

# FINANCIAL CHRONICLE

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## OUR REPORTER'S REPORT

Major institutional investors did more than merely refuse to become panicky on the outbreak of hostilities in the Pacific, it develops now. They not only agreed among themselves to refrain from hasty and unwarranted selling of their holdings, judging by reports from people in a position to note developments in the market.

Such institutions, it is disclosed, were inclined to take quite the reverse attitude. With yields low and prices, accordingly, high these major buyers had been standing firm on the sidelines for months, as far as dipping into the seasonal market was concerned.

But quite evidently portfolio managers for a great many of the insurance companies and the

*(Continued on page 1542)*

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## Over-The-Counter Dealers Must Unite

### Newspaper Quotations Now Make It Impossible To Conduct Business At Profit

Several weeks ago, the published quotations on leading over-the-counter stocks, which regularly appear in the newspapers, were changed. Spreads were narrowed. Bid prices were moved upward—asked prices were lowered.

Ever since these changes in the published quotations on Bank Stocks, Insurance Stocks and leading Industrials have appeared, many dealers throughout the nation have besieged us with their comments. Without exception, all the letters which we have received have stated flatly that the new quotations allow too small a margin of profit for the average Dealer to cover his overhead and remain in business. This is plain talk and this is the sort of situation which must be corrected.

We, therefore, invite all Dealers to write us their opinions on this matter. We intend to publish the letters received. If requested, signatures will not be used by us. We believe it is imperative that the NASD and the SEC be informed of the majority opinions of the over-the-counter Dealers who have been affected by the change in the published quotations which has now taken place.

We do not believe that, directly or indirectly, any agency of the Federal Government or any association within or without the securities business should have the right to establish the margin of profit any Dealer should be allowed to make on any security transaction. When people see a quotation on an over-the-counter stock in the newspapers they expect, in most cases, to be able to buy or sell at this published quotation which appears in the papers. This is the practical viewpoint and we know from experience that most securities salesmen must do business at the newspaper figures or they will incur the disfavor of their customers and possibly lose business.

We also note that in the case of some of the quotations which now appear, the quoted newspaper "bid" price has only been one-eighth of a point away from the inside wholesale market "bid" price. In such a transaction, if a securities salesman went out to procure an order and his customer finally decided to sell one hundred shares of stock, the total gross profit received, in such a case, would only amount to \$12.50. In many cases this sum would not even cover the teletype, telephone, clearance charges and taxes which are involved in such a transaction and would

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## Reserve Banks Report On Business

Indications of the trend of business in the various Federal Reserve districts is indicated in the following extracts which we give from the "Monthly Review" of the Federal Reserve Districts of Boston, New York, Philadelphia, Cleveland, Richmond, Atlanta, Chicago, St. Louis, Minneapolis, Kansas City, Dallas and San Francisco.

### First (Boston) District

The Federal Reserve Bank of Boston, in its "Monthly Review" of Dec. 1, reports that the level of general business activity in New England during October held up at approximately the same high volume as that which prevailed during September, after allowances had been made for customary seasonal changes, and was considerably higher than in October a year ago, although there were declines in several important lines of industrial activity between September and October. The bank's "Review" further said:

Total revenue freight carload-

ings in this district during the four-week period ending Nov. 8 were 114,246, an increase of 14.6% over the total for the corresponding four weeks last year.

During October, 119,319 bales of raw cotton were consumed by mills in New England, an increase of 17.9% over September and 21.8% higher than the boots and shoes in New England is estimated to have been 14,036,000 pairs, an amount 3.4% under the September total but 16.8% larger than in October, 1940.

### Second (New York) District

The Dec. 1 "Monthly Review" of the Federal Reserve Bank of New York states that industrial operations during November con-

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**Avers Stock Market A Buy**

War-time markets habitually fluctuate with the fortunes of war. On the basis that the United States will eventually emerge victorious (we know of no one who even concedes the possibility of final complete defeat of the United States) and on the basis that the war will be a long drawn out affair (we know of no one who even concedes that the war will end shortly), a very simple and basic principle of any trading policy would be that interim "defeats" offer buying opportunities and interim "victories" offer selling opportunities.

**Half Truths**

It is frequently asserted that war is not bullish on equities—and there is a good element of truth in this. It is, however, nothing more than a half-truth—and there is nothing more misleading than a half-truth. The other part of the half-truth is that war is not bullish on cash.

War is destructive of purchasing power. It has been demonstrated throughout history that there has never been a major war that has not resulted, sooner or later, in a major price inflation—that is, a major deflation in the purchasing power of money.

People argue, fallaciously in our opinion, that in order to bring about a bull market, it is necessary to have confidence in expanding corporation profits and dividends. We would call attention, however, to the already obvious fact that the bull markets in the war-time capitals of London and Berlin are based upon lack of confidence in expanding profits and dividends—a lack of confidence in money vis a vis tangible property and equities. This

phenomenon, we venture to say, will ultimately dominate thinking in this country.

Disregarding the hour-to-hour, the day-to-day or even week-to-week fluctuations, there is only one logical conclusion and that is that the market is in a buying and not a selling area.—G. Y. Billard, J. R. Williston & Co.

**G. H. Walker To Admit Matthews & Simmons**

G. H. Walker & Co., members of the New York Stock Exchange and other national exchanges, will admit Robert H. Matthews and Cheston Simmons to general partnership, and Loulie W. Walker to special partnership in their firm as of Jan. 1, 1942.

Mr. Matthews, who has been associated with the firm for some time as manager of the new business department, will continue to make his headquarters at the firm's St. Louis office, Broadway and Locust. Mr. Simmons, a member of the New York Stock Exchange who has been engaged in business as an individual floor broker, will make his headquarters at the New York office, 1 Wall Street.

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**Col. Van Suetendael Forms Own NYSE Firm**

YONKERS, N. Y.—The recently formed New York Stock Exchange firm of A. O. Van Suetendael & Co., located in the First National Bank Building, succeeds to the business conducted by Col. A. O. Van Suetendael for more than 20 years in the Wheeler Block, Yonkers. He was the longest established Westchester County security dealer, and the new firm has the advantage of this background and the fact that it is the only Stock Exchange member firm with its principal place of business in Westchester County.

Colonel Van Suetendael is also well known as an engineer with many years of experience in the design of engineering and architectural structures, including New York City subway and elevated railroad, and the structural work of many private and public buildings throughout New York State. He introduced the use of reinforced concrete in the construction of buildings erected by the State of New York. He was in military service on the Mexican Border and served throughout the first World War and for more than 10 years has commanded the 368th Regiment of Engineers, a U. S. Army reserve unit.

Innes Getty, a partner of the firm, is also a life-long resident of Yonkers and for three generations his family have been prominently identified with our city. Its central business square and Park Hill residential section are named in honor of his grandfather, Robert Parkhill Getty, who served as one of the first Presidents of the then village of Yonkers. Many will recall him as the former local manager of the New York Stock Exchange firm of Fellowes Davis & Co.

**Alsberg & Scheer Will Be Kaufmann Partners**

Albert J. Alsberg and Herman N. Scheer will become partners in the firm of Richard K. Kaufmann & Co., 120 Broadway, New York City, members of the New York Stock and Curb Exchanges, as of Jan. 1st. Mr. Alsberg, an associate member of the New York Curb Exchange, has been a partner in Loeb, Alsberg & Co., New York City, for many years. Mr. Scheer for many years has been a partner in D. M. Minton & Co.

**Wayne Martin Is Now V-P Of Milhous, Gaines**

ATLANTA, GA.—Wayne Martin has discontinued his securities business in Atlanta to become a Vice-President of Milhous, Gaines & Mayes, Inc., Rhodes-Haverty Building. Milhous, Gaines & Mayes, Inc., are underwriters, participating distributors and dealers in Southern municipal and general market bonds, bank stocks and local securities, specializing in Georgia and Alabama tax-free bonds.

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**Morgan Stanley & Co. Forms Partnership**

Morgan Stanley & Co., underwriters and dealers, 2 Wall Street, New York City, formerly operating as a corporation, announces that members of the firm have formed a partnership consisting of Harold Stanley, Henry S. Morgan, Perry E. Hall, John M. Young, A. Northey Jones, Edward H. York, Jr., Alfred Shriver, and Sumner B. Emerson, general partners, and Henry S. Morgan and William Ewing, limited partners.

**To Be Jas. Bennett Partner**

CHICAGO, ILL.—Frank Hegner will be admitted to partnership in James E. Bennett & Co., 141 West Jackson Boulevard, members of the New York Stock Exchange and other leading Exchanges, as of Jan. 1, 1942.

**COMMERCIAL and FINANCIAL CHRONICLE**

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

**NASD Offers Aid In Defense Bond Sale**

The following letter was sent by Thomas Graham of The Bankers Bond Co., Louisville, Ky., Chairman of the Defense Bond & Stamp Committee of the National Security Traders Association, to the dressed the following letter to the Secretary of the Treasury, offering the services of the Committee and Association in any way in which they can help in the national emergency:

"At the Eighth Annual Convention of the National Security Traders Association held at New Orleans the latter part of September, the following committee was appointed to work with the Treasury Department on the sale of Defense Bonds and Stamps:

"Thomas Graham, Chairman, The Bankers Bond Co., Louisville, Ky.

"James F. Musson, B. J. Van Ingen & Co., New York City.

"J. Earle Jardine, Jr., William R. Staats Co., Los Angeles.

"Wilbur R. Wittich, Bond & Goodwin, Inc., New York City.

"Dayton P. Haigney, Dayton Haigney Co., Boston, Mass.

"The National Security Traders Association has approximately 2,500 members scattered all over the country, all of whom are in active contact with the retail public. On behalf of the entire association, this committee wishes to offer their services to the Treasury Department and our Government in any way we can be of emergency and peril.

"There is a tremendous job to be done in this particular regard and it would certainly please all of us very much and we would feel we were doing some small part of our duty to our country, if our services can be used in any particular.

"When you have the opportunity, I would appreciate your giving this matter your serious consideration."

**Results Of Treasury Bill Offering**

Secretary of the Treasury Morgenthau announced on Dec. 15 that the tenders for \$150,000,000 or thereabouts, of 91-day Treasury bills, to be dated Dec. 17 and to mature Mar. 18, 1942, which were offered on Dec. 12, were opened at the Federal Reserve Banks on Dec. 15. The following details of this issue are revealed:

Total applied for—\$382,650,000  
 Total accepted—150,040,000  
 Range for accepted bids (excepting two tenders totaling \$80,000):

High—99.950. Equivalent rate approximately 0.198%.

Low—99.919. Equivalent rate approximately 0.320%.

Average Price—99.925. Equivalent rate approximately 0.295%. (50% of the amount bid for at the low price was accepted.)

There was a maturity of a similar issue of bills on Dec. 10 in amount of \$100,957,000.

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*Limited Partners*  
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 December 16, 1941

**National Securities & Research Corporation**  
**Distributor For Commodity Corp. Stock**

J. Langdon Sullivan, President of Commodity Corporation, Boston, has just announced that National Securities & Research Corporation, 1 Cedar St., New York, N. Y., has been appointed underwriter and national wholesale distributor for shares of the Capital Stock of Commodity Corporation, and that Henry J. Simonson, Jr., President of National Securities & Research Corporation has been elected to the Board of Directors of Commodity Corporation.

Mr. Simonson, when interviewed stated:

"The national distribution of shares of the Capital Stock of Commodity Corporation is in keeping with our institutional policy to provide a wide range of securities that are acceptable to the varying investment objectives of investors. We believe that this addition to our offerings is particularly timely

due to the inflationary forces that have now been set in motion and that may gather important momentum within the next year.

**Gander To Be A Partner**

MacLean Gander, manager of the bond department for Dominick & Dominick, 115 Broadway, New York City, members of the New York Stock Exchange, will be admitted to partnership in the firm on Jan. 2, 1942.

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**Bard, Williams Join**  
**Clement, Curtis & Co.**

CHICAGO, ILL.—Sutro Bros. & Co., with offices in New York and Chicago, announce their withdrawal from business in Chicago and the closing of their Chicago office on or about Dec. 31. The firm's Chicago partners, Roy E. Bard and Lawrence Williams, will become partners of Clement, Curtis & Company. A large part of the Sutro Bros. & Co. organization in Chicago will also join Clement, Curtis & Company, who will move from their present location at 231 South La Salle Street into Sutro Bros. & Co.'s offices on the ground floor at 134 South La Salle Street, on or about Dec. 31.

Clement, Curtis & Company is one of the oldest Chicago brokerage firms, having started in business here in 1903. The firm are members of the New York and Chicago Stock Exchanges, the Chicago Board of Trade and other stock and commodity exchanges. Partners include Arthur F. Lindley, John G. Curtis and Irving E. Marcus. For the past 35 years, the firm has had as New York correspondents the firm of E. F. Hutton & Company, whose offices and wire system extend from coast to coast.

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**Burgess Named Pres. By Phila. Bond Club**

PHILADELPHIA, PA.—At its annual meeting, the Bond Club of



Arthur S. Burgess

Philadelphia elected Arthur S. Burgess, Biddle, Whelen & Co., President. Walter A. Schmidt, Schmidt, Poole & Co., was named Vice-President; John C. Bogan, Jr., Sheridan, Bogan & Co., Secretary, and William M. Clafin, Halsey, Stuart & Co., Treasurer.

Edward C. Sayers, Smith, Barney & Co., Joseph G. Carpenter, Adams & Peck, and Elwood W. Miller, E. W. & R. C. Miller & Co., were elected to the Board of Governors.

**Luther To Be Partner In Schirmer Atherton**

BOSTON, MASS. — Charles Fisher Luther will become a partner in Schirmer, Atherton & Co., 50 Congress Street, members of the New York and Boston Stock Exchanges, on Jan. 1st, 1942. Mr. Luther has been associated with Schirmer, Atherton & Co. for some time and prior thereto was a partner in Tiffit Brothers.

**BONDS** { **Public Utility**  
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## Hentz Urges Confidence In American Enterprise

Declaring that "America looks ahead to victory," H. Hentz & Co., members of the New York Stock Exchange and other principal exchanges, are today urging the purchase of securities on the ground that the present level of prices does not truly reflect actual values.

"Inevitably the towering strength and tremendous productive capacity of this country will instill a surging confidence in our ultimate victory in the preservation of democratic institutions," the firm says, in an advertisement stating their opinion that now is the time to buy securities.

"Unreasonable fear can hardly be a basis for any sound appraisal of values," the firm says further. "Stocks, in our opinion, are currently very much undervalued and, as we adjust ourselves to the conditions of the times, this will be reflected in a steady restoration of confidence and realization that this is the case. Fear will be dissipated, initial reverses will be borne with greater fortitude and once again the faith and courage in our tremendous potential will be restored.

"On the economic side of the picture there appears no ground for pessimism. Our industries will produce more and more without the costly and paralyzing effect of strikes. Taxes will rise, but probably no more than they would

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have without a declaration of war. Profits will be good, even if less than this year, and in this respect it should be remembered that good stocks are now selling from four to ten times earnings and on yields of from 7% to 13%. The only justification for such prices would be the prospect of sharp declines in earnings, a condition we do not think is in sight.

"The President anticipates a long war. That means a costly war that cannot possibly be financed on a 'pay as you go' basis. A realistic viewpoint of the future must take into consideration the inflationary ramifications and the pertinent question of whether it is better to have cash than equities in our leading corporations.

"England went through this phase and corrected it. We will do the same. This looks like bargain-counter days in stocks."

## 'JOTTINGS'

Some people are saying Pearl Harbor was the American Dunkirk. The comparison may have some value and some favorable implications. London stock prices, after declining from 1937, have been rising since Dunkirk. A great change-over took place in British industry. First effects were a slight decline in industrial activity, similar to the expected decline here as certain civilian industries are slowed down to conserve materials and men. But the change-over was quick and the output rise came soon. It will probably come soon here. Remember those dire August predictions of an impending 2,000,000 of "priorities unemployed." Watch for the dip this time to be similarly small compared to predictions, after which the FRB index of business activity is likely to continue its 1941 rate of climb.

Look for a terrific increase in defense bond sales. In Hawaii they jumped 900% the first week after the Battle of Pearl Harbor (Knox reveals that it was a battle, not just a push-over); in this country sales have apparently at least doubled, and when the Treasury grows more energetic they should triple (particularly as employment and payrolls further increase and civilian shortages cut off the normal ways in which people can spend money). That should mean sales in the fiscal year 1942-1943 of perhaps \$10 to \$15 billion, substantially easing the pressure on the Treasury. Insurance companies, savings banks, and corporations are "ready to go" in facilitating and urging sales, even without any compulsory purchase feature; though some of the sales will not be as anti-inflationary as they appear, since they may be effected by withdrawals of savings.

There ought to be at least a faint chance for IBA and NASD members to get some employment from the Treasury's borrowing needs. After all, they are set up to distribute securities. In Canada the government is using their facilities. Surely Wall Street will not be entirely bypassed or its services used without any compensation at all. . . . It now seems inevitable that the Treasury will have to continue relying on

the commercial banks for part of its financing. . . .

On the labor front look for "negative unemployment" within six months; i. e., the employment of old men, young men, and women in addition to the "normal labor force" of the country. . . . Average work-week last month in 25 major industries was only 42 hours. Imagine how that will step up. . . . At time-and-a-half for over 40 hours that will mean higher wages. But that's about all the higher wages likely to be granted from here on, if even that is granted. . . . except for cost-of-living adjustments, as in Canada, despite labor's dislike of them. . . . Look also for an end of jurisdictional strikes for the duration. . . . Let us hope our major labor troubles are now over. . . .

Labor will be called on for considerable re-distribution in coming months, many distortions, some hardships, in the change-over from civilian to arms output. . . . But it will have no grievance on this score likely to register with the rest of the rest of the American people. We're all in the same boat. . . .

If and when civilian rationing comes it will not be so hard to take as it sounds, or as it has been in Britain. If the immediate public reaction to Pearl Harbor meant anything it meant that the voluntary principle will go a long way. Look at the sharp rise in defense bond sales and Army, Navy, and air raid warden enlistments. . . . And there are plenty of the necessities. The shortages will be in the semi-luxuries. . . . And incidentally the heavy 1941 sales in these lines will provide a substantial cushion. Look at the recent decline in automobile sales. People ap-

(Continued on page 1545)

## UTILITY PREFERRED

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ESTABLISHED 1879

## 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)  
CHARLOTTE, N. C.—Robert J. Powell has been added to the staff of R. S. Dickson & Co., Inc., Wilder Building.

(Special to The Financial Chronicle)  
CHICAGO, ILL.—Edward H. Van Cott has become associated with J. S. Bache & Co., 135 South La Salle St. Mr. Van Cott was previously with Paine, Webber & Co. for many years.

(Special to The Financial Chronicle)  
CHICAGO, ILL.—Robert M. O'Donnell is now connected with E. H. Rollins & Sons, Inc., 231 South La Salle St.

(Special to The Financial Chronicle)  
CLEVELAND, OHIO—Ralph L. Williams has become affiliated with Ball, Coons & Co., Union Commerce Building. Mr. Williams has recently been in business for himself and in the past was with the Peoples National Bank of Lakewood, and prior thereto for 25 years with the Union Trust Company of Cleveland.

(Special to The Financial Chronicle)  
GRAND RAPIDS, MICH.—Paul S. Johnson, formerly with M. L. Pardee & Co., has become associated with Continental Securities Co., Inc., People's National Bank Building.

(Special to The Financial Chronicle)  
LONG BEACH, CALIF.—Allan H. Stunz has been added to the staff of M. S. Walker & Co., 125 East First St.

(Special to The Financial Chronicle)  
LOS ANGELES, CALIF.—Albert Van Zandt is now with C. L. Wells & Company, 724 South Spring St.

(Special to The Financial Chronicle)  
ONTARIO, CALIF.—Harvey O. Chapman has become associated with Merrill Lynch, Pierce, Fenner & Beane, 523 West Sixth St., Los Angeles. Mr. Chapman was previously Ontario, Calif., Manager for Davies & Co. and White, Wyeth & Co.

(Special to The Financial Chronicle)  
PASADENA, CALIF.—James H. Logan, formerly with Bate-man, Eichler & Co. and Wyeth Hass & Co., has become connected with Dean Witter & Co., 355 East Green St.

(Special to The Financial Chronicle)  
PASADENA, CALIF.—Louis R. Spaeth has joined the staff of Franklin Wulff & Co., Inc., 234 East Colorado St.

(Special to The Financial Chronicle)  
SEATTLE, WASH.—Carlisle Norwood, for many years with Arthur G. Latimer & Co., has become affiliated with Harold H. Huston & Co., Hoge Building.

(Special to The Financial Chronicle)  
SEATTLE, WASH.—Tory L. Davidson has joined the staff of Earl F. Townsend & Co., Dexter Horton Building.

## Over-The-Counter Dealers Must Unite!

(Continued from First Page)

leave practically nothing at all for handling charges and salesman's commission. We also believe that securities must be sold to investors and this costs money. Also, it is imperative that, through the medium of over-the-counter Dealers in securities, this nation should keep its channels of private finance flowing freely. In order to do this, over-the-counter Securities Dealers must hire salesmen and therefore should be able to pay trained men a sufficient compensation to make their efforts productive and afford them a living.

Today, more than ever before, it is essential that the Securities Commission and such associations as the NASD should work in harmony with the men who are actively engaged in the investment banking and securities business. Now that this nation is at war, the time for petty bickering and arguments among ourselves should be definitely a thing of the past.

We feel certain that if the NASD and the SEC can be shown that these published quotations which now appear are much too narrow, they will take steps to cooperate and have them changed so that at least a better margin of profit can be obtained. But first, we must show them that our demands are warranted.

Please address all your letters to the Editor, Financial Chronicle, 25 Spruce Street, New York City. In our opinion, this is one of the most vital matters that the over-the-counter Securities Dealers have ever been called upon to clear up and correct. Your comments and cooperation are urgently requested.

## DALLAS

Bought — Sold — Quoted  
Dr. Pepper  
Republic Insurance  
New Mexico Gas Co. Com. & Pfd.  
Great Southern Life Ins. Co.  
Southwestern Life Ins. Co.  
Dallas Ry. & Ter. 6% 1951  
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## L. F. Rothschild Will Admit Cohn, Treuhold

Henry A. Cohn, member of the New York Stock Exchange, and Eugene Treuhold will become partners in L. F. Rothschild & Co., New York Stock Exchange firm, 120 Broadway, New York City, as of Jan. 1, 1942. Mr. Cohn has been engaged in business as an individual floor broker. Mr. Treuhold has been associated with L. F. Rothschild & Co. for many years as manager of the bond trading department.

## de Fontaine Now With E. W. Clucas Company

Wade Hampton de Fontaine has become associated with E. W. Clucas & Co., 70 Pine Street, New York City, members of the New York Stock Exchange and other leading national exchanges. Mr. de Fontaine was formerly with Penington, Colket & Wisner and prior thereto was a partner in Lord & Widli.

## Tomorrow's Markets Walter Whyte Says—

Prospective purchases may well be postponed until reaction has developed; hold what you have but don't forget the "stops"; for more details see below.

By WALTER WHYTE

This is the second column since we entered the war and the market is slowly beginning to get over its first shock. Last Thursday stocks snapped back to reach a figure of approximately 80 in the N. Y. "Times" averages. The next day, Friday, they hung around the previous day's highs but at no time were they able to go beyond them. Saturday was almost as repetitious as Friday. Monday they continued to keep near the previous rally highs but the lows were avoided. Tuesday and yesterday the same pattern continued except that on these days a few stocks were driven down to below the previous lows. Outstanding were the two motor leaders, Chrysler and General Motors, and that blue chip, American Telephone.

So far the market has been of a pattern set for it by all previous unexpected news. The pattern is as follows: The first shock brings in selling. As this selling increases security holders becoming frightened or worried join the parade. The result is more and more selling and with a sharp increase in volume. Such selling is usually self-limited. It stops when the news, known or unknown is digested and appraised. When this stage is reached the market either has a quick reversal or enters a period of dullness. Naturally this depends on the kind of news.

I might point out that if, instead of the recovery, the market had gone into a period of dullness, the immediate future would not appear bright. For such a condition presupposes two things. One, selling has dried up; but two, it has not brought out any new buying. This in turn would mean that more bad news was expected and buying was not to be done.

Instead of this, we saw a recovery of approximately three points in the "Times" average.

Now the question is posed that, having had the rally, what will the market do next? No answer appears yet. But if

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former patterns of "news" markets are to obtain you can look for the following:

A reaction equal in depth to the setback of last week but volume on this reaction to dry up. And when the averages (or most stocks) reach the lows of last week, the volume to show a marked step-up on plus ticks and a step-down on down ticks. If, however, the opposite is the case then the only conclusion to make is that the market is headed lower. How much lower, only time itself will tell.

(Continued on page 1548)

## SEC Applications For Broker Dealer Registry

The following applications were made with the SEC for registration as dealers and brokers on the dates indicated:

Nov. 18, 1941—W. Alden Harvey, Blackstone Apartments, Baltimore, Md., a sole proprietorship, handling oil royalties.

Nov. 24, 1941—Arthur Ellt Hungerford, 809 North Charles Street, Baltimore, Md., a sole proprietorship; Duncan Murphy, 199 North Oxford Street, Hartford, Conn., Duncan B. Murphy, sole proprietor.

Nov. 25, 1941—James C. Frederick, 325 Walnut Avenue, Cranford, N. J., a sole proprietorship; Ogden H. Freeman, 20 Exchange Place, New York City, a sole proprietorship; Rakestraw, Betz & Company, 123 South Broad Street, Philadelphia, Pa., Edward H. Rakestraw withdrawn as a general partner and admitted as a limited partner, other partners remaining unchanged.

Nov. 26, 1941—James Valentine Harbison, 803 Ramsey Tower, Oklahoma City, Okla., a sole proprietorship.

Nov. 27, 1941—R. H. Moulton & Co., 510 South Spring Street, Los Angeles, Calif., Robert H. Moulton, Francis Moulton and Vic E. Breeden, formerly officers, as partners, Elmer Booth and J. C. Finch having withdrawn as officers.

Nov. 29, 1941—Allen and Company, 211 East Lemon Street, Lakeland, Fla., J. Everett Allen, formerly proprietor, and Schuyler I. Golden, partners.

## Willard Sheldon Forms Own Business On Coast

(Special to The Financial Chronicle)  
PALO ALTO, CALIF.—Willard H. Sheldon is now engaging in a general securities business from offices at 343 Kellogg Avenue. Mr. Sheldon was formerly with Coons, Milton & Co., Dean Witter & Co., and E. A. Pierce & Co. In the past he was a partner in Phillips & Co. and McCreery, Finnell & Co.

## 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 5/8, low—14 3/4, last—29 3/4.

## Defaulted Railroad Bonds

Bought—Sold

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61 Broadway  
Telephone—DIgby 4-4933  
RAILROAD REORGANIZATION SECURITIES

## RAILROAD SECURITIES

The reorganization railroad group has been subject to double pressure during the past week and a half. For one thing the bonds suffered their share of the war scare liquidation that followed initial set-backs in the Pacific, and for another there has developed a feeling of uncertainty as to future reorganization progress. The latter consideration arises from the succession of adverse court decisions in pending cases which had presumably been far advanced towards final consummation.

Both the Western Pacific and "St. Paul" reorganizations were turned back by the Circuit Courts on the grounds of insufficient supporting data as to valuations. Prior to this action, there had been such confidence in actual and relatively expeditious consummation of at least the "St. Paul" plan that active arbitrage operations had been going on for months between the old bonds and the new "when issued" securities. These Circuit Court upsets were followed in quick succession by rejection of part of the "New Haven" plan by the District Court, and an order by the Federal Judge in the "Rock Island" case to show cause why the reorganization should not be disapproved.

This has brought up the question as to whether any of the Section 77 reorganizations (except Erie which is virtually completed) can be consummated as they are now set up, and even if they can, how much further delay may be involved in working up the additional data required by the higher courts.

Under the stress of this dual market handicap, defaulted bonds as a whole moved sharply lower, and in some cases declines at the low of the move represented a paring of up to 50% from the 1941 highs. The monkey-wrench thrown into the reorganization machinery by the higher courts may detract materially from the near term speculative trading appeal of the reorganization group. Nevertheless, basic values have apparently not been disturbed, particularly in the case of the better secured liens, and the changing speculative aspect is hardly important enough to warrant such a drastic reappraisal of market status.

	Recent Market	New First Mortgage	Face Value
Chicago Milwaukee & St. Paul gen. 4 1/2s, 1989	35		\$280.00
Chicago & North Western gen. 5s, 1987	21 1/4		208.00
Chicago & North Western 1st & ref. 4 1/2s, 2037	13		152.00
Chicago Rock Island & Pacific sec. 4 1/2s, 1952	10 1/4		65.98
Missouri Pacific 1st & ref. 5s, 1980	23 3/4		300.00
New York New Haven & Hartford 1st & ref. 4 1/2s, 1967	24 1/4		233.00
St. Louis-San Francisco cons. 4 1/2s, 1978	10 1/2		169.24

\*As proposed in Interstate Commerce Commission reorganization plans.

While the Circuit Court decisions handed down do not necessarily presage any important revisions in the plans covered, defaulted bonds in many instances have declined close to, and even below, the face value of new first mortgage bonds proposed for distribution under the Commission plans. No values are given to projected large blocks of junior securities. The above tabulation shows a few typical examples, listing recent market for representative defaulted bonds compared with the face value of first mortgage bonds allocated to their claims by the Commission.

## Railroad Reorganization Securities

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One characteristic of the present crop of ICC reorganization plans is their conservatism with respect to allowable fixed charges, and this part is hardly apt to be upset by any court. Fixed debt in practically all instances has been held to levels virtually, if not actually, impervious to depressions. The new first mortgage bonds, therefore, should range from sound to high grade in quality. Barring a very severe change in money market conditions, bonds of this caliber would likely range in price, after some seasoning, from the low 90s to above par. Without any other consideration, then, it is

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obvious that recent market appraisals of these defaulted bonds are little short of ridiculous.

There are other considerations, however, and they are operating on the bullish side. High earnings are resulting in rapid accumulation of cash so that it will probably not be necessary to issue new money bonds provided in most plans. This will reduce fixed charges below those called for in original plans and thus further improve the quality of the new first mortgage bonds. Also, the heavy cash balances and the bright earnings prospects augur well for a more liberal attitude towards partial interest payments during reorganization proceedings.

## N. Y. Stock Exchange Weekly Firm Changes

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

In accordance with the provisions of section 13 of article IX of the Constitution, the Exchange has approved the application of Lamson Bros. & Co. for permission to continue its status as a member firm for a period of 45 days from Dec. 3, 1941, the date of death of the sole Exchange Member partner.

John P. Cronin retires from partnership in Benjamin Jacobson & Co., New York City, as of today.

Transfer of the Exchange membership of Martin B. Saportas to Hobart Ford will be considered on Dec. 23rd.

The privilege of Henry W. Miller to act as alternate on the floor of the Exchange for Robert S. Dodge under section 15, article IX, has been withdrawn. Both are partners in Miller & Dodge, New York City.

## To Be Hornblower Partners

Paul J. Eakin, Richard E. Norton and Charles R. Perrigo will become partners in Hornblower & Weeks, 40 Wall Street, New York City, members of the New York Stock Exchange and other leading national exchanges, on Jan. 1, 1942. Mr. Eakin is manager of the investment department of the firm's Cleveland office, Union Commerce Building; Mr. Norton is in charge of the Philadelphia office at 1429 Walnut Street, and Mr. Perrigo is manager of the underwriting department of the Chicago branch, 39 South La Salle Street.

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**Bank and Insurance Stocks**

**This Week — Bank Stocks**

Entry of the United States into World War II under dramatic circumstances has raised numerous questions about the future of interest rates, Government securities, bank credit expansion, bank dividends, continued private operation of the banking system and other related problems arising from the reality of war.

Obviously, answers to these questions are impossible to give at this time, and even a general answer, depending upon present or probable conditions, would be rendered inaccurate by sudden change in conditions under wartime emergency.

Nevertheless, a general look at some of these questions, subject to the qualifications of "change without notice," might be in order.

**Interest rates:** The future of interest rates is vitally important to bank stock investors because rates are the fundamental which will affect earning power and solvency. Any rise in interest rates creating better earnings would be tempered by the fact that higher rates would cause depreciation in holdings of high grade bonds.

Specifically, Government securities of New York City member banks total \$6,900,000,000, or alone 57% of total earning assets and 4½ times total capital funds. During the past year, \$1,280,000,000 of Governments were added, compared to present excess reserves at New York of \$1,130,000,000.

With a \$150,000,000,000 Defense Program now planned, and a doubling of the \$1,500,000,000 monthly defense rate projected, it appears that previous estimates of \$25,000,000,000 deficits for 1943 and 1944 will have to be adjusted sharply upward. Even if the plan is still followed to raise two-thirds of this cost by taxation, a huge increase in the debt is in the offing.

**Bank expansion in Government security holdings alone will therefore probably be so substantial as to exhaust present volume of excess reserves and ordinarily raise money rates, especially since the chief factor creating excess reserves in the past—gold imports — is no longer operative.**

The Government, however, is vitally interested in stability of interest rates at low levels to finance the war effort with a minimum of cost and upset. The monetary agencies have powers which, most authorities agree, would be strong enough to check

any important rise in money rates and upset to the bond market:

(1) Open market operations and loans on Government securities at par.

(2) Reduction in reserve requirements.

(3) Utilization of the \$1,800,000,000 gold profit earmarked as the Stabilization Fund.

(4) Spending of seigniorage profit on silver.

(5) "Freezing" of interest rates and market for Government securities under wartime emergency powers.

(6) Or more directly inflationary measures as a last resort, such as exhaustion of present devaluation power, further devaluation or invoking the power to print \$3,000,000,000 in "greenbacks," to create reserves.

In any event, interest rates will continue under control at low levels, although some rise in short-term returns may occur.

**Government securities:** The feeling appears general that the "top" for high grade bonds has been seen. Institutions, however, must show "bread and butter" earnings to offset rising costs, pay dividends and show modest return, apart from patriotic considerations in supporting defense financing or self-interest in continuing support of the market for their largest earning asset.

Much as some institutions may dislike to increase Governments in view of already high ratio of holdings to capital accounts, it therefore appears likely that concentration in Governments will become much higher.

**Bank credit expansion:** During the past 12 months, about 60% of the credit expansion at New York has been in Government securities, although commercial loans have made their strongest recovery showing with a \$650,000,000 expansion.

With priorities restricting civilian production and facilities devoted to increased extent to defense goods, for which Government financing arrangements for plants and production are available, it is likely that bank loans

may decline, despite distribution of defense work by sub-contracting to smaller firms borrowing at banks. On the other hand, supply of Government securities will be available in increasing supply. With returns controlled, therefore, it will continue to take a large given volume expansion at low rate to produce a given income.

**Bank dividends:** Large expansion on the way in Governments and continued emphasis on volume for earnings magnify the problem of sufficiently large capital funds to support expanding earning assets and deposits. But operating earnings should rise moderately, as volume expansion may more than offset increased costs and rates available on Governments may improve somewhat.

Reducing bank dividends will not provide anywhere near the additional capital funds required, and may definitely kill any hopes of interesting stockholders in subscribing to more capital. Increased dividends, on the other hand, are possible only by unusually good earners, as capital funds should be conserved for the expansion in earning assets and deposits. RFC money for preferred stock is of course available to strengthen capital funds and impart safer leverage to stockholders' equity.

**Private operation of banking system:** The character of private operation, quasi-public in normal times, is bound to incur increased Government control in wartime. Normal principles of financial conservatism will have to be secondary to defense needs. Bankers, however, have pledged their undivided support to the war effort, and no form of direct Government operation of the banks would be justified or necessary.

**Summary: Judging the outlook from the bank stockholder's standpoint, the banks will probably continue to operate under controlled stability of interest rates, which while low, will mean steady levels for Government securities. Volume expansion in Governments and to lesser extent in loans will create moderately better earnings, but dividends would not be increased because of necessity of conserving capital funds. The RFC may again build up a large senior capital interest in banks, but no other direct Government participation should be necessary in view of general cooperation with the Defense Program.**

**Our Reporter's Report**

(Continued from First Page)  
 banks were inclined to expect that selling for the account of nervous individuals might present buying opportunities which had been absent for considerable time.

Consequently, according to dealers, there was a reappearance of substantial bids from insurance companies and banks, the latter like the first-mentioned having been virtually withdrawn from the market for a prolonged period.

Naturally such bids were entered at levels materially below the highs prevailing prior to the outbreak of war in the Pacific. What was more important from a market point of view at the moment, however, was the fact that trusts and individuals failed to be seriously disturbed.

And while the institutions have been in the market with sizeable bids, they have not, up until this time at least, been successful in adding very substantially to their portfolios.

Doubtless they find little to worry about in the situation since they are standing by to take up their portions of new government financing necessary to prosecution of the war.

**Need For Revising Plans**

That corporations which had been working up new issues prior to a fortnight ago will be forced to revise such plans has become increasingly evident during the last week or ten days.

While the market has been behaving admirably there is no gainsaying the fact that yields have been altered sufficiently to have a hearing on new undertakings. Return in investments has always been gauged in keeping with the risk involved. And the war has caused investors to take stock of the situation.

A case in point is Public Service Company of Indiana which had asked bids on \$42,000,000 of 3½% bonds last Tuesday fixing a minimum price of 104. Two groups had intended to bid on the issue, but changes marketwise prior to the date set for the auction brought withdrawal of both due to the price limitations. Consequently there was a complete dearth of tenders.

**"Penny" Equipments Move**

The market accorded the \$18,465,000 issue of one to fifteen-year Pennsylvania Railroad Equipment trust certificates a ready reception.

The road received three bids from banking groups with the winning tender being 100.18 for the issue as 2½%, the lowest bid for similar securities in many months.

Reoffering was made on a scale ranging from 0.75% for the nearest maturity to 2.60% for the series due in 1957. Dealers reported the issue in brisk demand with short and intermediate maturities moving out quickly.

This year, incidentally, has produced the largest volume of rail equipment financing since the middle twenties, with a total of about \$254,800,000 being marketed.

**Vultee Aircraft**

Looking over the terms set for the offering of the issue Wall Street had little doubt as to the ready acceptance by the market of the 240,000 shares of cumulative convertible preferred stock being marketed for Vultee Aircraft to finance the purchase of a large block of Consolidated Aircraft Corporation shares.

Carrying a \$1.25 cumulative dividend and convertible into common any time after January 15 next at the rate of one preferred for two and one-half shares of the junior equity, the issue was priced at \$25.

In the present situation, with full emphasis on military planes and full operation on Government orders assured, this deal was regarded, in the parlance of the marketplace as a "quicky."

With the year-end close at hand, the trade now figures that there is very little chance of anything in the way of substantial new business developing until after New Year's.

In normal circumstances the closing fortnight of the year is given over largely to getting books and accounts in order for closing. And currently the moderate unsettlement pricewise is moving prospective borrowers to await a reappraisal of the market.

But recognizing the seriousness of the situation, there is a disposition to take the attitude that even though we are at war people and institutions will continue to have funds for investment.

A good part of such money, will naturally go into war bonds, but the call for private corporation securities is expected to remain substantial nevertheless.

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**BANK OF NEW SOUTH WALES**  
 (ESTABLISHED 1817)  
 Paid-Up Capital.....£8,780,000  
 Reserve Fund.....6,150,000  
 Reserve Liability of Prop. 8,780,000  
 £23,710,000  
 Aggregate Assets 30th Sept., 1940.....£143,903,000  
 SIR ALFRED DAVIDSON, K.B.E., General Manager  
 Head Office: George Street, SYDNEY  
 The Bank of New South Wales is the oldest and largest bank in Australasia. With over 870 branches in all States of Australia, in New Zealand, Fiji, Papua and New Guinea, and London, it offers the most complete and efficient banking service to investors, traders and travellers interested in these countries.  
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**"Railroad Facts" Issued**  
 "Railroad Facts," 1941 Edition, prepared by the Western Railways' Committee on Public Relations, has just recently been issued. The purpose of this booklet, which contains 96 pages, is to bring to the attention of its readers the facts regarding the railroads of the United States. The presentation in its pages is largely graphic and statistical. Most of the figures used therein have been taken from official publications of the Interstate Commerce Commission and various figures were also furnished by the Bureau of Railway Economics.  
 Any inquiries regarding this booklet may be made to the Western Railways' Committee on Public Relations, 105 Adams Street, Chicago, Illinois.

  
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## Fed. Reserve Banks Report On Business

(Continued from First Page)  
 tinued along the lines of recent tendencies.

With respect to production and trade in October, the Bank's seasonally adjusted index declined one point further to 108% of estimated long-term trend. The figure for October a year ago was 96. The decline of the index in October, like the larger decline in September, resulted from amount consumed in October a year ago.

During October, production of slackening in the volume of retail trade, seasonal factors considered. The general level of production, on the other hand, appears to have moved somewhat higher in October. The Bank's summary continues:

Department store sales, which on the average have shown little change between September and October in past years, this year fell about 10%, while sales of mail order houses and variety chain store systems increased considerably less than usual between September and October. There was a substantial seasonal increase in retail sales of new passenger cars, but the volume of sales was 43% lower than in October, 1940. After adjustment for seasonal factors, the flow of goods through primary distribution channels, as evidenced by railway freight traffic, appears to have decreased slightly between September and October.

ment in civilian lines occasioned by further restrictions on materials and production of certain articles.

### Fifth (Richmond) District

The Nov. 30 "Monthly Review" of the Federal Reserve Bank of Richmond indicates that "in spite of some difficulties in obtaining priorities for certain construction and industrial materials, the volume of trade and industry in the Fifth Reserve District in October and the first part of November was about up to seasonal level, and on the whole far exceeded October, 1940, volume." The following is also reported in the "Review":

Distribution of consumer goods continued in larger volume than a year ago except in automobiles. Department store sales in 79 stores in the district showed a 9% rise in October above sales in September, and exceeded October, 1940, sales by 13%. Rayon yarn shipments in the United States to domestic consumers set an all-time monthly record in October, and cotton consumption in both the United States and the Fifth District reached new high figures. Tobacco manufacturing in October was in large volume, and cigarette production set a new monthly record of 19,632,466,010 cigarettes, of which 84%, or 16,572,086,000 cigarettes, were made in the Fifth Reserve District.

### Sixth (Atlanta) District

The following regarding business in the Sixth Federal Reserve District is reported in the Nov. 30

	1940 Oct.	1941 Aug.	1941 Sept.	1941 Oct.
Indexes of Production and Trade— (100 = estimated long-term trend)	96	114	109p	108p
Index of Production and Trade—	96	114	109p	108p
Production	99	116	115p	117p
Producers' goods—total	100	124	127p	128p
Producers' durable goods	100	131	135p	138p
Producers' non-durable goods	101	118	118p	119p
Consumers' goods—total	97	105	102p	104p
Consumers' durable goods	96	108	96p	95p
Consumers' non-durable goods	97	105	104p	106p
Durable goods—total	99	124	123p	125p
Non-durable goods—total	99	110	110p	111p
Primary distribution	87	108	103p	101p
Distribution to consumer	96	115	100p	95p
Miscellaneous services	93	105	103p	102p
Cost of Living, Bureau of Labor Statistics— (100 = 1935-39 average)	100	106	108	109
Wage Rates— (100 = 1926 average)	114	123	124	
Velocity of Demand Deposits— (100 = 1919-25 average)				
New York City	26	27	27	30
Outside New York City	54	61	59	59

p Preliminary. \* Adjusted for seasonal variation.

### Third (Philadelphia) District

It is stated by the Federal Reserve Bank of Philadelphia, in its "Business Review" of Dec. 1, that expanding defense requirements and generally increasing incomes are sustaining industrial and trade activity in the Third Federal Reserve District at unusually high levels. The "Review" adds that "production of heavy manufactured goods is the largest on record, and factory payrolls are the greatest since reports were first received in the early 1920's. Retail sales by department stores are the largest for this season in more than a decade. Wage earnings and prices continued to advance."

### Fourth (Cleveland) District

The Federal Reserve Bank of Cleveland indicates in its Nov. 29 "Monthly Business Review" that Fourth District business activity continued at a record rate in October and the first weeks of November even though adjustments in operating schedules and employment were necessitated by the increasing importance of war material production. The Bank's bulletin continues:

Pig iron and steel ingot output were well maintained, though somewhat handicapped by work stoppages at captive bituminous coal mines and recurring scrap shortages. Commercial mine schedules were increased, so that total soft coal production remained at unusually high levels. Metalworking industries making defense items operated at the practical limits of expanding capacity, thus offsetting curtail-

"Monthly Review" of the Federal Reserve Bank of Atlanta:

October was the third consecutive month in which the value of construction contracts awarded in the Sixth Federal Reserve District exceeded all previous high levels. The October total was nearly three times that for October, 1940, and the January-October total was 60% greater than for that part of last year. Pig iron production was up 5% from September, and textile operations increased slightly. Department store sales, however, following an unusual rise in August and a smaller than seasonal gain in September, actually declined in October, and wholesale trade changed little from September.

### Seventh (Chicago) District

In its Dec. 10 "Business Conditions" report, the Federal Reserve Bank of Chicago states that the tempo of industrial production in the Seventh Federal Reserve District quickened in November, although the pressure against further expansion increased as plant capacities were reached, shortages of critical materials became acute, and "priorities-unemployment" increased in non-defense industries. The dollar volume of trade continued upward accompanied by a larger volume of factory payrolls and augmented farm income. The Bank's summary adds:

Those Seventh District industries which are directly concerned with the defense effort not only forged ahead, but also made greater advances than were recorded by the country as a whole. Steel and coal fell within this category.

With the exception of the short Thanksgiving week, automobile production each week in November exceeded the output for the corresponding weeks of October, ranging from a low of 77,000 units to a high of 94,000. Production of crude oil in Illinois, Indiana and Michigan declined slightly compared with October.

### Eighth (St. Louis) District

The Federal Reserve Bank of St. Louis reports that "continued high levels of industry and trade were maintained in the Eighth District throughout October and early November." In the Bank's "Business Conditions" for Nov. 28 it is also stated:

Output of bituminous coal at mines in this area in October increased 7% over September and was 30% over October, 1940. Steel ingot production at mills in the district returned to 98% of capacity and held that rate as of mid-November although acute scrap shortages threaten curtailment in the near future. October consumption of electricity by industrial users was 2% and 23% greater, respectively, than a month and a year ago. Production of lumber continued at near capacity rates, while orders and shipments exceed production. Building permits granted in October showed sizeable increases over September and October, 1940. However, construction contracts let declined from a month and a year ago.

### Ninth (Minneapolis) District

The Nov. 28 "Monthly Review" of the Federal Reserve Bank of Minneapolis has the following to report:

Business volume during October showed mixed trends when compared to September but was greater than in October last year. Retail sales showed small increases over 1940. Deposits at both country and city member banks expanded to record levels. Farm prices declined but farmers' cash income from the sale of livestock and livestock products was 45% over October, 1940.

### Tenth (Kansas City) District

The following regarding business conditions in the Tenth Federal Reserve District was reported in the Nov. 29 "Monthly Review" of the Kansas City Federal Reserve Bank:

October rainfall in the district averaged nearly three times normal and there was extensive flood damage in many places.

Cattle slaughter and the production of flour, petroleum, coal, lead and zinc continue very active. Under the stimulus of national defense, construction is in large volume but non-defense residential building and lumber sales are below a year ago.

### Eleventh (Dallas) District

According to the Dallas Federal Reserve Bank, the output of some important manufacturers in this district leveled off in October at the advanced rate previously attained, while mineral production increased and construction activity was in record proportion. In its Dec. 1 "Monthly Business Review," the Bank also reports:

Consumer purchases at department stores declined contras seasonally in October and the adjusted index of sales fell to the lowest level recorded thus far this year. . . . Petroleum production rose to the highest level of the year in October, whereas, the production of refined products, as measured by crude oil runs to refinery mills, showed little change from that in the preceding month. Lumber production declined somewhat further in October, but shipments remained at about the September level.

### Twelfth (San Francisco) District

The San Francisco Federal Reserve Bank reports that although capacity or near-capacity operations in a number of industries and

## Investment Trusts

### Observations On The War

Calvin Bullock—"Above all else, one objective unites everyone today. Each person, in many different ways and in due course, will make his contributions toward that end in such manner as he shall be directed or as he shall, on his own initiative, deem most effective.

"But there are responsibilities which cannot—and should not—be lightly put aside in the present emergency. Those responsibilities are imposed by individual circumstances, by family, by community, by occupation.

"Our business responsibility—speaking as a firm—is to serve as best we can, the interests of thousands of investors. They, individually and collectively, have a major stake in the outcome of the war and in the future of our institutions.

"And they, directly and indirectly, will be called upon to make sacrifices toward the successful outcome of the emergency.

"Nor are they a separate class of people. They cut across all occupational lines, all social lines, all geographical boundaries. And to many of them, the success or lack of success which they achieve through their investment activity determines in large part the degree of aid which they can or cannot give to the Government to prosecute the war."—From *Bulletin*, Dec. 11, 1941.

The George Putnam Fund of Boston—"Naturally all eyes are focused on the Japanese situation. Like everyone else, we have ideas on this subject, but in the face of so many unknown factors and so many unpredictable things that may occur we see little point in bothering you with our opinions. Our talks with people who are in a position to form an intelligent opinion indicate to us that the task may be more difficult and more extended than most people appreciate. Our experience teaches us that under such conditions, it is well to be prepared for the unexpected and the unorthodox.

increasing difficulties encountered by many firms in obtaining skilled labor, materials and equipment as needed are hampering further aggregate expansion, continued gains in the Twelfth District's two major defense industries carried forward district factory employment and payrolls to new records in October. The Bank's "Business Conditions" review of Nov. 28 further says:

On the whole, activity in industries other than aircraft production and shipbuilding registered a small further gain in October. For some weeks lumber production has been in excess of new orders which have declined considerably since the Summer peak, but output in October decreased less than seasonally. Plywood plants and pulp mills operated, as they have for some time, at capacity. Crude petroleum production and refinery operations showed little change in October.

Osborn—in a special "Letter to Dealers."

Hugh W. Long & Company—"Concerned about the effects of

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"At least we know where we stand now. The atmosphere has been cleared of a major uncertainty. This much is constructive. Our preliminary impression is that no major change is required in the investment policies of the Fund. The formal declaration of war has merely speeded up and intensified a development that has been apparent for some months, namely the shift from a peacetime to a wartime economy. On Dec. 8, the Fund had approximately 11% of its resources in cash, 36% in bonds and preferreds and 53% in common stocks."—From the Trustees—George Putnam, Charles M. Werly, and Richard our entry into the war on investments, I lunched yesterday with one of our economic advisers. I'll try to give you his conclusions.

"Our announced war status represents a change in degree more than in kind from that we have become accustomed to since the fall of the Low Countries and France.

"The first days' drop in stock prices reflected a shock because of the unexpected nature of the Japanese attack—not the war itself. This selling found the market in better shape than during the panic of May, 1940, following Hitler's invasion of Holland.

"Unless the Axis is completely successful stock price adjustments have practically discounted almost any eventuality—that was his studied opinion as expressed to me.

"The common sense attitude to assume toward the war is that we will win it. The great superiority in men and materials of the United States, British Empire, Russia, China and Dutch dominions over Germany, Italy and Japan will tell in the end.

"Tax and priority positions of companies now require increased study," he stated. "Inflation immunity and possible military depredation are other important factors.

"On the other hand," he pointed out, "certain influences could be considered good. Less difficulty with labor could be anticipated. Loyalty is the order of the day. Less interference with private industry of the arbitrary, social aim

(Continued on page 1544)

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## Municipal News & Notes

The sudden outbreak of hostilities in the Pacific caused municipal prices to skid for the first few days but they now seem to have regained their stability. Because of the rapid decline which took place in the past fortnight on these high-priced obligations, dealers report that increased demand has been manifested. This better tone may be attributed partly to the more optimistic news from the actual fighting zone and partly because of calmer trading.

Just what is in store for the municipal coterie is problematical. Point of view of dealers is that the future of the municipal market, relative to other classes of bonds, depends primarily upon whether the Treasury seeks to tax outstanding obligations. Should such action take place, it was held, the market would collapse quickly.

If, as is more generally assumed the exempt status is retained, municipal bonds should show strength, possibly superior to that of other classes of issues. This would prove the case particularly as and if income taxes advanced. At present demand for municipal bonds is largely institutional. Further advances in income taxes, it is held, would create a market among personal investors.

A significant point in recent developments is the fact that large-scale investors did not attempt to dispose of the securities. Most state and municipal bonds are in strong hands and there is little likelihood that substantial blocks of bonds will be sold. Sales would, of course, automatically create a problem of reinvestment and it is not considered good investment policy to hold large sums of cash in war periods.

### Tax Exemption Of Local Bonds Defended

Solicitor General Henry Epstein, addressing the Municipal Forum of New York last Friday, stated flatly that the Treasury Department should cease its agitation for the taxation of State and local bonds.

In disputing the arguments upon which the Treasury Department based their plea for the taxation of local bonds, Mr. Epstein stated that the Treasury's own records were a complete answer to their arguments that the wealthy were escaping taxes and that, moreover, there was no chance whatsoever to obtain revenue for national defense without taxing outstanding securities which had been sold upon the pledge that they were tax exempt. This, Mr. Epstein said, would be disastrous. "By taxing outstanding securities," the Solicitor General continued, "the entire moral integrity of our National, State and local fiscal transactions will be destroyed. In fact, viewing the promises made on the issue of said securities, taxpayers would have to make up the difference because no government can retain the public's confidence and break such a promise. Not even the Treasury dares to suggest an intention to tax outstanding issues."

### 1941 Legislative Proposals Show Decline

At least 58,000 bills were introduced in State legislative sessions this year, with three States still unreported, the Council of State Governments said last Friday. Approximately 30% of the measures were enacted, most of them relating only to finances or administrative technicalities—not new "laws."

Bill introductions this year showed a slight decline from the total for 1939, the last year when most of the Legislatures met in regular session. 1% more of the

bills introduced this year was passed, however. Measures vetoed numbered about the same for the two years.

In 39 States for which comparable information was available, a total of 55,765 measures—averaging 1,430 per State—were brought to Legislators' attention this year; in 1939, the number of bills introduced totaled 56,334.

Governors failed to approve 1,293 measures passed by Legislatures in 37 States this year. Two years ago 1,102 measures were vetoed.

### Poll Tax Yield Discussed

For all the political controversy that rages over the poll tax, the actual State revenues it brings to the 10 States where it is still levied are of little consequence in their fiscal picture, the Tax Institute of the University of Pennsylvania points out.

In the current issue of "Taxes for Democracy," popular release of the Tax Institute, State revenues from the poll tax are shown to have yielded in 1940 only 1% of all the State income of seven of the 10 States. These were Georgia, Indiana, Maine, Massachusetts, North Carolina, Texas and West Virginia.

In Connecticut where the poll tax is levied by counties in behalf of the State for old age assistance purposes, the State netted 5% of its revenues from this source. Vermont with a poll tax for the same purpose got 4% of its State revenue from the poll tax impost and Virginia, 2%.

### Municipal Credit Book To Illinois Banks

Arthur C. Lueder, Auditor of Public Accounts of the State of Illinois, announced recently that he will distribute to all State and National banks in Illinois the new book "Municipals," published by the committee on municipal obligations of the National Association of Supervisors of State Banks. Mr. Lueder termed the publication a valuable handbook on municipal credit analysis and noted that it "presents a form of uniform credit file for municipal obligations which serves as an outline of the information necessary for a careful credit analysis and in appraising investment soundness."

### Florida Finances Termed Greatly Improved

Governor Spessard L. Holland, speaking recently at the silver anniversary banquet of the Florida State Chamber of Commerce in Panama City, declared that "thanks to constructive tax legislation by the 1941 Legislature, to the increased collections in several tax fields and to various economies, the financial position of the State has vastly improved in 1941."

"This leaves the State in very strong shape to continue its operations even though Federal taxes must be largely increased to finance the defense efforts. The same observation can be made of the counties and other local units as the new tax laws are working out in such a way as to greatly strengthen the ability of the local units to collect property taxes adequate to finance their operations."

### Ky. Appeals Court Rules On Trust Property Taxation

One of the legal problems of property taxation which has occupied an uncertain status until recently concerns jurisdiction to tax the resident's beneficial life interest in a non-resident trust

## FLORIDA

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comprising intangible property. About a year ago the Kentucky Court of Appeals and the Supreme Court of Pennsylvania independently decided that the state of a beneficiary's residence could impose a property tax.

The opinion in Kentucky, in the view of the trust beneficiary expressly involved, left open the question as to how the trust property which could not be assigned, was to be valued. In *Commonwealth vs. Sutcliffe*, 283 Ky. 274, 140 S. W. (2d) 1028, the Kentucky Court of Appeals held that its original opinion determined this issue. Briefly, the appropriate method of assessment as found by the Court is to apply a life expectancy table and compute the capital value of the beneficiary's life annuity. This is the method, as a matter of fact, which the Commonwealth had originally used in its petition for retrospective assessment of Sutcliffe's estate. The Court's opinion is of widespread significance because it provides a procedure for all those States which apply their intangible property taxes on trust property against the beneficial interest rather than against the trustee.

### Arkansas To Service Road Debt

With November collections reaching an all-time high at \$2,901,937 and December contributing the bulk of motor vehicle tax receipts, the Arkansas Department of Revenue expects to complete this month the \$10,500,000 account to cover debt service on highway maintenance costs as specified in the contract with the Reconstruction Finance Corporation which purchased the \$136,000,000 highway debt refunding issue earlier this year.

The account had a balance of \$5,295,713 before credits from November collections were entered. The gasoline tax at \$1,274.129 and the motor vehicle license at \$194,400 set up a gross credit of \$1,468,530 for the highway fund. Other tax totals shown in the State refunding board's report for November showed \$188,400 from the cigarette tax, \$74,518 from the severance tax, \$719,432 from the sales tax and \$114,299 from the income tax.

The legislation which provided for the 1941 refunding established a State highway fund the revenue of which consists of all income arising from the registration of motor vehicles and approximately 85% of the gasoline tax, now at 6½ cents a gallon.

The first \$10,500,000 of this State highway fund is to be used as follows: 30% for highway maintenance and 70% exclusively for current debt service and the redemption of bonds.

### Mass. Local Finance Data Prepared

Tyler & Co., Inc., 75 Federal Street, Boston, are distributing the 33rd edition of their quarterly booklet of up-to-date financial statistics of the Commonwealth of Massachusetts, its counties, cities, towns and districts.

Statistics of municipalities presented in the booklet include pop-

ulation, gross and net debt as of Oct. 1, 1941, net debt ratio and per capita, assessed valuation, tax collections to Oct. 1, 1941, tax titles and tax rates.

### Massachusetts Taxes Meals

Massachusetts' residents will start building up the State old age pension fund with their appetites Jan. 1, 1942, when a 5% tax goes on all meals served to the public which amount to one dollar or more. Special meal checks, numbered serially, will bear the inscription "Massachusetts Old Age Tax 5%." They will be issued for all meals, regardless of price, according to the Federation of Tax Administrators, and all food sellers will have to secure a certificate of registration. The law was enacted by the 1941 Legislature to provide revenue for increasing the amount of old age assistance.

### Here And There

Up in the high Siskiyou Mountains of Northern California and Southern Oregon rough and ready mining men are agitating for a 49th State—Jefferson—to be constituted from bordering California and Oregon counties. California and Oregon aren't taking the "secession" seriously, believing it is more or less an effort to advertise the mineral opportunities of the region and to obtain large appropriations for roads into the mineralized section.

The Montana State Supreme Court has just ruled that the State's corporate license tax is virtually an income tax, therefore should not be levied.

Here's one for the "tongue-in-cheek" department. North Dakota's Governmental Survey Commission has voted to employ a Chicago public administration service to draft a plan for reorganization of the State Government. . . . Out in Salt Lake City experts employed to reorganize that city's government recommended that the City Commission which employed the firm be abolished.

### Canadian Bonds Remain Strong

Canadian bonds generally are close to their highs of the last couple of years, a few of them around par. Some are 15 points or more above their 1941 lows. If the strength in Canadian bonds persists it is believed likely that a refunding operation will be arranged in this country regarding the 5s of 1952 which become callable next year at par.

In the past few years all Canadian Government and provincial issues maturing or becoming callable have been handled internally. Refunding through an issue of U. S. dollar obligations doubtless would have a tonic effect on the entire Canadian bond structure.

One of Canada's main problems has been to obtain enough American currency to make purchases in this country and to service American dollar bonds. This problem would be lessened if Canada were able to refund its 5s (of which there are \$100 million outstanding) with, say, 4s. Under present market conditions this probably could be done without difficulty.

### 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.

### Dec. 18th (Today)

#### \$3,940,000 Minneapolis, Minn.

Syndicate headed by Phelps, Fenn & Co. of New York, high bidder for bonds in August. Halsey, Stuart & Co., et al, and Salomon Bros. & Hutzler of New York, and associates, second best on the two separate issues.

### Dec. 19th

#### \$3,833,000 Tulsa, Okla.

Two Tulsa banks were awarded the bonds offered for sale last April. Runner-up in the bidding was the Northern Trust Co. of Chicago, and associates.

### Dec. 22nd

#### \$560,000 Tulsa Co., Okla.

There is no recent sale of bonds on record for the above county.

### Dec. 29th

#### \$3,944,000 Orleans Levee District, La.

Bonds were awarded by the district last April to a syndicate headed by R. W. Pressprich & Co. of New York.

#### \$519,000 Scranton, Pa. (Sch. Dist.)

These bonds were originally offered on Dec. 8, but all bids were rejected. This district awarded an issue last December to a group headed by Fox, Reusch & Co. of Cincinnati. Runner-up was E. H. Rollins & Sons, Inc., and associates.

### Jan. 5th

#### \$2,700,000 State of Minnesota

Last August the State awarded similar certificates to a group headed by the National City Bank of New York. The only other bidder was the Wells-Dickey Co. of Minneapolis, and associates.

## Investment Trusts

(Continued from page 1543)  
variety. The people, Congress and the armed forces will expect efficiency in conducting the war.

"Substantial investments in carefully selected, well diversified common stocks are his recommendations for every portfolio under his supervision," he told me. —From the Editor, *The New York Letter*.

### Massachusetts Distributors —

"The outbreak of war brings with it many serious problems for investors: The difficulty of selecting individual securities is greatly increased due to many influences at play; the normal risks of investment are intensified by the unpredictable nature of day to day developments; the holding of cash entails the assumption of abnormal risks because its purchasing power is seriously threatened; the outlook for bonds and preferred stocks of all grades and classes requires reappraisal in light of many new influences likely to affect interest rates and price levels. Overshadowing all these problems—the duration, the trend and the ultimate effects of the war itself are unpredictable.

"In addition to new problems are new dangers: The temptation to seek quick speculative profits because of gyrating markets; the tendency to allow new conditions and new influences to obscure fundamental principles of conservative investment policy; the reverse tendency to rely solely upon conventionally conservative policy without making proper adjustment for new conditions and new influences; and, finally, the danger of allowing judgment to be influenced by emotion instead of reason."—*Brevits*, Dec. 13, 1941, reprinted from *Brevits*, September, 1939.

### Investment Company Briefs

A dividend of 14 cents per share will be paid on the capital stock of National Investors Corporation on Dec. 23, 1941, to stockholders of record on Dec. 15. This payment will be approximately equal to the cash dividend income, less expenses and irrespective of security profits or losses for the second half of 1941.

For the first half, 10 cents per share was paid. Total dividend payments for 1941 will amount to 24 cents per share compared with 21 cents per share paid in 1940.

Who says investment trusts are "no better than the average?" On Nov. 29, 1941, the Dow Jones Industrial Average stood at 114.23, just .10 points above the May 21,

1940, mark of 114.13. Over that period, while the Average made no net headway, Republic Investors Fund, a leverage trust, advanced from \$2.72 to \$3.12—a gain of over 14% without any adjustment for dividends paid.

The Directors of American Foreign Investing Corporation declared a quarterly dividend of 10 cents per share on the common stock, payable Dec. 22nd to stockholders of record Dec. 10th.

This is the same amount as the last dividend paid on Sept. 23rd.

**JOTTINGS**

(Continued from page 1540)

parently bought about all the cars they wanted last spring and summer while the buying was good.

Believe it or not it looks as though the war will actually flatten the cost of living, not lift it further. The chart of current wholesale prices laid on the chart of those 25 years ago shows that the curious parallel in the first two years of the war is apparently ending—the sharp rise in 1916 is not being paralleled in late 1941. Britain's cost of living levelled off last spring and summer. After we entered the war in 1917 our own wholesale prices levelled off, though retail prices continued the 1916 rise.

Incidentally, for a complete and accurate story of economic and price history 25 years ago, see "The Business and Financial Record of World War Years," published by Herbert D. Seibert & Company (25 Spruce St., N. Y. City), a collection in one cover of the "Chronicle's" reports from 1914 through 1918. (Price \$6.)

Radio jottings. . . The industry is just getting its head above water, what with war news, censorship, West Coast blackouts . . . some advertisers liked the station cut-ins for news, thought they kept more people listening. Others got rather fed up. Stations give either refunds or substitute time as nearly comparable in value as possible. . . Look for divorce of Red and Blue networks next month, Red (WJZ in New York) to remain "NBC Network" and Blue to become "United Broadcasting System or something like that. . . NBC and CBS got a postponement to Jan. 12 of hearings on the networks' motion to enjoin FCC on enforcing its new rules on network-affiliate relationships. . . Three-judge statutory court headed by Learned Hand . . . chief reason seems to be preoccupation of CBS officials with the war. . . President Roosevelt's first message after Pearl Harbor estimated to have had 90,000,000 listeners. . . Foreign-language broadcasts continue but short-wave people have dropped news commentators.

The once vastly "over-built" cotton textile industry is hard-pushed. Operating now around 135% of two-shift capacity, i. e., nearly at three-shift capacity. It has to meet over-flow needs from silk, rayon, and burlap industry, and now black-out requirements. Army takes 20%, increased civilian requirements 10% of its output, but war will increase requirements. Current consumption is at rate of nearly 12,000,000 bales a year, or twice "normal" and over 1,000,000 bales more than current American cotton crop. Despite huge cotton carry-over there are already shortages in some grades and staples.

Probably only one thing stands in way of near-term Agriculture

acceptance of Fulmer suggestion that crop-reduction brakes be taken off cotton and wheat. That is that these crops might then be expanded at the expense of soybeans, corn, hog, dairy, and other lease-lend farm products.

Miscellaneous. . . Look for further extension of f.o.b. mill pricing. . . Nobody can accuse the Association of Life Insurance Presidents of poor press relations at their annual convention. They hadn't any at all. "One old battleship!" They're all old, though most have been recon-ditioned. Until the North Carolina last April and the Washington last May we haven't commissioned a new battleship in 17 years. But they'll be coming thick and fast now. Phenomenal increases being reported in shipbuilding now, both for combat and merchant ships. . . Big shift and re-allocation in our merchant marine will no longer be public information. However, Axis ships from South America will help, also more transfers from our limited coastwise ships (which will put added load on the railroads) . . . U. S. merchant marine starts this war several times larger than in 1917, but somewhat smaller than in 1939, due to transfers to Britain . . . But that will soon be made up with new ships. . . Don't overlook Africa in war calculations. Dakar is best and almost only good port between Port of Spain and Capetown. See an excellent article on this possible near-term theater of war in the current "Harper's". . . This is an "air-conditioned war" say the air-conditioning people. Wide blast-furnaces, blackout factories, stratosphere bombers, etc. . . What Churchill said of Libya (he quoted a captured German officer) seems true also of the Pacific war—"a paradise for the strategist, a nightmare for the quarter-master. . ."

**Mobile Gas Service Issues Are Offered**

The First Boston Corporation heads an underwriting group which is today making public offering of \$1,400,000 of Mobile Gas Service Corp. first mortgage bonds, 3 3/4% series, due 1961, and 6,000 shares of the corporation's 6% \$100 par value cumulative preferred stock. The bonds are priced at 104.68 and accrued interest; the preferred stock at \$92.50 per share and accrued dividends.

Outstanding capitalization of the company after the completion of the financing will comprise \$1,400,000 of the new 3 3/4% bonds, 6,000 shares of \$100 par cumulative preferred stock, and 5,000 shares of common stock.

Mobile Gas Service Corp. is an operating public utility distributing and selling natural gas in Mobile, Ala., and vicinity. In addition to sales made to residential and commercial customers, substantial volumes of gas are sold to various industries, including an aluminum ore reduction plant and a paper and pulp mill. The business of the company has undergone a substantial expansion during recent years as a result of the growth of population and increase in industrial activity in the Mobile area.

The underwriting group for the bonds and preferred stock, in addition to The First Boston Corporation, comprises The Robinson-Humphrey Co. (Atlanta); Granbery, Marache & Lord; Starkweather & Co.; Lamar, Kingston & LaBouisse (New Orleans); Ward, Sterne, Agee & Leach (Birmingham), and Shropshire & Co. (Mobile).

**Mattikow In NYC**

Lawrence Mattikow & Co., Inc., is now conducting a securities business from offices at 70 Wall Street, New York City.

**THE DOMINION BANK**

Established 1871

**CANADA**

Head Office—Toronto

C. H. CARLISLE  
President

R. S. McLAUGHLIN  
Vice President

C. A. BOGERT  
Chairman of the Board

ROBERT RAE, General Manager

**CONDENSED STATEMENT as at 31st OCTOBER, 1941**

**ASSETS**

Cash on Hand and in Banks, including Bank of Canada . . . . .	\$33,889,378
Deposit with Minister of Finance . . . . .	219,170
Government and other Securities . . . . .	42,648,170
Call Loans . . . . .	3,374,763
	<hr/>
Commercial Loans and Discounts . . . . .	\$80,131,481
Bank Premises . . . . .	80,614,532
Liabilities of Customers under Acceptances, Letters of Credit and Sundry other Assets . . . . .	5,386,931
	<hr/>
	2,596,731
	<hr/>
	\$168,729,675

**LIABILITIES**

Deposits . . . . .	\$143,151,535
Deposits by other Banks . . . . .	3,264,991
Notes in Circulation . . . . .	4,189,539
Acceptances, Letters of Credit and Sundry other Liabilities . . . . .	3,258,099
	<hr/>
	\$153,864,164
Capital, Reserve and Undivided Profits . . . . .	14,865,511
	<hr/>
	\$168,729,675

NEW YORK AGENCY: 49 WALL STREET A. W. RICE, AGENT

Branches and Correspondents throughout Canada

London, England, Branch: 3 King William Street, E. C. 4

**National Banks**

The following information is from the office of the Comptroller of the Currency, Treasury Department:

Common Capital Stock Increased, Dec. 1—The First National Bank of Memphis, Memphis, Tenn.:

From \$1,200,000 to \$1,500,000; amount of increase, \$300,000.

Dec. 3—The City National Bank & Trust Co. of Kansas City, Kansas City, Mo.:

From \$600,000 to \$1,000,000; amount of increase, \$400,000.

Dec. 4—The Calumet National Bank of Hammond, Hammond, Ind.:

From \$250,000 to \$300,000; amount of increase, \$50,000.

Branches Authorized—Dec. 1—The Merchants National Bank of Boston, Boston, Mass.:

Location of branch: 513 Boylston St., Boston.

Dec. 3—Union Planters National Bank & Trust Company of Memphis, Memphis, Tenn.:

Location of branch: 1540 Thomas St., Memphis.

**Oct. Lend-Lease Food Shipments Are Large**

Delivery of agricultural commodities to the British Government, for shipment under the provisions of the Lend-Lease Act, reached a total of 550,000,000 pounds during October, the Department of Agriculture announced Dec. 8. October shipments were valued at about \$30,000,000.

The Surplus Marketing Administration reported that the food and other agricultural commodities delivered to the British from the beginning of operations in

April up to November 1 amounted to more than 2,200,000,000 pounds. Cost of the commodities, delivered at shipping points during this period, was just under \$250,000,000. Roy F. Hendrickson, SMA Administrator, stated:

The steadily increasing flood of food to Britain reached a rate of \$2,000,000 worth a day during October. This represented nearly 20,000,000 pounds of agricultural shipments daily.

Purchases are being made daily to provide for large continuing supplies of the American farm products which are so vitally needed across the water. We have agreed to furnish one-fourth of Britain's animal protein needs during the months ahead, as well as a number of other agricultural commodities. Rates of purchase and of shipment will be in line with these commitments.

**DIVIDEND NOTICE**

**CELANESE**  
CORPORATION OF AMERICA  
180 MADISON AVE. . NEW YORK, N. Y.  
5% CUMULATIVE SERIES  
PRIOR PREFERRED STOCK

THE Board of Directors has declared a regular quarterly dividend, in the amount of \$1.25 per share, on the 5% Cumulative Series Prior Preferred Stock payable on January 1, 1942, to stockholders of record at the close of business on December 26, 1941.

JOHN A. LARKIN,  
Vice-Pres. & Sec'y.  
December 9, 1941

**Now T. U. Crumpton Co.**

BIRMINGHAM, ALA.—The firm name of Roy Gridley & Co., First National Building, has been changed to T. U. Crumpton & Co. Partners of the new firm are T. U. Crumpton, President of the former organization; James I. Harrison, Jr., and Louis Schulhafer. Mr. Schulhafer was associated with Roy Gridley & Co. for many years.

**DIVIDEND NOTICES**

**Philip Morris & Co. Ltd. Inc.**

A regular quarterly dividend of \$1.06 1/4 per share on the Cumulative Preferred Stock, 4 1/4% Series, has been declared payable February 1, 1942 to Preferred Stockholders of Record at the close of business on January 15, 1942.

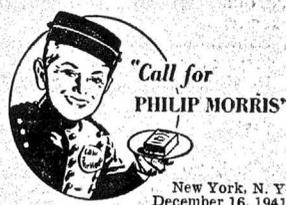
There also has been declared a regular quarterly dividend of 75c per share on the Common Stock, payable January 15, 1942 to Common Stockholders of Record at the close of business on December 29, 1941.

L. G. HANSON, Treasurer.

**THE SUPERHEATER COMPANY**  
Dividend No. 143

A quarterly dividend of twenty-five cents (25c.) per share on all the outstanding stock of the Company has been declared payable January 15, 1942, to stockholders of record at the close of business January 3, 1942.

M. SCHILLER, Treasurer.



New York, N. Y.  
December 16, 1941

## The Securities Salesman's Corner

### A DIRECT MAIL IDEA THAT HOLDS CUSTOMER GOOD WILL

The time that elapses between a securities salesman's visits to his clients is often the time when his competitors gain a foothold with these very same customers. Securing customers is difficult—this is why it is important to keep the good will of a customer after you have begun to do business with him.

One of the ways to make certain that your customer will continue to think of you when he thinks of his investments is for you to keep him posted in regard to the many factors which affect his holdings. The current newspapers, the financial papers, the published reports of company earnings—all contain a wealth of information that can be passed along to a salesman's prospects and clients.

For example, does he own oil stocks—then send him a notice of a pending change in crude prices. Will priorities affect a company in which he is interested—send him the clipping from the paper which tells about this. In this connection, we might add that any salesman can find a wealth of Corporation News in the Statistical sections of the Financial Chronicle, which appears regularly in the Tuesday and Saturday editions. These items are printed in an ideal size for the purpose of the following mailing plan.

Have your printer supply you with a card of pasteboard stock that will take mimeographing. This card should be the width of a letter head and one half of its length. Across the top of the card should be printed the name of the firm, its address, teletype or telephone number, and any other Exchange or Association memberships that are desired. The writer has made up these cards by using a reverse plate in solid blue, with the firm name and other data appearing in white. This blue edge along the top of the card which he uses is about one and three-eighths inches in width. The rest of the card can be used for the message that is to be sent.

In the event a short message is to be mailed to the prospect and customer list, this card then serves two purposes. It can be used for

the purpose of a mimeographed message and it can also be used to paste the clippings of current information that the salesman wishes to send to his clients. All the salesman has to do each morning, is to look through his usual periodicals and newspapers. Have scissors handy, clip out notices of interest, apply some ordinary paper glue to those items you wish to mail and paste them to the cards. Take pen in hand and write the address of the client on the opposite side of the card. Turn over to the mail department and the job is done. If this routine becomes a habit every morning, the time involved will be negligible and the good will that is created is very valuable. This size card takes a one and one half cent stamp.

This card can be further personalized if there are a number of salesmen in the organization by having your printer insert (From the Desk of \_\_\_\_\_) in the upper right hand corner of the card. The salesman can use a facsimile stamp of his signature and each man can thereby place his name on the card—bringing even more closely to the attention of the recipient that the salesman was personally interested in placing this information before his client.

Show people that you are interested in them. Show them you are on the job and that you are watching out for their interests. Show them that you want to keep yourself before them—then they will keep you in mind when they think of their investments.

#### Sincere To Admit

CHICAGO, ILL.—Fatima R. Sincere has become a limited partner in the New York Stock Exchange house of Sincere & Co., 231 South La Salle Street.

## THE BOND SELECTOR

### THE OUTLOOK FOR BONDS

The severe jolt which the bond market suffered immediately after the Japanese attack and the war declaration was actually an intensification of a subtle trend which has been discernible over the past two months. A sudden decline of first magnitude in high grade bonds is nothing new; the market was hit hard upon the outbreak of war in 1939 and again in 1940 when the Lowlands were invaded suddenly. In each case, recovery was fairly rapid and low yields went even lower. The question now arises whether the recent sell-off, preceded by the rising yields on short term Treasury issues over the past two months presages the long-predicted deterioration of high grade bond yields.

Up to the time of the Japanese attack, the rising yields on short term Treasuries spreading over a period of about ten weeks were reminiscent of the action of similar issues in the latter part of 1936 and the early part of 1937. At that time, it will be recalled, the lead taken by short term Treasuries was followed by long terms, first slowly, then precipitously, through February, March and April, 1937, until a slow steady recovery brought yields to new lows in the summer of 1939. Even if the events of Dec. 7th had not taken place, the pattern of the bond market at the beginning of the month was sufficiently similar to that of 1936-1937 to warrant expectation of a lower price level in the early months of 1942.

Despite the rapid sell off in the week of Dec. 8th, and despite the fact that the nation is actually at war, basic money market conditions and the future outlook therefor are not very dissimilar from those of two weeks ago or a month ago. An interesting analysis of the pre-war situation was presented in the "Bond Bulletin" of Homer & Co., dated Dec. 1st. After discussing the similarity in the technical position of the bond market of November, 1941 and November, 1936, the "Bulletin" reviews the factors pointing toward lower bond prices and those indicating maintenance of high prices.

The four arguments presented

by Homer & Co. for lower bond prices follow:

(1) Excess reserves have been heavily reduced, both by natural factors and by government action. The factors which tended to increase excess reserves for many years, principally the importation of gold, have ceased to operate. The factors which tend to reduce excess reserves, namely, increased private and government borrowing, have been growing and promise to continue to grow. Excess reserves in the New York market have been reduced to a small amount and a further contraction is possible. Thus the point may presently be reached when first New York banks and subsequently out-of-town banks will become sellers of government bonds rather than buyers.

(2) Long term bond prices are at their all-time highs, and at a level totally without precedent. There is every prospect that the government rearmament program will be doubled and redoubled and will constitute a drain on every available source of funds. Thus a heavily increased demand for money is in prospect coincidentally with a gradually diminishing supply. These two factors naturally make for a declining bond market.

(3) The influence of a rise in the cost of living, and the prospect that this rise will gather momentum, tend to make bonds less attractive because their purchasing power is limited.

(4) There is every prospect that the United States will become more and more involved in this war, perhaps as an avowed belligerent, and there is a possibility that during the next six months severe military reverses will continue to befall the Allied cause. A sudden war in the Pacific might become a reality presently. All of such developments would, a very few years ago, have been considered a sure cause for a sweeping decline in bond prices. During the past two years bond prices have learned to stand up against such developments in extraordinary fashion, but it may be that they are not yet altogether immune.

The four arguments presented by Homer & Co. against lower bond prices follow:

(1) The supply and demand position of money still is weighted heavily in favor of firm bond prices. In addition to reported excess reserves, which remain enormous; there are hidden reserves of funds which, if added up, reach unprecedented proportions. Statisticians have computed the astonishing fact that the surplus of gold in this country is now such that the Federal Government, together with the Federal Reserve Banks and other Federal authorities, could now buy in all outstanding government bonds themselves if they were disposed to do so. The large amount of currency in circulation constitutes, in part, a potential addition to banking reserves or bond buying power. A large part of this currency could be recalled to the banking system, if it were necessary to do so, either through the payment of interest for it or by more direct methods. The relatively small amount of excess reserves in the New York market, which is tending to create higher short-term rates at the moment, is largely an artificial situation created by acts of the Federal authorities which they could rectify at any time

they wished by any one of a number of devices, and which may rectify at any time they wished by any one of a number of devices, and which may rectify itself.

(2) Thus it would seem that any tendency of short-term rates to tighten is entirely due to the actions of Federal monetary authorities, who have it in their power to reverse these actions at will. It is naturally a matter of conjecture whether monetary authorities really plan a lower bond market, but many observers doubt that the government will intentionally impede its financing program by creating a declining bond market and at the same time increase the cost of carrying not only its future deficits, but also a large part of its old deficit.

(3) There is substantial opinion that private demand for bank loans and other funds will diminish in 1942 rather than increase. Concurrently with new borrowing for defense projects, there has been and will continue to be a continued repayment of old loans which were frozen during the depression years and which are now becoming liquid due to business activity. The continued heavily pessimistic attitude of businessmen throughout the nation is and will dispose them to pay off debts whenever they can and not to incur new debts unless it be for very short periods, with their ability to pay triply assured. Furthermore, the large tax program and the heavy depreciation allowance on armament plants permits a building up of cash in corporation hands at an unprecedented rate. Corporations' reserves for future taxation and reserves for depreciation are reaching new high amounts and in the future may be largely sufficient to finance seasonal demands for funds. A large part of the initial borrowing of the defense program to build plants and to acquire machinery will be presently liquidatable out of the proceeds of new manufacture which is just getting under way. Thus, the private demand for money may diminish rather than increase and this may, in part, offset the prospective increase in the government's demand for money.

(4) Broadly speaking, high grade bond prices are at or near all-time highs in virtually all countries of the world, belligerent or neutral. This is true in many countries in the face of military catastrophes, economic catastrophes, enormous credit expansion, and the draining off of gold reserves. It is apparently a worldwide condition based on two universal factors: (a) government monetary management and (b) the psychology of fear among business executives the world over.

Holders of cash capital have no impulse today to tie that capital up in fixed plant and structure in the hope of making a large return over a long period of years. In the first place, they cannot look forward more than a few months into the future, and in the second place, they are of the opinion that they will not make a large return and if they do, taxation will take it away from them. The general disposition is to be on somebody's else payroll, to make as good a current living as possible, and to conserve surplus wealth in liquid form against a rainy day. This psychological state of fear may in fact be the key explanation of our bull bond market of the last ten years.

Further discussion of factors affecting the course of the bond market, in view of our current all-out war effort, will be presented in next week's Bond Selector.

## To Securities Salesmen

### Who Want To Increase Their Sales . . . . .

The salesman who is genuinely interested in the welfare of his customers is more successful, as a general rule, than the salesman who lacks this viewpoint. That is a truism, as old as it is new. And you can so easily demonstrate to your customers that you are sincerely interested in their success.

To illustrate—just run through the "Financial Chronicle," particularly the Tuesday and Saturday issues, in which you will find hundreds of individual corporation news items. Cut out those in which your customers will be most interested and mail them with your business card. This will take but a few minutes each week, and you may be sure that your customers will appreciate your thoughtfulness. You will win a greater measure of good-will. Your sales are almost sure to increase—eventually, if not immediately.

This suggestion is passed along simply because we want you to get full value from the "Financial Chronicle." It may be, however, that you are not receiving the Tuesday and Saturday issues, in which corporation news items are published. If this should be the case, just let us know and we will gladly send you sample copies of the current Tuesday and Saturday issues—without obligation, of course.

**The Commercial & Financial Chronicle**  
25 SPRUCE STREET, NEW YORK, N. Y.

### Commodity Corp. Stock Distributor

(Continued from page 1539)

having a reasonable percentage of his capital invested directly in the very commodities the price increase of which is one of the important factors to the higher cost of living.

"Wars consume tremendous quantities of basic commodities. In times of major war, the cost of living and commodity prices have always risen. There has been no exception to this rule.

"The present war has assumed world-wide proportions. Currently, as in the World War, demand for commodities has increased and is increasing. Large demand consumes surpluses and causes shortages; shortages cause prices to soar. So great is the stimulus to the demand that the normal regulation of price by the laws of supply and demand must, in order to prevent run-away inflation, be supplemented by Government regulation and control.

"Our Government has already taken steps to prevent a run-away price rise. How much further our Government will go will depend upon its conclusions after having given proper weight to such matters as the following:

"1. A free market in commodities acting in itself as a regulator of prices;

"2. The effect of restriction and control of a free market upon the fundamental economies of a democracy;

"3. The effect of commodity price control in this country on prices in world-wide markets in which its citizens are interested but over which it has no control.

"What the result will be it is impossible to foretell. It is, however, a fundamental problem of all investors. If the decision is to invest a portion of funds in commodities, the capital stock of Commodity Corporation offers an ideal medium.

"Commodity Corporation was formed in October, 1935, to buy, sell, hold, option and deal in basic commodities but not to buy on margin. Many farsighted investors wishing to take advantage of this convenient refuge against inflation have become shareholders. We believe that now, it may be timely to bring this medium of protection against the declining purchasing power of the dollar to the attention of investors generally, throughout the country.

"The operating personnel of Commodity Corporation remains unchanged and Commodity Managers, Inc., of Boston, continues as managers of the assets which as of a recent date consisted of such commodities as butter, cocoa, coffee, cloves, cotton, hides, oats, pepper, rye, silk, sugar, tin, wheat, wool and wool tops.

"By observing the chartered movements of commodity prices during the last World War, and so far in the present war, it is interesting to note that the upward spiral of prices has only just begun to gather momentum in recent months.

### Announces Nominees

The Nominating Committee of the New York Stock Exchange for 1941 has presented the following nominations for members of the January 1942 Nominating Committee:

Three members of the Exchange: Austin Brown, Dean Witter & Co.; Charles S. Hirsch, Jr., Hirsch, Lilienthal & Co.; and Walter W. Stokes, Jr., Stokes, Hoyt & Co.

Two allied members of the Exchange: Newcombe C. Baker, Laird, Bissell & Meeds; and Holstein De Haven Fox, A. C. Wood, Jr. & Co., Philadelphia.

The election of members of the January 1942 Nominating Committee will be held on the Floor of the Exchange on Jan. 12, 1942. If a member wishes to exercise the privilege of voting by means of an absentee ballot, he should make written request for such ballot of the Secretary of the Exchange. Absentee ballots will be sent promptly after Dec. 30, 1941, when the period for filing of nominations expires, to members making such requests.

### H. Sharpe Becomes Pres. Of Bond Club of Buffalo

BUFFALO, N. Y.—The Bond Club of Buffalo announces that Harry Sharpe, Blair & Co., Inc., has become President of the organization, succeeding Harvey Gaylord, J. C. Dann & Co., who is retiring from the investment banking field. Frank C. Trubee, Jr., Trubee, Collins & Co., has been appointed to complete Mr. Gaylord's term as a Director.

"National Securities & Research Corporation, through their nation-wide wholesale representation, will furnish dealers with necessary data regarding this unusual offering. It is believed that

## To the Holders of \$1,400,000 of The Peoples Gas Light and Coke Company

First Consolidated Mortgage 6% Gold Bonds due April 1, 1943 (non-callable)

At any time prior to and including March 1, 1942, the Company is prepared to anticipate the retirement of all outstanding bonds of the above described issue, at their face value of \$1,000 per bond, together with interest in full thereon from October 1, 1941, to their maturity on April 1, 1943.

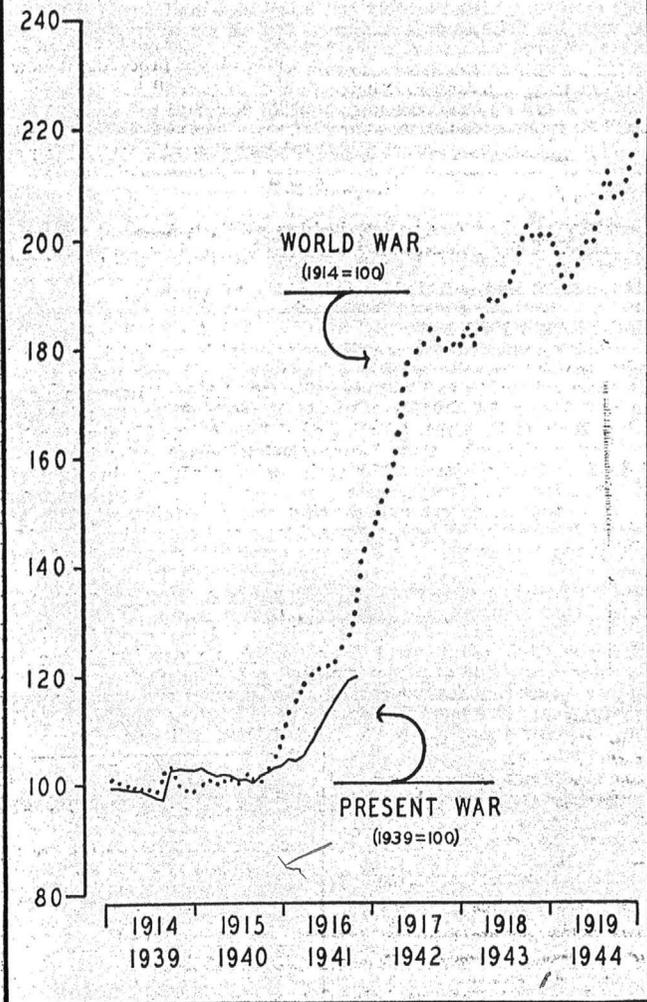
THIS OFFER IS MADE TO ENABLE OWNERS WHO PLAN TO ULTIMATELY INVEST A PART OR ALL OF THE PROCEEDS IN UNITED STATES SAVINGS BONDS (DEFENSE SERIES G—2½%) TO DO SO AT THIS TIME, RATHER THAN WAITING UNTIL APRIL 1, 1943. THIS WILL

PUT MUCH NEEDED MONEY IN THE HANDS OF THE GOVERNMENT NOW AND WILL ALSO GIVE THE INVESTOR ADDITIONAL INTEREST THEREON FOR MORE THAN A YEAR.

Bondholders desiring to accept this offer must present their bonds or send them by registered mail, insured, to The First National Bank of Chicago, Chicago, Illinois, or to the Central Hanover Bank and Trust Company, New York City. If sent by mail, instructions for remitting the proceeds should accompany the bonds. All bonds so presented must have all future due coupons attached thereto.

### THE PEOPLES GAS LIGHT AND COKE COMPANY

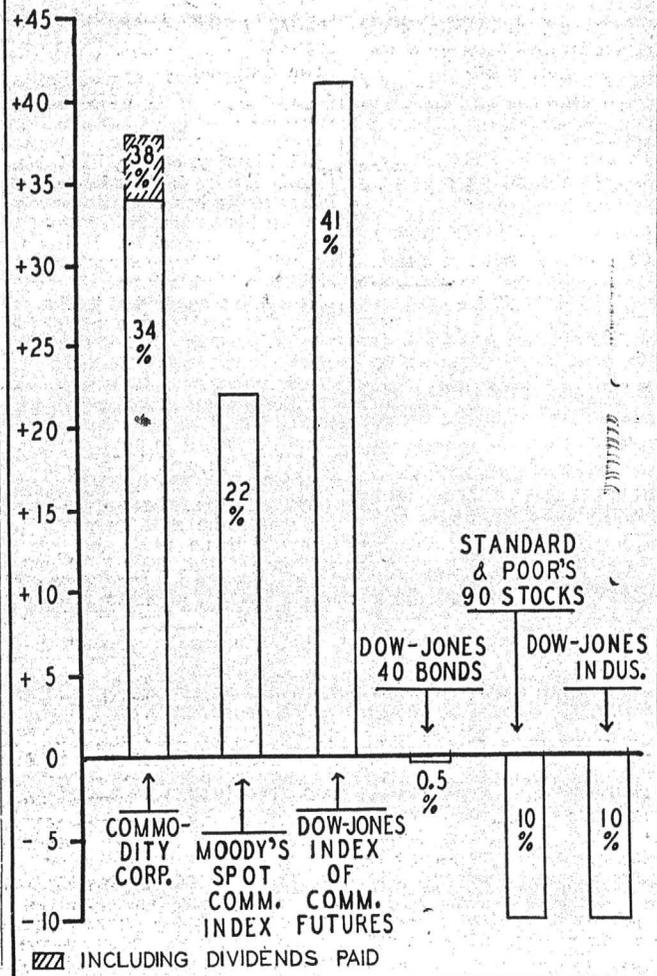
COMMODITY PRICES PRESENT WAR vs. WORLD WAR SOURCE - U.S. BUR. OF LAB. STAT.



"With respect to price movement, it is interesting to note that from Jan. 1, 1941, to Nov. 1, 1941, the indexes of Standard and Poor's 90 stocks and Dow-Jones Industrial Average of 30 stocks, both declined 10% and the index of Dow-Jones 40 Bonds declined ½%. During the same period the

liquidating value of the Capital Stock of Commodity Corporation advanced 34%. From Dec. 1 to Dec. 9, 1941, the liquidating value of a share of Commodity Corporation advanced 2.31% and during the same period the Dow-Jones Industrial Average of 30 stocks declined 3.80%.

COMMODITY CORPORATION SHARES vs. STANDARD INDEXES. JAN. 1, 1941 TO NOV. 1, 1941



dealers will find many of their clients interested in this convenient method of participating in the direct ownership of a diversified group of carefully selected commodities."

### Twin City Bond Traders Announce January Gala

MINNEAPOLIS, MINN.—The Entertainment Committee of the Twin City Bond Traders Club announces a "Smorgasbord Comotion" for Jan. 15, 1942, at the Dyckman Hotel in Minneapolis. The Committee, consisting of Art Rand, Woodard-Elwood & Company; Don Anderson, First National Bank of St. Paul, and Maynard Rue, Wells-Dickey Company, extend a cordial invitation to out-of-town members of the security business fraternity.

### Support Of Government Bond Market Withdrawn

Secretary of the Treasury Morgenthau announced at his press conference on Dec. 15 that the Treasury and Federal Reserve Bank of New York ended their support of the Government bond market on Dec. 11. The Secretary said it had been found necessary to purchase a "goodly amount" of bonds for investment accounts for supporting operations. The buying started on Dec. 9, two days after the Japanese attack on the United States, and was ended on Dec. 11.

### Obituary

Herbert W. Noble, dean of Detroit investment brokers, died on Dec. 8 at Miami, Fla., at the age of 74. Mr. Noble organized the first investment banking firm in Detroit, H. W. Noble & Co., which for more than 40 years until his recent retirement was one of the leading brokerage firms in Michigan. At one time he was a member of the New York Stock Exchange. Mr. Noble was also a founder of the Detroit Stock Exchange.

### Miss. Group Of IBA Announce Christmas Party

ST. LOUIS, MO.—The annual Christmas party of the Mississippi Valley Group of the Investment Bankers Association will be held at the Missouri Athletic Club on Monday, Dec. 22, 1941. A buffet luncheon will be served and will be followed by the allotment of attendance prizes and favors.

**F. H. PRINCE**

BANKERS

PROVIDENCE, RHODE ISLAND

HIGH-GRADE  
INVESTMENTSMembers  
New York, Chicago &  
Boston Stock Exchanges

Established 1856

**H. Hentz & Co.**

Members

New York Stock Exchange  
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NEW YORK CITY

SUGAR

Exports—Imports—Futures

Dlgbly 4-2727

**Tomorrow's Markets  
Walter Whyte  
Says—**

(Continued from page 1541)

So far I have given you the down-side of the stock market picture. There is another side—the up-side.

Right now most stocks are measured by averages are hugging the half-way recovery mark. If they stay there a few more days and then begin to show signs of wanting to go through them (volume on the up-ticks), you can assume that no near-term reaction is expected.

Weighing both sides of the market I, however, feel that we are in the former rather than in the latter stage. This means that any prospective purchases may well be postponed until the reaction has developed.

Last week I pointed out that readers, having been stopped out of all but two stocks, had little to cheer about. I have since then gone over the list and find that instead of losses all down the line there was at least one profit that made up for the losses when the stops were caught. The losses were as follows: Bendix 3 points; U. S. Steel 3 points, and Wheel-

**WHISPERINGS**

Joe Masek of Charles A. Fuller Company in Minneapolis is that way about music. He will go out of his way to listen to anything he thinks or hopes will turn out to be good, so long as it's music. One night he and a friend went to hear an instrumental trio, and his friend observed that one of the trio looked very much like Joe. Joe didn't think much of the resemblance but apparently the janitor of the hall, in which the concert was given, did. For on leaving the place the gentleman in charge of I gotta-clean-up-now approached Joe (thinking he was one of the trio) and asked for his autograph. Deciding to have a little fun Joe asked the man what his (the janitor's—not Joe's) name was. "The name is Herman Goering," explained the man. "Herman Goering? Herman Goering? Seems I heard that name before," ribbed Joe. "I wouldn't be surprised," replied the janitor placidly. "I been working here for years."

ing Steel 2 points. The total gross losses came, therefore, to 8 points. Against these you took a profit in N. Y. Shipbuilding of 11 points (bought at 15, sold when stopped out at 26). So that the net result is approximately 3 points profit on all closed trades. The column is still long of two stocks: Gulf, Mobile & Ohio preferred bought at 20 (stop at 17) and Warner Bros. bought at 5 (stop at 3 $\frac{3}{4}$ ). The first is about a point above the buying level and the second is still about where you bought it. My advice is to hold but to keep their "stops" in mind.

As far as new purchases are concerned, I'm afraid I'll have to beg off. The market is again between hay and grass and to anticipate anything at such a stage would be flying in the face of all experience. I'll have to see how the market acts when, as and if, it penetrates current highs or reaches last week's lows before I can again recommend new purchases.

In the week just passed two of New York's leading papers, the "Times" and the "Herald Tribune" omitted their weekly stock and bond tabulations. Investors and speculators who had depended on these figures to give them weekly highs and lows, chartists who looked for these figures from which to compile their records, are all left high and dry. So far as I know the "Commercial & Financial Chronicle" in its Tuesday edition is now the only publication that prints the complete prices for the previous week on a daily basis.

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.]

If you make a fortune in securities then, according to your neighbors (not the jealous ones), you've done it by wise investment or judicious speculation. If you lose one, it's because you've been gambling.

W. Perry McPherson of Walker, Austin & Waggoner, Dallas, Texas, collects match books, or rather his son does. All of which reminds us of the time we pulled out a pack of Chesterfields (adv.) and a book of matches and started to light up when the little woman grabbed the matches and began questioning us closely as to where we were and how we got the matches. We patiently explained that we got the matches when we bought the cigarettes. She refused to be mollified. The matches, she pointed out with female logic, came from "Ye Dew Droppe Inn—Dining, Dancing and High Class Entertainment—Berlin, N. Y.," and the only way we could have gotten them was to be there. The fact that we were never in the town or even heard of the Dew Droppe Inn was disregarded as just another of our tricks. The point of the whole story is if you don't want to face involved cross examinations better send the match books (empty) to W. Perry McPherson in Dallas, Texas, and let him take the rap.

A trader was sitting at the trading table all wrapped up in what from his face looked like rose colored dreams. It developed that he had proposed marriage to his fiancée the night before and wonder of wonders had been accepted. "How did it happen," somebody asked. Dreamily, he explained about how he'd been ready to pop the question for weeks. "Well, why didn't you," broke in a cynic. "I'll bet she had the answer ready for weeks."

"... Investors should now feel freer to respond to the need for some increase in income as an offset to advances in living costs." —From a recent brokerage house market letter.—That's what the little woman has been telling us all along. Now if we can only convince the boss!

Al Plumley of the First National Bank & Trust Co., of Minneapolis has a trading problem on his hands. It has nothing to do with securities. It has to do with rabbits. Or rather one rabbit—a big black one. It seems that Al, in a moment of weakness, bought this rabbit as a pet for his young hopefuls. But the youngsters are no longer interested in the lettuce eater. Meanwhile the rabbit has grown like the national debt. Three times, Al complains, he's had to build a larger rabbit hutch and now it looks like he'll have to enlarge it again. Anyway, Al is fed up; up to here. He wants the security world to know that no reasonable offer will be refused. He assures us if he'll get a bid he'll hit it so fast it'll make the bidder dizzy.

A security salesman in from a selling trip from the Pacific Coast presented an expense account on which one item, "Tip to bellboy—\$10" appeared. The manager questioned the item and asked him who did he think he was paying out such tips, and the firm's money, too! The salesman explained: "I was in my room with a client when he expressed a desire for a cigar. So I rang for the bellhop, gave him a \$10 bill (smallest I had), told him to get some cigars and get something for himself. How did I know he would use the change to buy himself a watch?"

**UP-TOWN AFTER 3****NEW MOVIES**

"H. M. Pulham, Esq." (MGM). Hedy Lamarr, Robert Young, Ruth Hussey, Charles Coburn and others. Directed by King Vidor. Opening today in New York at Radio City Music Hall.

Every once in a while a really fine picture comes out of Hollywood and "H. M. Pulham, Esq." is one of them. Adapted to the screen from J. P. Marquand's best seller the result is even better than the book. In a nutshell the story is about a Boston Brahmin whose orderly life is upset by the first World War. After the war, restless and uncertain, he goes to work in a New York advertising agency instead of returning to Boston. Here he meets a girl and falls in love with her but the death of his father forces him to return home and take over the job of head of the house. The whole thing is done in a series of flashbacks when the now middle aged Bostonian, married to a girl of his own class, is asked to write a history for his college year book. It's a story done with pathetic undertones that will keep you on the edge of your seat. It's a story of my generation; a generation barely old enough to fight in the last war but too old to fight in this one. It pictures life in the roaring twenties, the speakasies and the hail-fellow-well-met spirit of college days, and college reunions. The abandon of old love affairs that for some reason never ripened and the tunes nostalgically reminiscent of the dear dead days and what might have been. Hedy Lamarr as the young advertising woman is no longer the glamorous creature. In this picture she is a consummate actress. She turns in the best job since she became a publicized figure. Robert Young as the young man whom life passed by gives a marvelous performance. Ruth Hussey as his wife is appealingly pretty as his placid matter of fact spouse whose only interests are bridge, small committees and women's clubs. In fact there isn't a member in the cast who isn't just right and who doesn't do a grand job.

Montparnasse Cafe (3 E. 52nd) used to be in the 70's but recently moved here and has since been taken over by that Greek-god-about-town, James McKinley Bryant, who in his spare moments puts out the cafe society bible, "the Cafe Society Register." To celebrate the occasion Jimmy even put up a new canopy, a candy striped affair, on which his name is emblazoned for all to read. The inside is a pleasant place, a comfortable cocktail lounge (Scotch 75c.) and a medium sized dining room (dinner \$2) done in what Johnny Garvis (Jimmy's right hand man) assures me is genuine Batik. Genuine or not it makes for a handsome place what with the semi-oval banquettes against the walls on which to lounge. No dancing here but titillating music is provided by a violinist and pianist who play requests. This usually arouses diners to bellow forth in song at the oddest moments but the effect is amusing. One of the highspots of the Montparnasse is a gentleman called Mr. Rodriguez. Theoretically he is a hand analyst but actually he is more than that. For not only can he speak a half dozen languages but with his newspaper background (editor for a Javanese paper) he has acquired a knowledge of psychology that puts him well in the forefront of the so called see-ers-into-the-future. He insists that he is no palm reader, astrologist, or fortune teller. Well, I don't know what he is but he can come uncomfortably close to the truth. When you drop in be sure and ask for him.

The day the erstwhile boniface Jimmy Bryant opened his new bistro was also the day on which New York had its first air raid warning. Jimmy promptly jumped to the conclusion that the Montparnasse was a military objective and had sandbags placed around the entrance. But our police, lacking military acumen, were not convinced. They made Jimmy take the barricade down. Not that he actually put them up or took them down; he sleeps too late. But just the same Jimmy feels bitter about the whole thing.

**NEW YEAR'S EVE PRICES**

I don't know if the war will keep you at home but if it doesn't and you want to raise a little polite whoopee, here's a few places and their prices: \$3 to \$5—Ricciardi's (132 W. 43rd), supper, dancing and favors, \$4.—Waldorf-Astoria Peacock Cafes, \$3 minimum. Ruban Bleu (4 E. 56th), \$5 min. on drinks only. No dancing but swell entertainment. Cafe Pierre (Hotel Pierre), \$5 minimum.—\$6 to \$10—Savoy Plaza, \$8.50 each includes supper, breakfast in kitchen, dancing. Montparnasse (see above), \$10. Coq Rouge (65 E. 56th), supper, favors and dancing and entertainment, \$10. El Chico (Greenwich Village), supper, favors and entertainment, \$6.50. Among the higher priced places the outstanding are Fefe's Monte Carlo (49 E. 54th), \$20; supper, favors, dancing to Ted Straeter's and Bob Knight's orchestras. Cotillion Room (Hotel Pierre), \$15; supper, entertainment, etc., dancing. Casino Russe (W. 57th), \$20. Rainbow Room, \$15. Among the places holding open house the Penthouse Club (30 Central Park South), no dancing, but a let your hair down kind of place, is a good bet. There are any number of other places that feature special entertainment and special menus for New Year's Eve but space doesn't permit listing them all. If you want to know about a place not listed here, call or write me for information.

**Central Securities Of  
Omaha Personnel Same**

In the "Financial Chronicle" of Dec. 11th, it was reported under "SEC Applications for Dealer-Broker Registry," that Central Securities Company, First National Bank Building, Omaha, Nebraska, had become a proprietorship of Lyman G. Cross, and that Harold H. Helme and Lee A. Huey, formerly officers of the firm, had withdrawn. We are informed by The Central Securities Company that the former corporation has been dissolved and is operating as a sole proprietorship, but that there has been no change in the personnel or nature of the business.

**The Penthouse Club**30 CENTRAL PARK SOUTH  
Adjoining The Plaza

A most unique restaurant in a beautiful location, overlooking Central Park to the north.

Serving best food, skilfully prepared.

Telephone PLaza 3-6910

# Calendar of New Security Flotations

## OFFERINGS

**ABBOTT LABORATORIES**  
Abbott Laboratories registered with SEC 30,000 shares 4% cumulative preferred stock, \$100 par

Address—14th St. & Sheridan Rd., North Chicago, Ill.

Business—Engaged in business of manufacturing fine pharmaceutical preparations, important medicinal chemicals and biologicals, and widely used vitamin products

Underwriting—Underwriters, and number of shares which each has agreed to purchase, are: A. G. Becker & Co., Inc., 15,000; F. S. Moseley & Co., 7,500; Shields & Co., 7,500 (all of Chicago). Underwriting commission is set at \$2.75 per share

Offering—Public offering price will be supplied by amendment

Proceeds will be used as follows: \$1,382,654 to redemption, at \$107 per share, of all outstanding 4½% convertible preferred stock; \$400,000 to replace working capital heretofore or hereafter expended by company in connection with construction activities at company's plant; and balance for working capital

Registration Statement No. 2-4899, Form A2. (11-28-41)

Effective 4:45 p. m., E.S.T. on Dec. 8, 1941

Offered Dec. 11, 1941, at \$104 per share

### GENERAL SHOE CORPORATION

General Shoe Corporation has filed a registration statement with the SEC for \$2,500,000 of 15-year 3¼% sinking fund debentures, due Dec. 1, 1956

Address—513 Gallatin Ave., Nashville, Tenn.

Business—Manufactures and sells a range of low-priced and medium-priced men's and boys' shoes, including work shoes; boots; children's shoes; and growing girls' and women's shoes. Principal advertised trade names are Jarman, Fortune, Sky Rider, Betty Barrett and Friendly

Underwriting—Smith, Barney & Co., New York, is named principal underwriter; 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 added to company's general funds

Registration Statement No. 2-4900, Form A2. (11-29-41)

Offered Dec. 15, 1941, at 99 and interest

### THE MARYLAND DRYDOCK CO.

The Maryland Drydock Co. has filed registration statement with SEC for 112,740 shares of common stock, \$1 par value

Address—Fairfield, Baltimore, Md.

Business—Engaged in a general line of ship repair, reconditioning and conversion work on ocean-going vessels, including freighters, passenger ships, tankers, colliers, dredges, lighthouse tenders, Coast Guard cutters, mine layers, troop ships and Navy destroyers, and also bay and river craft of most types

Underwriters—Shields & Co., Blyth & Co., Inc., Hornblower & Weeks, Lee Higginson Corp. and White Weld & Co.

Offered Dec. 17 at \$19.75 per share

Offering and Proceeds—The 112,740 shares of common stock are already outstanding and are owned by Koppers Co., which will receive all of the proceeds from the sale thereof. Upon consummation of the sale of these shares, Koppers Co. will not own any shares of common stock of company. The public offering price will be supplied by amendment to registration statement

Registration Statement No. 2-4897, Form S2. (11-26-41)

### MERCK & CO., INC.

Merck & Co., Inc. registered with SEC 53,690 shares 4½% cumulative preferred stock, \$100 par, and 30,000 shares common stock, \$1 par

Address—Rahway, N. J.

Business—Manufactures and sells chemicals for medicinal, household and industrial purposes

Underwriting—Names of underwriters, and number of shares of preferred and common stock each has agreed to purchase, are as follows:

	No. Shares	Prd.	Com.
Goldman, Sachs & Co., N. Y.	11,595	6,480	
Lehman Bros., New York	11,595	6,480	
Baker, Weeks & Harden, N. Y.	1,500	838	
Eodell & Co., Inc., Providence	1,500	838	
Bristol & Willett, New York	1,000	560	
Dillon, Read & Co., N. Y.	5,000	2,794	
Drexel & Co., Philadelphia	2,500	1,396	
First Boston Corp., New York	3,500	1,956	
Harriman Ripley & Co., Inc.			
New York	3,500	1,956	
Hemphill, Noyes & Co., N. Y.	2,000	1,118	
Kidder, Peabody & Co., N. Y.	2,500	1,396	
Laird, Bissell & Meeds, Wilmington, Del.	2,500	1,396	
Merrill Lynch, Pierce, Fenner & Beane, New York	2,500	1,396	
Union Securities Corp., N. Y.	2,500	1,396	

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

Proceeds to company from sale of the 53,690 shares preferred stock will be applied to payment of a \$3,000,000 1¼% serial bank loan; balance will be added to company's general funds

Registration Statement No. 2-4902, Form A2. (12-1-41)

Effective 4:45 p. m., E.S.T., on Dec. 8, 1941

Offered—53,690 shares of preferred stock offered Dec. 9 at \$105 per share. 30,000 shares of common stock offered Dec. 17 at \$30 per share.

### MIDWEST TOOL & MANUFACTURING CO.

Midwest Tool & Manufacturing Co. registered with SEC 50,000 shares common stock, \$1 par.

Address—Detroit, Mich.

Business—Manufacturer of precision cutting tools, etc.

Underwriter—Keane & Co.

Offering—The 50,000 shares will be offered to the public at \$2 per share. Of the shares registered, 27,125 shares are to be offered for the account of the company,

and the remaining 22,875 shares (already issued and outstanding) will be offered for the account of two selling stockholders.

Proceeds to company from sale of the 27,125 shares will be used for payment of outstanding bank loans, final installment on sales contract, and the balance for working capital.

Registration Statement No. 2-4886, Form S-2 (New form) (11-17-41) Cleveland.

Amendment filed Nov. 28, 1941, to defer effective date

Effective 4:45 p. m., E.S.T., on Dec. 5, 1941

Offered Dec. 5, 1941, at \$2 per share

### MOBILE GAS SERVICE CORP.

Mobile Gas Service Corp. registered with SEC \$1,400,000 first mortgage bonds, due Dec. 1, 1961 (interest rate to be supplied by amendment), and 6,000 shares 6% cumulative preferred stock, \$100 par.

Address—162 St. Francis St., Mobile, Ala.

Business—An operating utility subsidiary of Consolidated Electric & Gas Co., company furnishes natural gas service at retail in Mobile, Ala., and vicinity.

Underwriting and Offering—The bonds and the preferred stock will be sold by company under the competitive bidding Rule U-50 of the SEC's Holding Company Act, as soon as practicable after the registration statement shall have become effective. Names of the underwriters and public offering prices will be supplied by amendment.

Proceeds will be applied as follows: To the redemption, at 100 and accrued interest, of the outstanding \$876,700 of first mortgage 5% bonds of 1956, the outstanding \$637,750 of first mortgage income bonds series A (9%) of 1956, and the outstanding \$236,950 of first mortgage income bonds series B (7%) of 1956; balance of \$75,000 will be used to establish a construction fund to provide for acquisition or construction of additional property.

Registration Statement No. 2-4887, Form A-2 (11-15-41).

Effective 3:30 p. m. E.S.T. on Dec. 2, 1941

Awarded Dec. 16 to group headed by The First Boston Corp.

Offered Dec. 18, 1941, the bonds at 104.68 and the preferred stock at \$92½ per share

### NEW ENGLAND TELEPHONE & TELEGRAPH CO.

New England Telephone & Telegraph Co. registered with the SEC 222,243 shares of common stock, \$100 par value

Address—50 Oliver St., Boston, Mass.

Business—This subsidiary of the American Telephone & Telegraph Co. is engaged in the telephone business in Maine, New Hampshire, Vermont, Massachusetts and Rhode Island

Underwriting and Offering—The 222,243 shares of common stock are to be offered pro rata by company for subscription at \$100 per share, to its common stockholders of record Dec. 19, 1941, in the ratio of one share for each 6 shares then held. Subscription rights evidenced by warrants to be issued to such stockholders, will expire on Jan. 15, 1942. The company may sell, at not less than \$100 per share, such portion of the 222,243 shares as may not be purchased through the exercise of subscription rights, and in such event company will file an amendment to the registration statement stating the proposed number and offering price of such shares, the manner of sale and all other matters required to be stated in connection with such sale. The offering of the 222,243 shares is not underwritten

Proceeds will partly reimburse company's treasury for uncanceled expenditures to its telephone plant; a portion of such treasury funds will be used to repay the parent AT&T for advances of approximately \$13,500,000; and the remainder of the proceeds will be used for general corporate purposes

Registration Statement No. 2-4896, Form A2. (11-26-41)

Effective 4:45 p. m., E.S.T., on Dec. 10, 1941

Offered Dec. 12, 1941

### 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, Tacoma, 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

Offered to holders of preferred and common stock at \$100 per share

### VULTEE AIRCRAFT, INC.

Vultee Aircraft, Inc., filed registration statement with SEC for 260,000 shares \$1.25 cumulative convertible preferred stock, no par; and 650,000 shares \$1 par value common stock, latter reserved for later issuance upon exercise of conversion privilege of the preferred stock

Address—Vultee Field, Downey, Calif.

Business—Engaged in development, design, construction, manufacture and sale of aircraft, and sale of aircraft accessories manufactured by outside interests

*This advertisement is neither an offer to sell nor a solicitation of offers to buy any of these securities. The offering is made only by the Prospectus.*

## NEW ISSUES

December 18, 1941

# Mobile Gas Service Corporation

(An Alabama Corporation)

**\$1,400,000**

First Mortgage Bonds, 3¾% Series due 1961

Dated December 1, 1941

Due December 1, 1961

Price 104.68% and accrued interest

**6,000 Shares**

**6% Cumulative Preferred Stock**

(Par value \$100 per share)

Price \$92.50 per share

Plus dividends accrued from December 1, 1941

*Copies of the Prospectus may be obtained from such of the several underwriters as are registered dealers in securities in this State:*

The First Boston Corporation

The Robinson-Humphrey Company Granbery, Marache & Lord

Starkweather & Co.

Lamar, Kingston & Labouisse

Ward, Sterne, Agee & Leach

Shropshire & Company

Underwriting — Blyth & Co., Inc., and Emanuel & Co., both of New York City, are named principal underwriters; names of other underwriters will be supplied by amendment

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

Proceeds from sale of the preferred stock will be applied to the purchase, on or before Dec. 26, 1941, of 440,000 shares common stock of Consolidated Aircraft Corp. from Major R. H. Fleet, members of his immediate family and others for whom he is agent, at a total price of \$10,945,000. Of such purchase price, \$1,665,000 will be paid

with a 3% note of company in that amount due June 30, 1942. Provision is made that the company may discharge the note at its election either by payment of principal amount thereof in cash, or issuance of 225,000 shares of its common stock to Major Fleet or on his order. The balance of the cash required will be obtained from sale of 150,000 shares of company's common stock to Aviation Corp. at \$10 per share, from the company's general funds, and from additional bank loans or deferment of current liabilities

Registration Statement No. 2-4906, Form A1 (12-2-41) San Francisco

Offered Dec. 16, 1941, at \$25 per share and dividend

ing campaign expenses, and for working capital

Registration Statement No. 2-4903, Form A1. (12-1-41)

### SUNDAY, DEC. 21

#### KEARNEY & TRECKER CORP.

Kearney & Trecker Corp. filed registration statement with SEC for 198,083 shares common stock, \$3 par value

Address—6784 W. National Ave., West Allis, Wis.

Business—Manufactures and sells milling machines, which are machine tools widely used in industry for the facing, removal and shaping of metal through the application of a multiple toothed rotating cutting tool to a work piece secured to a moveable table

Underwriters—Blyth & Co., Inc., New York, and The Wisconsin Co., Milwaukee, Wis., are named principal underwriters, others will be named by amendment. Underwriting commission will be \$3.50 per share

Offering—The shares registered are already outstanding and are to be sold to the public for the account of certain selling stockholders; public offering price will be supplied by amendment. Proposed maximum offering price, based on the SEC filing fee, is \$30 per share

Proceeds will be received by the selling stockholders

Registration Statement No. 2-4904, Form S2. (12-2-41)

#### PITTSBURGH STEEL CO.

Pittsburgh Steel Co. has filed a registration statement with the SEC for \$2,000,000 of first mortgage series B 4½% bonds, due Dec. 1, 1950

Address—1600 Grant Building, Pittsburgh, Pa.

Business—Engaged primarily in manufacture and sale of semi-finished steel products, wire products and tubular products

Underwriting—Kuhn, Loeb & Co., and A. G. Becker & Co., Inc., both of New York, each have agreed to purchase \$1,000,000 principal amount of the bonds

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

Proceeds to extent of \$1,040,000 will be deposited with Trustee and will be withdrawn from time to time in the future against property additions which are now contemplated; balance for working capital

Registration Statement No. 2-4905, Form A2. (12-2-41)

### TUESDAY, DEC. 23

#### FOOD MACHINERY CORP.

Food Machinery Corp. filed registration statement with SEC for \$4,000,000 sinking

**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.**

### SATURDAY, DEC. 20

#### TIME FINANCE CO.

Time Finance Co. registered with SEC \$400,000 10-year 5% sinking fund debentures, due Dec. 1, 1951, and option warrants for 20,000 shares common stock, \$1 par value

Address—Louisville, Ky.

Business—Engaged in the "small loan" personal loan business in Kentucky and Minnesota

Underwriting—Underwriters of the debentures are Piper, Jaffray & Hopwood, Minneapolis, and Bankers Bond Co., Louisville, Ky. Underwriting commission is 6%

Offering—The debentures will be offered to the public at 100. Purchasers of each \$1,000 debenture will receive an option warrant entitling holders to purchase 50 shares of common stock on or prior to Dec. 1, 1943, at \$2.75 per share; purchasers of each \$500 debenture will receive option warrants entitling holders to purchase 25 shares of common stock on or before Dec. 1, 1943, at \$2.75 per share

Proceeds will be added to working capital

Registration Statement No. 2-4901, Form A2. (12-1-41)

#### R. L. SWAIN TOBACCO CO., INC.

R. L. Swain Tobacco Co., Inc., has filed registration statement with SEC for 1,000 shares 6% non-cumulative preferred stock, \$100 par; 3,500 shares class A voting common stock, \$1 par; and 50,000 shares of class B non-voting common stock, \$1 par

Address—108 Market St., Danville, Va.

Business—Manufacture and sale of Pinehurst cigarettes and other brands and smoking tobaccos treated with the company's patented Panax Process

Underwriting—None. Securities will be sold by officers and licensed salesmen of company, and by John W. Yeaman, of Martinsville, Va. Commission to selling agents is \$12.75 per share of preferred and 75 cents per share for the class A and B common stock

Offering—The securities will be offered to public at following prices: \$85 per share for the preferred stock, and \$5 per share each for the class A and class B common stocks. The preferred and class B common may also be sold in units of one share of preferred and 3 shares of class B stock at \$100 per unit

Proceeds will be used to purchase a manufacturing plant, equipment, advertis-

# Calendar of New Security Flotations

fund debentures, due 1956. Interest rate will be supplied by amendment to registration statement

**Address—San Jose, Cal.**  
**Business—**Manufacture and sale of food cleaning and packing machinery  
**Underwriters—**Kluder, Peabody & Co., and Mitchell, Tully & Co.  
**Offering—**The debentures will be offered to the public, at a price to be supplied by amendment

Proceeds will be applied toward payment of outstanding bank loans, and for working capital purposes  
**Registration Statement No. 2-4907. Form A2. (12-4-41 San Francisco)**

## THURSDAY, DEC. 25

**INTER-MOUNTAIN TELEPHONE CO.**  
Inter-Mountain Telephone Co. filed registration statement with SEC for 25,000 shares common stock, voting, \$10 par value  
**Address—**Sixth and Crumley Sts., Bristol, Tenn.

**Business—**Supplies telephone service in portions of Virginia and Tennessee

**Underwriters—**Alex. Brown & Sons, Baltimore; Mason-Hagan, Inc., Richmond, Va.; Stern, Wampler & Co., Inc., Chicago; Equitable Securities Corp., Nashville, Tenn.; Courts & Co., Atlanta, Ga.; R. S. Dickson & Co., Inc., Charlotte, N. C.; Minnich, Wright & Co., Inc., Bristol, Tenn.

**Offering—**The 25,000 shares of common stock will be offered to the public, at a price to be supplied by amendment to registration statement. The shares are to be offered for the account of the underwriters, who are to acquire such shares as follows: Southern Bell Telephone & Telegraph Co. and Chesapeake & Potomac Telephone Co. of Virginia, have agreed to sell to above underwriters, a total of 25,000 shares of 6% non-cumulative convertible preferred stock, \$10 par, of company, at a price to be supplied by amendment (20,655 shares of such preferred to be sold by former, 4,335 shares by latter). Underwriters agree that immediately following delivery to them of such shares of preferred stock, each will convert same, share for share, into a total of 25,000 shares of common stock of company

Proceeds will be received by the underwriters  
**Registration Statement No. 2-4908. Form A2. (12-6-41)**

## SATURDAY, DEC. 27

**BOND STORES, INC.**  
Bond Stores, Inc., filed registration statement with the SEC for 50,000 shares common stock, \$1 par value

**Address—**261 Fifth Ave., New York City  
**Business—**Business consists principally of retail sale of men's and young men's clothing at 59 stores located in 48 cities, and the manufacture by the company of most of the clothing sold at such stores

**Underwriters—**Lehman Brothers, and Wertheim & Co., both of New York

**Offering—**The 50,000 shares are already outstanding and are to be offered to the public for the account of Benj. J. Friedman, President of the company. Public offering price will be determined in accordance with a formula, evolving around the then price of such common stock on the New York Stock Exchange

Proceeds will be received by Benj. J. Friedman, President of company  
**Registration Statement No. 2-4909. Form A2. (12-8-41)**

**BURLINGTON REALTY TRUST**  
Bondholders' Committee for holders of Burlington Realty Trust first mortgage 5 1/2% sinking fund bonds (modified to pay interest at 3% on income basis) due Oct. 1, 1945, has filed registration statement with SEC for certificates of deposit to be issued under a deposit agreement covering said bonds, \$1,052,800 of such bonds are outstanding  
**Address—**Company, 175 Woodruff Ave., Brooklyn, N. Y.; Protective Committee, c/o William Healy, 1701 Landreth Bldg., St. Louis, Mo.

**Business—**The Burlington Trust owned, operated and managed merchantile property known and numbered as 21-27 Burlington Ave., at Brookline Ave., Boston, Mass., which was leased to the Post Office Department of the U. S. of America  
**Protective Committee—**John F. Bunn, Jr., Philadelphia; A. A. Christophel, St. Louis; W. C. Siddle, Davenport, Ia. Depository—First Trust & Savings Bank, Davenport, Ia.

**Committee Recommends** that holders deposit their bonds promptly, so that the Committee may be in a position to prepare to bring about a foreclosure sale and protect the interests of the depositing bondholders at such sale, and in addition to be in a position to sell the mortgaged property, if a suitable offer is received  
**Registration Statement No. 2-4910. Form D-1 (12-8-41)**

## WEDNESDAY, DEC. 31

**MERCHANTS & MANUFACTURERS SECURITIES CO.**

MERCHANTS & MANUFACTURERS SECURITIES CO. has filed a registration statement with the SEC for \$1,081,000 of 10-year 4 1/2% debentures, due Sept. 1, 1950  
**Address—**231 South La Salle St., Chicago, Ill.

**Business—**Through its subsidiaries, is engaged in the small loans business

**Underwriting and Offering—**The debentures are outstanding in the hands of the public and have been registered with SEC under Securities Act of 1933 solely for the purpose of obtaining the assent of the holders of not less than a majority in principal amount thereof to modify certain provisions of the indenture under which the debentures have been issued. Smith, Burris & Co., Chicago, is to assist company in obtaining such assents. Major modification of indenture being sought is to permit release from covenants thereof of not to exceed 62,484 shares of common stock of Domestic Finance Corp. now owned by Merchants & Manufacturers

Securities Co. It is present intention of company to dispose of such shares either in exchange for or to utilize the proceeds of the sale thereof for the purchase of shares of participating preferred stock of the company  
**Registration Statement No. 2-4912. Form A2. (12-12-41)**

**VIRGINIA PUBLIC SERVICE CO.**

Virginia Public Service Co. filed a registration statement with the SEC for: \$22,800,000 first mortgage 3 1/2% bonds, due Dec. 1, 1971; \$5,700,000 of 2% 3/2% serial notes, due semi-annually June 1, 1944-Dec. 1, 1951, in varying amounts (from \$320,000 to \$390,000); 70,000 shares 5 1/4% cumulative preferred stock, \$100 par value; and 628,333 shares common stock, no par  
**Address—**117 S. Washington St., Alexandria, Va.

**Business—**Company is principally an electric operating public utility engaged in the production, purchase, transmission, distribution and sale of electric energy at retail and wholesale in Virginia, West Virginia and, to a minor extent, in North Carolina. Company is a subsidiary of General Gas & Electric Corp., which is in the Associated Gas & Electric Corp. holding company system

**Underwriting and Offering—**The securities registered will be sold through competitive bidding, under the SEC's competitive bidding, Rule U-50 of the Public Utility Holding Company Act. Only exception is confined to such shares of the new preferred stock as may be issued on a share for share basis (with a cash adjustment) to holders of the presently outstanding preferred stock who do not elect to take cash for their stock. Name of underwriters, and public offering prices for the securities, will be supplied by post-effective amendment to registration statement

Proceeds will be used as follows: The 628,333 shares of new no par common stock will first be issued to General Gas & Electric Corp. in exchange for the old common stock now held by General Gas & Electric Corp., and will be offered for sale through competitive bidding. The proceeds from the sale of the securities registered will be used to retire all of the outstanding long-term indebtedness of the company, its predecessor and constituent companies, and that of Virginia Public Service Generating Co. (a subsidiary), to make cash payments to its present preferred stockholders, and to provide company with funds for new construction  
**Registration Statement No. 2-4913. Form A2. (12-12-41)**

### 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 1.37 1/2% 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 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 1.37 1/2% cumulative convertible preferred stock will be offered to the public by the following underwriters:

Underwriter	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, Crutenden & Co.	1,000
Victor Common & Co.	1,000

Amendments filed Nov. 25 and Dec. 13, 1941, to defer effective date

### 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 southern 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)**

Proposed offering as amended Dec. 10, 1941, 9,000 shares at \$54.25 per share

Amendments filed Nov. 21 and Dec. 8, 1941, to defer effective date

### 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 6 1/2% 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 MILLING 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)**

Amendment filed Dec. 3, 1941, to defer effective date

### BONWIT TELLER, INC.

Bonwit Teller, Inc. registered 39,334 shares of 5 1/2% 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)**

Amendments filed Nov. 24 and Dec. 11, 1941, to defer effective date

### 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)**

Effective 4:45 p. m. E.S.T. on Nov. 19, 1941

### CESSNA AIRCRAFT CO.

Cessna Aircraft Co. filed registration statement with SEC for 21,445 shares of common stock, \$1 par value  
**Address—**5800 Franklin Road, Wichita, Kansas

**Business—**Manufacture, design development and sale of single and multi-engine aircraft, together with repair parts therefor, for commercial, transport, military and private domestic use, and for export for both private and military use

**Underwriter—**Auchincloss, Parker & Redpath, Washington, D. D.

**Offering—**The shares registered are already outstanding and are to be offered to the public for the account of two selling stockholders

Proceeds will be received by the selling stockholders  
**Registration Statement No. 2-4911. Form S2. (12-9-41)**

Offered Dec. 17, 1941, at \$11.50 per share

### 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 8% cumulative convertible preferred stock, no par; and an indeterminate number of shares of no par common stock, to be reserved for issuance

**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 4 1/2%

sinking fund debentures (\$4,125,000 principal amount due 1950, at 104 1/2%; \$4,535,000 principal amount of the 1938 Issue at 102 1/4%), 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 3 1/2% 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):

Underwriter	Prin. amt.	No. of shs. of bonds 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

Amendment filed Dec. 9 to defer effective date

### CHESAPEAKE CORPORATION OF VIRGINIA

Chesapeake Corporation of Virginia registered with the SEC an unstated number of shares of common stock, \$5 par value. Company estimates that the number of shares to be involved is 135,000 shares

**Address—**West Point, Va.

**Business—**Company is engaged in the manufacture and sale of sulphate pulp, Fourdrinier kraft board and kraft specialties

**Underwriting—**Principal underwriters named are: Scott & Stringfellow, Richmond, Va., and Blyth & Co., Inc., New York. Names of other underwriters will be supplied by amendment to the registration statement

**Offering—**The shares of common stock to be offered under this registration statement are already issued and outstanding, and are to be offered to the public for the account of certain selling stockholders. Public offering price will be supplied by amendment

Proceeds will be received by the selling stockholders  
**Registration Statement No. 2-4895. Form A2. (11-24-41)**

### COLUMBIA GAS & ELECTRIC CORP.

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

**Address—**61 Broadway, N. Y. C.

**Business—**Public utility holding company

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

Proceeds—To redeem \$50,000,000 Deb. 5s, 1952; \$4,750,000 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)**

Amendments filed Nov. 18 and Dec. 6 to defer effective date

### 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—**Murphy, 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 8 1/2%

**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)**

Amendment filed Nov. 8, 1941, to defer effective date

### 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)**

Effective 4:45 p.m., E.S.T., on Nov. 15, 1941.

### ELMORE OIL CORP.

Elmore Oil Corp. registered with SEC 14,000 shares common stock, \$5 par value of which 1,376 shares have been sold heretofore and rescission offer is made  
**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 102 1/2%, the \$52,000,000 of company's First Mortgage 5s of 1954; \$15,693,370 to redeem at \$110 per share, the 142,687 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)**

Amendment filed Nov. 27, 1941, to defer effective date

### HASTINGS MANUFACTURING CO.

Hastings Manufacturing Co. registered with SEC 140,400 shares common stock, \$2 par value  
**Address—**Hastings, Mich.

**Business—**Manufactures and sells piston rings and expanders

**Underwriters—**Schroder, Rockefeller & Co., Inc., are principal underwriters. Other underwriters are Smith, Hague & Co. and Carlton M. Higbie Corp., Detroit, Mich.

of two shares of Houston common for one share of National \$6 preferred stock. Expiration date of exchange offer will be supplied by amendment. Exchange agents are Bankers Trust Co., New York, and First National Bank, Houston, Tex. The exchange offer is permitted as a step preparatory to dissolution of National Power & Light Co.

**ILLINOIS COMMERCIAL TELEPHONE CO.** Illinois Commercial Telephone Co. registered with SEC \$5,750,000 of first mortgage 3 3/4% 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 3 3/4% bonds, due June 1, 1970, at 105 1/2; 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)**  
Amendment filed Nov. 26, 1941, to defer effective date.

**KANSAS-NEBRASKA NATURAL GAS CO., INC.** Kansas-Nebraska Natural Gas Co., Inc., registered with SEC 48,468 shares common stock, \$5 par value. Address—Phillipsburg, Kan.

**Business**—Company is an operating public utility company engaged in the purchase of natural gas in Kansas, and in its transmission and wholesale and retail distribution in the States of Kansas and Nebraska.

**Underwriting**—Names of underwriters, and number of shares underwritten by each, are as follows: First Trust Co., Lincoln, Neb., 11,108 shares; Harold E. Wood & Co., St. Paul, Minn., 15,132; Estes, Snyder & Co., Inc., Topeka, Kan., 10,012; United Trust Co., Abilene, Kan., 5,552; Beccort, Cole & Co., Topeka, Kan., 6,664.

**Offering**—The 48,468 shares are subject to purchase, under certain options, by the above underwriters, from the company, at a price of \$5.4545 per share for a block of 8,468 shares, and at a price of \$5.50 per share for the remaining 40,000 shares. The underwriters, upon exercise of their various options, propose to reoffer such shares to the public at a price of \$5.50 per share.

**Proceeds** will be added to working capital of company.  
**Registration Statement No. 2-4894. Form A2. (11-24-41)**  
Effective—4:45 p. m., E.S.T., on Dec. 11, 1941.

**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 2.61 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 4 3/4 cents per share.

**Proceeds**—For development, purchase of equipment and working capital.  
**Registration Statement No. 2-4727. Form A-1. Refiled (6-16-41)**  
Amendment to defer effective date filed in Cleveland Nov. 28, 1941, and Dec. 8, 1941.

**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 2,408 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)**  
Amendments filed Nov. 19 and Dec. 8, 1941, to defer effective date.

**MCDONNELL AIRCRAFT CORP.**

McDonnell Aircraft Corp. registered with SEC 6,453 1/2 shares 6% Non-Cumulative Convertible Preferred Stock, \$100 par, and 129,063 1/2 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 6,453 1/2 shares of preferred and 64,531 1/2 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 64,531 1/2 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.

**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. (4-2-41)**

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

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

**NORTH SHORE GAS CO.**

North Shore Gas Co. registered with SEC \$3,700,000 of first mortgage series A bonds, due 1961, and \$700,000 serial notes due \$50,000 semi-annually in 1942-1948, inclusive. Interest rates and maturity dates will be supplied by amendment.

**Address**—211 Madison St., Waukegan, Ill.

**Business**—This public utility company is engaged principally in the production, distribution and sale of gas for heat, light, power and other purposes; gas sold consists partially of water gas and partially of coke oven gas. Territory served comprises 270 sq. miles, including all of the communities situated along the shore of Lake Michigan from the Illinois-Wisconsin State line on the north to the south boundary of Winnetka, Ill., on the south.

**Underwriters**—Central Republic Co., Chicago, is named principal underwriter; names of other underwriters will be supplied by amendment.

**Offering**—The bonds and notes will be offered to the public, at prices to be supplied by amendment.

**Proceeds**, plus other funds of company, will be applied to payment, at 100 and accrued interest, of the \$4,604,000 of joint first mortgage 4% Series A bonds, due Jan. 1, 1942, of company and North Shore Coke & Chemical Co.

**Registration Statement No. 2-4889. Form A2. (11-18-41)**

Company has filed an amendment with the SEC disclosing that the \$3,700,000 first mortgage series A bonds of company would bear an interest rate of 4% per annum, and would mature on Dec. 1, 1961. Also that the \$700,000 of serial notes would mature \$50,000 on each June 1 and Dec. 1 from June 1, 1942, to Dec. 1, 1948, both inclusive. The public offering prices of the bonds and notes, and the interest rates on the notes, will be supplied by a subsequent amendment to the registration statement.

Company filed amendment Dec. 11, 1941, giving the interest rates on the serial notes 2 1/2% to 3 3/4%.

The underwriters, and the principal amount of the bonds and notes which each has agreed to purchase, are as follows:

	Bonds	Notes
Central Republic Co., Inc., Chicago	\$1,050	\$200
E. H. Rollins & Sons Inc., New York	900	170
Stern, Wampler & Co., Inc., Chicago	650	120
Coffin & Burr, Inc., Boston	600	115
A. C. Allyn & Co., Inc., Chic.	500	95

**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)**  
Effective 3 p. m. E.S.T. on Nov. 25, 1941

**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, Unaflo 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)**

**PUBLIC SERVICE CO. OF INDIANA, INC.**

Public Service Co. of Indiana, Inc., registered with SEC \$42,000,000 first mortgage series D 3 3/4% bonds, due Dec. 1, 1971. Address—110 N. Illinois St., Indianapolis, Ind.

**Business**—Incorporated in Indiana on Sept. 6, 1941, as result of consolidation of Public Service Co. of Indiana, Central Indiana Power Co., Northern Indiana Power Co., Terre Haute Electric Co. and Dresser Power Corp. Company is a public utility operating in State of Indiana and is engaged principally in production, generation, manufacture, purchase, transmission, supply distribution and sale of electric energy and gas, and in the supply, distribution and sale of water.

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

**Proceeds**, plus other funds of company if necessary will be applied to redemption, within 40 days after issuance of the bonds, of the \$38,000,000 of Public Service Co. of Indiana first mortgage series A 4% bonds, due Sept. 1, 1969, at 105 1/2 and accrued interest; and \$4,000,000 of the net proceeds will be deposited with the trustee under the series D indenture and will be used in accordance with the provisions of the indenture.

**Registration Statement No. 2-4893. Form A2. (11-22-41)**  
Effective—10 a.m. E.S.T. on Dec. 6, 1941. No bids for the purchase of the bonds were received on Dec. 16, 1941.

**RAILROAD EMPLOYEES CORP.**

Railroad Employees Corp. registered with SEC \$750,000 5% convertible sinking fund debentures, due Dec. 1, 1956; and undetermined number of shares \$1 par class A common stock, reserved for issuance on conversion of the debentures.

Number of shares reserved for conversion purposes, 107,142.

**Address**—155 E. 44th St., N. Y. City

**Business**—Through subsidiaries, engaged in the "small loans" business in New York and New Jersey.

**Underwriters**—E. H. Rollins & Sons, Inc., New York, is principal underwriter; others to be named by amendment.

**Offering**—Debentures will be offered to public, at price to be supplied by amendment.

**Price** supplied by amendment, \$98.

**Proceeds** will be added to general funds, and used in part to reduce bank loans and commercial paper.

**Registration Statement No. 2-4891. Form A2. (11-19-41)**

**SOUTH CAROLINA INSURANCE CO.**

South Carolina Insurance Co. registered with SEC 12,500 shares common stock, \$8 par value.

**Address**—1400 Main St., Columbia, S. C.

**Business**—Engaged principally in the writing of fire insurance.

**Underwriting and Offering**—The shares will first be offered for subscription to present stockholders, under their preemptive rights, at price of \$16 per share. Unsubscribed portion of such shares will be offered to public at \$18 per share, within 30 days after effective date of registration statement. Underwriters will be named by amendment; underwriting commission will be \$2 per share.

**Proceeds** will go directly to capital (\$100,000) and the residue to surplus. Company deems it essential to comply with laws of New York State, soon to become effective requiring a minimum capital of \$250,000 and with the laws of Massachusetts requiring a minimum capital of \$300,000.

**Registration Statement No. 2-4898. Form A2. (11-27-41)**

**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. per 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 \$28,626 will be added to working capital.

**Registration Statement No. 2-4824 Form A-1. (8-27-41)**  
(This List is Incomplete This Week)

**UNION LIGHT, HEAT AND POWER COMPANY**

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

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

**Business**—Operating electric utility company.

**Underwriter**—Columbia Gas & Electric Corp.

**Offering**—Stockholders will receive offer to subscribe to 25/94ths of one common share in units of 5/94ths of a share for each 5/94ths of a share held at \$5.37 for each unit. On a share basis, stockholders may subscribe to 5 new shares for each share held at \$100.016 per share. Substantially all outstanding stock is held by Columbia Gas & Electric Corp.

**Proceeds**—To repay current debt and \$2,335,000 first mortgage bonds held by parent and associated companies, plus for construction costs.

**Registration Statement No. 2-4379. Form A-2. (3-30-40)**  
Amendments filed Nov. 25 and Dec. 13, 1941, to defer effective date.

**UNITED WHOLESALE DRUGGISTS OF PITTSBURGH, INC.**

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

**Address**—6543 Penn. Ave., Pittsburgh Pa.

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

**Underwriting**—None

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

**Proceeds**—Will be used for purchase of equipment, and for working capital.  
**Registration Statement No. 2-4818 Form A-2. (8-22-41)**  
Effective—Oct 7, 1941 at 11 A. M., E.S.T.

**VIRGINIA LAND CO.**

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

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

**Underwriters**—None

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

**Proceeds**—For development of lands purchase of equipment, and working capital.  
**Registration Statement No. 2-4767. Form S-10 (5-23-41)**  
Effective—Under notice of deficiency 4:45 P.M., E.S.T., Sept. 21, 1941.

**SEC Announces Its Acceleration Policy**

The Securities and Exchange Commission on Dec. 6 issued a statement of its general policy regarding requests for acceleration of the effective date of registration of securities on national securities exchanges under the discretionary authority given it by Section 12 (d) of the Securities Exchange Act of 1934.

It was stated that requests for acceleration of registration will be considered in cases where, in the Commission's opinion, adequate and reasonable current information concerning the issuer has already been filed with the Commission and made available to the public. However, in passing upon such requests, the Commission will consider certain additional factors, such as the adequacy of disclosure in the instant application, the distribution of the issuer's securities, and its compliance with the requirements of other regulatory statutes and authorities.

The Commission emphasized that where acceleration of the effective date is to be requested the application for registration should be filed early enough to allow at least 10 days for examination of the application and consideration of the request, and that acceleration should not be requested where the application can be filed sufficiently in advance to avoid the necessity thereof.

The text of the Commission's statement follows:

Section 12 (d) of the Securities Exchange Act of 1934 confers upon the SEC discretionary authority to accelerate the effective date of registration of securities for which applications for registration are filed under Section 12 (b) and (c). The Commission's general pol-

icy regarding requests for acceleration will be as follows:

The Commission will consider requests for acceleration of the effective date of registration of securities in cases where, in its opinion, adequate and reasonable current information concerning the issuer has previously been filed and made available to the general public under any Act administered by the Commission. However, in passing upon requests for acceleration the Commission will also consider the following additional factors:

(a) The adequacy of disclosure in the application for registration and its general compliance with the requirements of the Act and the rules and regulations thereunder;

(b) The distribution of the securities being registered or the distribution of other securities related thereto;

(c) The operation of the exchange's trading mechanism in relation to the date on which effective registration is requested;

(d) Compliance with the registration requirements of the Securities Act of 1933;

(e) Any other factors pertinent to the particular case, such as required stockholder approval; qualification under applicable State "Blue-sky" laws; authorization by appropriate State and Federal agencies having jurisdiction; Court proceedings; and similar matters connected with the securities being registered or with other securities related thereto.

Requests for acceleration of the effective date of registration of securities may be made either by the registrant or its authorized representatives or by the exchange on which registration is sought. Every request should be in writing and should state the grounds upon which it is based and the approximate date on which effective registration is desired.

While the Commission will cooperate with registrants and with exchanges by acting upon requests for acceleration as promptly as possible, consistent with the public interest and the protection of investors, applications for registration should be filed early enough to allow at least 10 days for examination of the application and consideration of the request for acceleration by the Commission.

Wherever applications can be filed sufficiently in advance to permit registration to become effective in the ordinary course, requests for acceleration should not be made.

**R. G. Bulkley Now With Harris, Upham In Denver**

DENVER, COLO.—Ralph G. Bulkley, President of R. G. Bulkley & Co., has become associated with Harris, Upham & Co., members of the New York Stock Exchange, in their Denver office, 828 17th Street. R. G. Bulkley & Co. has discontinued the purchase and sale of securities.

**Laidlaw Co. To Add Noel, MacLean and Van Deventer**

Laidlaw & Co., 26 Broadway, New York City, members of the New York Stock Exchange and other leading national exchanges, will admit Daniel E. MacLean, Louis W. Noel and William F. Van Deventer to partnership in the firm on Jan. 2, 1942.

**Max Ibers With Schultz**

Max Ibers has become associated with L. J. Schultz & Co., 76 Beaver Street, New York City. Mr. Ibers was formerly with Quincy Cass Associates in Los Angeles.

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**R. W. Pressprich To  
Admit J. Clapp, Jr.**

John J. Clapp, Jr., manager of the Municipal department for R. W. Pressprich & Co., 68 William Street, New York City, members of the New York Stock Exchange, will be admitted to partnership in the firm on Jan. 1, 1942.

**Bond Club Hears Wriston**

Dr. Henry M. Wriston, President of Brown University, and author of "Prepare for Peace," was guest of honor and principal speaker at the Bond Club of New York luncheon on Dec. 17. The United States, Dr. Wriston said, now finds itself united, but to maintain this unity a "new quality of unity must come into the American life. It must be a unity founded upon commonly accepted political and social premises which are positive rather than negative. When the external pressure is destroyed, only internal cohesion can preserve our unity."

True democracy, the faith in the individual, simplification of government, limiting its regulations, and freeing business and enterprise from its burdens, will be our salvation, said Dr. Wriston, closing. "If democracy is worth fighting on all the continents of the earth to defend, it is worth a struggle to protect it here. That faith is the way to national unity; it is the path to peace."

**G. H. Simpson Jr. Now  
With Lewis And Hall**

(Special to The Financial Chronicle)  
**GREENSBORO, N. C.**—Guy H. Simpson, Jr., has become associated with Lewis and Hall, Jefferson Building. Mr. Simpson was formerly an officer of First Securities Corporation of Durham, making his headquarters in Greensboro, and prior thereto was local representative for Kirchofer and Arnold, Inc.

**To Admit Letchworth**

**SAN FRANCISCO, CALIF.**—William P. Letchworth will become a partner in Strassburger & Co., 133 Montgomery Street, members of the New York and San Francisco Stock Exchanges, as of Dec. 31st. Mr. Letchworth has been connected with the firm for some time as manager of the investment department.

**C. Hoyt Will Admit Cale**

B. F. Hobart Cale will be admitted to partnership in Colgate Hoyt & Co., 14 Wall Street, New York City, on Jan. 1, 1942.

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**Our Reporter On "Governments"**

The Government bond market has been and is acting beautifully. In large part the way in which it has been controlled since the outbreak of the war. . . . Controlled not so much by official action—outright buying is only one part of the picture. . . . But by "gentlemen's agreements" among the big holders, the banks. . . . And by psychological stimulants. . . . And by appeals to patriotism. . . . And by shrewd handling of the New York dealers, "allowing them to take care of as much of the market as they wish."

Objectively speaking, it has been technically an extraordinarily good job. . . . And that leads to the conclusion that the Treasury and/or the Federal Reserve System will continue to manage the market in a way designed to inspire confidence among investors, present and potential. . . . And that leads to the obvious conclusion that despite the world-wide war:

- (1) Interest rates will remain low;
- (2) The market will remain around these levels, possibly fluctuate within a point of today's prices . . .

**Comments**

Here are some of the comments of leading dealers, experts on the U. S. Government bond mart. . . . They represent opinions gathered during the first week of warfare—the week when one would ordinarily expect the greatest movements in prices and the most disturbance:

"We expect the Treasury and the Federal Reserve Banks to continue a close watch on all prices and to give whatever support is necessary to maintain current levels."

"There is a definite drive on to keep the new 2½s and 2s at or above par. The bonds may slip below now and then, but even that is unlikely at the moment. And we feel the 2½s of 72/67 at 100 represent the market's 'stabilization point.'"

"So far, the volume of liquidation has been small. The number of 25, 50 and 100 bond orders, however, has been comparatively large, indicating selling by stock exchange houses, individuals, trust accounts, country banks, etc. The buying has come from a few major banks and insurance companies. The Government's buying has been restricted to the new issues and Treasury bills."

"Our confidence is greater than before, for we have just seen how easily the market can be maintained. The ease with which the Treasury and Federal Reserve held the market this time is the result of the experience the agencies obtained in September, 1939 and in the spring of 1940."

"We feel it is unpatriotic to hit the market with short-selling or large-scale liquidation now. Our firm will not sell Government bonds short from now on." (This is a particularly important observation, suggesting the development of a psychological attitude of vital significance to the market.)

**Control**

So far, the market has needed mighty little support, because of the fact that liquidation has been comparatively small and because of the fact that most dealers and investors are fully aware of the control powers of the Government. . . . That second point is the most important, too. . . .

The chances are the Treasury and Federal Reserve System will continue taking care of any undesirable declines on their own. . . . They have plenty of power, plenty of leeway. . . . Just the Treasury's investment accounts could handle plenty of selling. . . . Then there's the open market committee of the Reserve. . . . And there's that psychological angle—which can't be stressed enough. . . .

**But just in case additional support were necessary, there would be the Stabilization Fund. . . . Only \$200,000,000 of this \$2,000,000,000 fund is in use in the revolving fund. . . . The \$1,800,000,000 balance still is in safekeeping at the Treasury. . . . And this fund, under the 1934 law creating it, can buy and sell Governments when "in the public interest."**

Add to this direct support the indirect control that may be tendered by changes in reserve requirements, in the gold policy, etc., and you have a general idea of the power of the Government to keep prices and interest rates where they are. . . .

At his press conference, Secretary Morgenthau answered a question about continuing support with this statement, "I don't know, but if necessary, we will"

He continued: "We are standing there ready to buy and keep the market orderly and demonstrate that there is plenty of confidence around."

Study those comments. . . . Then try to visualize a market down three to five points. . . . Just try to imagine it as long as the Government feels the way it

does about stable prices and as long as the need for stable prices is so great. . . .

Story is, so far the two agencies have restricted their buying to the new 2½s and 2s—to absorb the sales of free riders and scared "little fellows."

**Reserve Requirements**

This may be premature, but this column hereby goes on record with the prediction that reserve requirements of member banks will be lowered in the relatively near future. . . .

At the moment, the need for lowering requirements—and thereby increasing excess reserves and the ability of the banks to absorb Government obligations—doesn't appear pressing at all. . . . But the need may become so. . . . The feeling is likely to be that a slight decrease in requirements would bring back confidence in the continuing stability of prices more rapidly than almost any other move. . . . And there's a chance that this move may be dictated by some sudden decline in prices due to lack of buying on the part of the big commercial banks. . . .

Excess reserves total around \$3,840,000,000 for the country as a whole now. . . . Seems a big figure but the division of surplus funds isn't so good. . . . In New York, excess funds total only \$1,070,000,000. . . .

**The Outlook**

The commercial banks in New York will continue operating under the gentlemen's agreement, arranged when England and Germany clashed in the fall of 1939. . . . The agreement has been working beautifully. . . . In the first three days of the war, not only did the New York banks not dump bonds overboard, but they also bought \$38,000,000 additional Treasury bonds, \$4,000,000 Treasury bills (the one type of issue supported by the Reserve) and \$20,000,000 Government-guaranteed securities. . . .

There will be tremendous increases in sales of defense bonds and an accompanying intensification of the defense bond drive. . . . Chances are the Treasury's sales of these will double in the next few months. . . .

The refunding program probably will go through as scheduled. . . . In January. . . .

Open market borrowing, though, may be deferred for a while. . . . And with money flowing in from sales of defense bonds, this is quite satisfactory. . . .

Insurance company buying is becoming and will become more important. . . . Distribution of Government securities among insurance companies is admittedly a desirable thing and the insurance companies are expected to begin buying on a large scale soon. . . . To capsulize it: The outlook is good. . . .

**N. Y. State Suspends  
Hours Restrictions  
In War Industries**

All laws of the New York State imposing restrictions on the hours of labor permitted were suspended on Dec. 12 in order to comply with President Roosevelt's call for a speed-up of production in defense industries to a seven-day week. This action was taken by Governor Lehman following a conference in Albany with legislative and labor leaders. The Governor called the conference after receiving a telegram from Secretary of War Stimson and Acting Secretary of the Navy Forrestal urging that he use his "authority to prevent such peacetime restrictions from interfering in any way with maximum possible production." Gov. Lehman said the representatives of labor voiced an understanding of the crisis and the determination

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of wage earnings to increase production to the limit.

The President called for a seven-day week in war industries in his radio talk to the Nation on Dec. 9 (See issue of Dec. 11, page 1457).

President Roosevelt said at his press conference on Dec. 12 that he had no plans for changing the basic 40-hour week provided for in the Wage-Hour Law. He said that time-and-a-half must continue to be paid for all work hours in excess of 40.

William S. Knudsen, Director-General of the Office of Production Management, said on Dec. 10 that the wartime production program demands a 168-hour work week for plants producing tanks, ships, anti-aircraft guns, airplanes and munitions. With regard to the conference Gov. Lehman said:

Every one expressed a desire to proceed immediately along the lines proposed by the President. The representatives of labor voiced an understanding of the crisis and the determination of the wage earners to increase production to the limit.

It was agreed by all that any employer engaged in war production may apply to the State Department of Labor for authority to operate on a seven-day week, to employ women on a three-shift basis and to waive other provisions of law restricting hours of employment. The Department of Labor will immediately establish a special unit to give prompt action on applications coming from employers engaged in war production.

Declaring that the Governor's Conference with members of the Legislature, labor leaders and himself on Dec. 12 on War and Navy Department requests for a 24 hour, 7-day week war production was not a waiver of the Labor Laws, State Industrial Commissioner Frieda S. Miller on Dec. 15 announced the first formulation of procedures to aid primary and sub-contractors working on war orders to secure, where necessary, certain relaxations in hours regulations embodied in the State Labor Laws. Her announcement was made after Commissioner Miller had conferred with William J. Picard, Chairman of the Board of Standards and Appeals, said the announcement by the State Department of Labor, which added:

Permission under Section 161 of the Labor Law to work 7 days a week has habitually been considered by the Board of Standards and Appeals and a number of such variations have been allowed, according to Chairman Picard. The Board will continue to act on such petitions as heretofore.

"The new procedures have been designed to help management and labor increase war production to the limit," Commissioner Miller explained. She further said:

Where legal restrictions can be shown to interfere with maximum production, applications will be considered for permission to work women seven days a week or on a three-shift basis or to waive other provisions of law restricting their hours of employment."