York, N. Y.

A dividend of $1.00 per share has been declared payable December 15, 1941, to the holders of record at the close of business December 9, 1941. Transfer books will not close. Checks will be mailed by the Banker Trust Company on December 21, 1941.

November 27, 1941.

THE ELECTRIC STORAGE BATTERY COMPANY

The Dividends have been declared payable December 15, 1941, to the holders of record at the close of business December 9, 1941.

W. C. KING, Secretary

CHRONICLE

CORPORATION OF AMERICA

180 MADISON AVENUE - NEW YORK, N. Y.

The Board of Directors has this day declared the following dividend:

COMMON STOCK

A dividend of 50s per cent on the par value of the stock has been declared payable December 15, 1941, to the holders of record at the close of business December 9, 1941.

The regular semi-annual dividend of 7s 6d per cent on the 3½% Cumulative Preferred Stock has been declared and will be paid on January 3, 1942, to the holders of record at the close of business December 16, 1941.

The Board of Directors has also declared the following dividends payable to the stockholders of record at the close of business December 21, 1941:

JOHN A. LARKIN, President

December 1, 1941.

DIVIDEND NOTICE

INTERNATIONAL HARVESTER COMPANY

The Dividends of the International Harvester Company, as follows:

Prior Preference Stock $2.50 Dividend Series of 1938 Dividend of $1.05 per share has been declared payable December 15, 1941, to the holders of record of said stock at the close of business December 9, 1941. Transfer books will be closed on December 11, 1941. Checks will be mailed by the Banker Trust Company on December 21, 1941.

RANFORD R. WHITE, Secretary

SHELL UNION OIL CORPORATION

The Board of Directors today declared a dividend of 50 per cent on the Common Stock of this Company payable December 16, 1941 to stockholders of record December 5, 1941.
Checks will be mailed December 21, 1941.

W. C. KING, Secretary

THE BOND SELECTOR

WARREN BROTHERS DEBENTURES 6%, 1948
Long Term Trend Of Debt Reduction And Increase In Earnings Position Of The Bonds

The annual statement of Warren Brothers Pictures, Inc., which was released recently, showed that the company’s long-term debt has been reduced by 34.5% over the past six years. The debt was $1,371,325 in 1935, and is now $850,000. In the same period earnings have increased 234% from $1,500,000 to $5,000,000.

The current market price of the bonds is $1,000 per $1,000 par, and they are offering a 6% yield. This is a comparison of interest of 6% in the fiscal year 1947, the best in the last three years. Over the past six years, coverage of interest has been 194%.

The bonds are attractive to income-minded investors, particularly those in the 70-120 bracket. They are also attractive to those who are interested in the entertainment field. Warren Brothers is a major player in the film industry, and its success is a reflection of the overall health of the industry. The bonds are a good buy for investors looking for a steady, predictable source of income.
Consider Utilities

Depression-Proof

(Continued from Page 1314)

is benefited by the rate structure. Excluding complete suspension of service, any economy on the part of domestic and commercial consumers reduces the amount of energy taken, thus lowering the rate, which in a smaller volume is billed at the higher rates of the initial blocks. It is conceivable, therefore, that the service output could be reduced as much as 25% with only a 5% decrease in revenue. With economies of operation made possible by enrollment in production, the 25% loss of output would not, as it often assumed, wipe out the earnings available for the reduced stock even though such earnings were only 16% of gross.

The utilities are no less favorably situated with respect to their operating costs, and fears of a squeeze between fixed rates on the one hand and prospects of rising costs on the other are largely without foundation. Only about 45% of gross utility revenue is required to cover operating costs, including maintenance. These consist primarily of wages and fuel costs which normally take about 17% and 15% of gross, respectively, while managerial and executive salaries constitute about 6% of gross, and other operating costs 5%. Depreciation, general taxes and interest of a conservatively capitalized company require about 35% of revenue, leaving 26% of gross for income taxes and dividends. Income taxes at the rate of 31% would reduce the amount available for dividends to about 16% of gross. A conservatively capitalized company whose fixed charges amount to 12% of gross would require another 3% for preferred dividends which would leave 15% of gross available for the common stock.

The accompanying income account (Table A) of a hypothetical well-managed and conservatively capitalized utility with a gross of $95,000,000 annually indicates that common stock earnings would decline only 13% if wages, fuel, and other variable costs decrease 10% without any offsetting factors. Since it is assumed that 66% of gross utility revenue consists of industrial power which accounts for 84% of gross gross revenues, more than half of this decrease would be compensated for by increased revenues from industrial sales. However, if it is assumed that fuel costs would rise faster than wages, and that the compensating rise in industrial rates would greatly cushion the effect on common stock earnings which would decline only 2% from the levels existing prior to any increase in costs.

Greater efficiency over a period of time might make it possible to absorb a portion of higher wage rates, but initially the burden would fall in full on earnings unless new rates were permitted. Fortunately, however, most utilities always have a low wage bill (about 17% of gross), and in the case of railroads and a moderate increase in labor costs would not affect earnings greatly.

No allowance has been made in the foregoing calculations for a possible increase in rates. In general taxes, such taxes would represent an important factor in cost and should any increase be necessary be born by the consumer, a rate-cutting effect is impossible because it is considered not to be permitted. Nor do these estimates give any consideration to increased consumption which would be likely to accompany an inflationary rise in fuel and labor costs, or possible higher rates which would increase the value of utility stock and dividends.

Variable costs, which are a high 26% of gross, are likely to be raised to 28% or more by the severe rise in fuel costs. This rise in fuel costs will have an adverse effect on common stock earnings which will decline from about 17% of the level existing prior to any rise in costs.

Utilities have a partial safety from the effects of rising prices through their rights to fix whatever prices they wish in what they term "minimum rates," in order to cover their expenses. These rates are fixed by the state and although a company is not permitted to raise its price, it is sometimes permitted by the state to lower the rate, and the resulting decrease in revenue is passed on to customers. The state permits the company to do this for the purpose of maintaining a certain volume of business.

The effect of the statement of the state on the company's earning power depends upon the relative demand and supply of electricity in the area served. In a region where demand is high and supply is low, the effect of the statement of the state will be a decrease in the earning power of the company. On the other hand, in a region where demand is low and supply is high, the effect of the statement of the state will be an increase in the earning power of the company.

The effect of the statement of the state on the company's earning power is also dependent upon the nature of the company's business. In a company which is engaged in the sale of electricity, the effect of the statement of the state will be a decrease in the earning power of the company. On the other hand, in a company which is engaged in the sale of gas, the effect of the statement of the state will be an increase in the earning power of the company.

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With taxes and living expenses going up, low-cost life insurance becomes more than ever the family man's first reliance in the creation of a fund for his dependents.

May we show you, without obligation, how we can help?

The Prudential Insurance Company of America

Home Office, Newark, N. J.

New emphasis on an old mainstay

With taxes and living expenses going up, low-cost life insurance becomes more than ever the family man's first reliance in the creation of a fund for his dependents.

May we show you, without obligation, how we can help?

The Prudential Insurance Company of America

Home Office, Newark, N. J.

Only a few high grade common stocks of utility operating companies are available to the public, but many of the holding companies are working on plans to distribute the stocks of their operating subsidiaries to shareholders. Issues such as Houston Light, which the Standard Oil Co. & Light contemplates offering in exchange for its own preferred stock, have an indicated market value even lower in relation to earnings and dividends than some of the utility operating company stocks already outstanding. Undoubtedly this is due in part to uncertainties as to how the Securities and Exchange Commission will enforce Section 11-B of the Holding Company Act and whether these subsidiary stocks will actually be received. Voluntary distributions of operating company stocks, however, would probably be encouraged by the Commission and may be supplemented in some cases with forced exchanges where liquidation on the basis of an unfair method of competition and market valuation would result in an unjustified loss to the junior security holders of holding companies. The low initial price of these underlying stocks indicated by the market price of the holding company securities, however, should make them attractive to investors and enable us to show substantial enhancement in value.

TABLE A—INCOME ACCOUNT

| Gross Income | Domestic | $28,300* |
| | Commercial | $27,500* |
| | Industrial | $5,000* |
| | Total | $35,500* |
| Operating Expenses | Fuel | $12,200* |
| | Wages | $14,500 |
| | Miscellaneous & other salaries | $9,250 |
| | Other operating costs | $8,750 |
| | Depreciation and amortization | $5,000 |
| | Total | $50,750* |
| Gross Income | $32,500* |
| Fixed charges | $14,400 |
| Net income before income taxes | $18,100 |
| Income tax (35% rate) | $6,335 |
| Net income | $11,765 |
| Preferred dividends | $4,710 |
| Available for common stock | $11,055 |

Executive Committee Of

As'N Of S. E. Firms

An Executive Committee of the Board of Governors of the Association of Stock Exchange Firms was appointed on Nov. 26 by James F. Burns, Jr., President, to serve during the ensuing year. The committee consists of the following Governors of the association:

George Storer Baldwin, Burr, Ginnnett & Co., Boston.
J. C. Bradford (First Vice-President of the Association), J. C. Bradford

Hon. A. Viss, Cyrus J. Lawrence & Son, New York City.
Mr. Burns as President of the Association will be Chairman of the Committee.

A list of the Governors and new officers of the reorganized Association appeared in our issue of Nov. 29, page 1107.
All right then. Here they are. Despite the doleful moans about how bad they look and how much further down they have to fall, the truth is, I believe the present is the time to buy and not to sell them. Never mind what they ask. I am going to buy that without reaching out and grabbing a couple of reasons out of thin air. Now I don't do that. Either the trouble is before this even gets into print, or Walter White wrote those thoughtful reasons that I may take so much trouble to think up may awfully silly to rich speculators and economicists and limit myself to effects.

Since last week the market managed to not only sell down to a new level for the move but Tuesday and yes¬ terday turned around, went up and, surprise of surprises, did not give it up in the next two days. True there was a piece of news to pin the improvement on—the railroad settlement. Still, that is not a sign of good news this market had at which it stuck its tongue out. And the stocks of automobiles were not limited to rails. They all went up. Well, almost anyway.

Looking at the stock tape you can't be impressed with what is going on, but do you see a few, to be surface wiggles. But if you look at the tape in retrospect,—yesterday, the day before, and the week before that—and add the whole thing up, you will see that there are more stocks that resist the down trend than there are following-play-the-leader.

So far this may not be significant, but I think if you wait until somebody rings a bell of a change, you will be left with nothing but a handful of memories to con¬ sole you.

I don't think they'll stay around these levels much longer. I know you're thinking, sure, they'll go lower. Well, maybe they will. You never get a guarantee with them. But the chances are against it. In any case you still hold five stocks. These, with their purchase price and stops follow:

**Bendix**, 37, stop 34 (now 36); Gulf, Mobile & Ohio, 49; National Car, 32; N. Y. Shipbuilding, 15, stop 26 (now 28); U. S. Steel, 33; stop 40. All these stop at 2%, so the dividends, C. O. and Warner Bros, 5, stop 3% (now 6). My advice is to keep holding them.

Here's another stock that has been acting well of late, Wheeling Steel. Suggest buying at 27 1/4-28 1/4 with a stop at 24 1/4.

And by the way, think U. S. Steel will short take its place as a market leader with plenty of oompah.

J. E. A. Cinclaii, Ohio — Thanks for the posies. I wouldn't be human if I didn't like to get letters like yours. If you ever get on fire insurance and casualty stock, I wouldn't be human if I didn't tell you, for fire losses seems sound, but what with the kind of thing I haven't given the group the study it deserves. However, I'll look it into.

More next Thursday.

(The views expressed in this article do not necessarily at any time coincide with those of the management and are not to be construed as those of the author only.)

**Farm Product Prices On Nov. 15 Are Down**

The general level of prices received by farmers for agricultural commodities on Nov. 15 showed a decline of four points from a record high in September. The follow¬ ing report of Agriculture Department gave the following details:

Frank led the decline, prices of new crop citrus fruits dropped to a 1910 level, and getting advances in apple prices. New crop cotton prices also dropped abruptly, and most animal prices declined moder¬ately. For instance, prices of hogs, some commodities, especially dairy products, and grains, and dairy produ¬ cts.

Aggregate crop production is expected to be about 4% larger than the 1910 crop, and while both for feed and bale, are 10% larger than the 1910 crop. Products of dairy and poultry products was exceptionally high in the first two weeks of November, and markets of livestock commodities up.

Despite abundant supplies, an increase of prices did not support local market prices at considerably higher levels. The Produce Market Index Point No. 1, which is about 90, is a 1910 level. This is partly a result of pay¬ ments, it is not a 1910 level, but a larger than at the same time last year.

Although he was receiving slightly less for his farm products than a year ago, the farmer was paying somewhat more for the things he bought, particularly for food, clothing and furniture. Prices of some commodity groups, however, were leveling off. Steady-to¬ lying pressures against the prices of some farms are offset by advances in wages, prices and incomes for family mainte¬ nance items.

**Oct. Consumer Loans Up**

Consumer loans by industrial banking companies aggregated $24,200,000 during October, an increase of 12.2% compared with September when the volume was $21,700,000, and was considerably larger than the same period of last year, when they were $15,900,000. December 1914, according to figures issued by the Department of Commerce.

Industrial banking companies granted 6,000,000 during the first 10 months of 1914 an increase of 6% compared with the corresponding period of last year, it increased 10%.

Consumer repayments on industrial bank loans totaled $44,800,000 during October, 25.2% decrease of 1913-1914 with a stop at 24 1/4.

SOME PLAIN TALK ON DIRECT MAIL ADVERTISING

Our column for this week is going dogmatic for a change. We are going to state some convictions that are based upon samples direct mail advertising and investment brokers.

Conviction number one is that most of these mailings are a waste of time and money. We have inventors that most of this "junk" as they term it, does not do more than increase his business and to build good will. They have not given the group the study it deserves. However, I'll look it into.

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**BOHIN AIRCRAFT CORP.**

Executive: M. W. Bohin, president. Company is registered with the SEC for $20,000,000 of common stock at $10 per share. 

Address: 411 W. 17th St., Kansas City, Mo.

**PUBLIC SERVICE CO. OF IOWA.**

Executive: Charles V. Stow, president. Company is registered with the SEC for $40,000 shares common stock at $10 per share. 

Address: 305 S. Main St., Des Moines, Iowa.

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**SATELLITE HERITAGE.**

Executive: W. H. Laws, president. Company is registered with the SEC for 5,000,000 shares common stock at $1 per share. 

Address: 45 Bond St., Providence, R.I.

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**MICHIGAN NATIONAL BANK.**

Executive: J. H. Hoyt, president. Company is registered with the SEC for $100,000,000 of common stock at $10 per share. 

Address: 1205 Woodward Ave., Detroit, Mich.

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**MILWAUKEE GAS SERVICE CORP.**

Executive: W. H. Laws, president. Company is registered with the SEC for $1,000,000 of common stock at $10 per share. 

Address: 2701 W. Wisconsin Ave., Milwaukee, Wis.

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**MICHIGAN LUMBER CORP.**

Executive: J. H. H. Hoyt, president. Company is registered with the SEC for $2,000,000 of common stock at $10 per share. 

Address: 1205 Woodward Ave., Detroit, Mich.

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**HOBEY BAKES.**

Executive: W. H. Laws, president. Company is registered with the SEC for $5,000,000 of common stock at $10 per share. 

Address: 45 Bond St., Providence, R.I.

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**MICHIGAN NATIONAL BANK.**

Executive: J. H. H. Hoyt, president. Company is registered with the SEC for $10,000,000 of common stock at $10 per share. 

Address: 1205 Woodward Ave., Detroit, Mich.

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Executive: W. H. Laws, president. Company is registered with the SEC for $1,000,000 of common stock at $10 per share. 

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You Are Now Getting Just One Third Of The Financial Chronicle ...... If You Receive Only Thursday's Issue

In its new form, the Financial Chronicle is published three times each week—on Tuesday and Saturday as well as on Thursday. Complimentary copies of the Tuesday and Saturday issues will be sent to you on request—if you are not already getting them—to acquaint you with our broad coverage of all important financial and business developments and to demonstrate the greater convenience of the new form in which this hundred-year-old publication now appears. In this connection one of our old and valued subscribers recently wrote:

"After having read The Commercial & Financial Chronicle since 1902, perhaps you can imagine the violence with which I tossed away your first copy received in its new form, and of course I did not send check to renew our subscription."

"However, recently I was asked to appraise securities in an Estate as of September 26th which forced me to consult the Chronicle. The job was so large that I took the paper home and was surprised that it was more convenient to carry than the old weekly."

"Now I have carried the issue home each time it arrived and find that I can go through it, whereas I could never finish the old book in one sitting."

"I am taking the trouble to write you because I feel sure you have had plenty of trouble from us old timers who abhor radical changes, and a word of encouragement probably would be appreciated. ... Check for renewal is enclosed."

"Already I have found your corporation articles carry more detail than other statistical services. If you keep this up and can tell your subscribers about it, you should be able to increase the circulation handomesty."

"In appraising the securities mentioned above this subscriber used the quotation section, published each Tuesday—an accurate and recognized record of security prices, stocks and bonds listed on United States and Canadian exchanges. ... Here he refers to the Corporation and Investment News Department, appearing in Tuesday and Saturday's issues. As he points out, our presentation of important financial news is more complete than more costly financial services."

May we point out again that a request will bring you sample copies of the Tuesday and Saturday issues of the Financial Chronicle—without obligating you in any way?

FINANCIAL CHRONICLE
William B. Donn Co., Publishers
25 Spruce Street, New York, N.Y.
Van Ingen Opens Miami Branch Under R. Cook

Announcement of the opening of a branch office in Miami, the South Pointe Building, Miami, Florida, under the management of Robert H. Cook and Robert B. Cook, Inc., a Miami municipal bond firm, has been announced by Van Ingen & Co., Inc. The firm of Thomas, G. B. Cook and Van Ingen & Co., Inc. is affiliating itself and his staff with Robert H. Cook in an arrangement with Mr. Cook. The firm has ceased business under the name of the Van Ingen & Co., Inc. in the new branch.

Both R. J. Van Ingen & Co., Inc. and Robert B. Cook, Inc., have been closely identified with Florida municipal financing for number of years.

Gude, Wimmill Adds Anrews, Bell, et al

Following the dissolution of J. H. Gude & Co., New York Stock Exchange firm of Gude & Co., Inc., 10 Broad Street, New York City, has announced the formation of J. H. Gude & Company, with James C. Bell, former Colgate partner, together with George A. Gude and James C. Bell, the Colgate staff will be associated with the new firm.

The branch office formerly maintained by J. H. Gude & Co. at 17 East 42nd Street will be continued by Gude, Wimmill & Co., Inc., and the office will remain unchanged under the management of W. Dale Sutton.

Write For Booklet

A most attractive booklet containing complete outlines of 20 corporations local to the South Pointe Building has been compiled by Grande & Co., Inc., Huge Building, Seattle, Wash. Copies of the booklet, which is bound in a red leather cover with a ring binder for handy reference, may be had for the asking from Grande & Co., Inc.

Road To Recovery

PORTLAND, ORE.—George F. Ramos, Portland Federal Reserve Bank department of E. M. Adams & Co. with Allan M. Bogart, recently assisted the Good Samaritan Hospital in Portland, in raising the $10,000 recently for an appendix surgery. He is doing nicely and is on the road to recovery.

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Our Reporter On Governments

There's no doubt about it—the weight of billion-dollar financings every few weeks is bearing heavily upon the Government market these days. There is a billion-dollar deal... Next month, another billion-dollar operation, which is disturbing even though the Government purposes only, and day-by-day rumors leave no room for question as to

...Out of this huge financing pattern of the Cold War, the two points are beginning to show clear outlines... They're of vital interest, too, and so we list them... Leaving the details to a later date or to the imagination of the institutional or individual investor

(1) The Treasury has a definite plan for dividing its financing among the various companies, banks, individuals. Each class of investors is to be offered a different type of security as the months roll on. Each is to be restricted to buying a type of obligation believed most suited not only to the needs of the investor but to the inflation-centered program of Government authorities.

(2) There is less insistence on record-low interest rates in the nation's savings associations than in the past. Rates have been given to minor increases in short-term money rates. And it may be taken for granted that the nation's monetary authorities recognize the close connection between the rising short-term money rates and rising long-term money rates... More of the emergence of the two points is part of the overall pattern of public financing will be written in the coming months, as the points become more and more apparent to all investors.

In the meantime, it may be wise for all holders of Governments to consider their portfolio policies in the light of these developments... The Treasury

Considering the size of the new money borrowing, it was wise of Mr. Gude to postpone the refunding of the 1½% to next month. Especially since the delay will extend over only a few weeks...

That refunding calendar is filling up rapidly, by the way. And the Treasury's decision to shift its guaranteed debt to the direct debt is to reveal to all the true size of the change, in other words, means that we'll be witnessing an even faster rise in long-term rates. The case were Morgenthaler only and then comparatively few commercial bank borrowings...

Here's what the refunding total means to the market, the market holds up fairly

An "Option" on Inflation

If you were asked "would you be interested in a long-term option to buy at today's market values an assortment of representative common stocks?" we believe your answer would be "yes." It is possible that at some time within the next few years our "option" could be worth many times today's prices.

The common stocks of certain investment companies are in effect "perpetual options" on the stock market. They represent the cumulative conclusion of how we can hedge, with minimum risk and outlay against any sizeable rise of the general market.

Despite the present low price of many of these shares, they have special appeal to conservative investors as well as those with speculative inclinations, and our experience to date indicates that these shares are remarkably easy to place when their true nature is understood.

We have just completed an elaborate study of these securities, embracing 29 companies with assets of over $500,000,000 at current market values. The results are contained in a 60-page book which should prove a valuable reference to you and your professional investment company securities. It is not for general distribution but we shall be pleased to make it available on a satisfactory basis to dealers and institutional investors.

Arthur Wiesenberger & Co.
Members New York Stock Exchange
56 Beaver Street
New York, N. Y.