

# FINANCIAL COMMERCIAL CHRONICLE

(Reg. U. S. Pat. Office)

Volume 154 Number 4024

New York, N. Y., Thursday, December 25, 1941

Price 60 Cents a Copy

## OUR REPORTER'S REPORT

The investment banking world, rounding out a year which has brought more than the usual quota of ups and downs, is inclined to look forward to 1942 with a degree of expectancy.

Except for a smattering of loose-ends, consisting chiefly of off-the-market offerings of blocks of stocks, such as the 75,000 shares of General Motors common placed on Tuesday, the underwriting bankers consider their business year just about closed.

The let-down which came in the wake of the outbreak of war between the United States and Japan naturally has offset plans of corporations which had been contemplating refundings or new money operations.

But that setback to the

(Continued on Page 1646)

## BROOKLYN TRUST COMPANY

Chartered 1866

George V. McLaughlin  
President

NEW YORK BROOKLYN

Member Federal Deposit Insurance Corporation

## THE CANADIAN BANK OF COMMERCE

HEAD OFFICE: TORONTO

Established 1867

Paid-Up Capital...\$30,000,000  
Reserve... 20,000,000

This Bank is in close touch with the commercial and financial life of Canada and is well equipped to serve corporations, firms and individuals interested in Canadian business.

Branches in every important city and town in Canada and Newfoundland, also in Portland, Oregon; San Francisco; Seattle; Los Angeles; London, England; Havana; Kingston, Jamaica; Bridgetown, Barbados, and Port of Spain, Trinidad.

NEW YORK AGENCY  
Exchange Pl. & Hanover St.

## CARL M. LOEB, RHOADES & CO.

61 BROADWAY

NEW YORK

London Buenos Aires

## Over-The-Counter Dealers Must Unite

Newspaper Quotations Now Make It Impossible To Conduct Business At Profit

In our issue of December 18 we carried an article under the above heading. It disclosed the situation which has arisen under the new NASD system of preparing quotations on over-the-counter securities for publication in the press.

We concluded with a request that our readers most concerned write us their views on the subject.

Today we present some of the replies that have been received. Further comments and suggestions are urgently asked. Requests that names not be printed will be scrupulously observed.

Within the past year my firm has devoted much of its efforts to the sale of fire insurance and casualty securities. Due to the fact that investors are unfamiliar with insurance stocks, far more sales effort is required to close business. It is certainly worth more commission than the narrow published spreads will allow. Investors should be willing to pay more than an order taker's commission to become informed of the fine record of insurance stocks.

As a specific example of service—one of my customers, within the past month, agreed to sell five Buncombe County, N. C. bonds and invest the proceeds in 140 shares of insurance stocks. This customer permitted me to time the purchase, which is still pending. At the current market the possible saving amounts to \$2 per share on the 140 shares, which approximates two years interest. Surely I should be entitled to more than the 1/4 point spread between our National Daily Quotation Service sheet and the newspaper quotation. The stock to be purchased is New Amsterdam Casualty which is shown in the quotation sheet of December 17 at 17 1/4 bid—offered at 18 1/4 in two cases and at 18 1/4-19 in another. The Cincinnati Enquirer of the same date shows a quotation of 17 1/4 bid—offered at 18 1/4 for this same stock. In this case a \$35 commission seems out of all proportion to the service rendered.

This is merely the execution phase of the order and does not take into account the analytical work required to select the better values for customers. Of course, the customer may be sold on the value of these services, but the comparison of newspaper quotations on insurance stocks with quotations of listed stocks will persist in his mind. I believe that the service rendered is of a professional nature comparable to that of a lawyer or doctor and it should be unnecessary to explain all the elements involved in the fee.—L. H. Harrison (Cincinnati), Browning and Company.

Following are a group of leading Bank, Insurance and Industrial over-the-counter stocks. This study shows in a most revealing way that the present quotations furnished to the press by the NASD allow far too small a profit margin if a Dealer is guided by these quotations in conducting his business.

This study takes into consideration two important factors that the sponsors of these quotations seem to have overlooked. Columns (E) and (F) show the amount of gross profit after deductions of two important items. These figures are net after a deduction of \$8.00 per hundred shares for average costs that are always part of a transaction when the Dealer acts as principal (taxes, clearance charges, wire and teletype expense, mailing and transfer charges, (Continued on Page 1642)

## R. H. JOHNSON & CO.

INVESTMENT SECURITIES

64 Wall Street

New York

BOSTON

PHILADELPHIA

## THE NEW YORK TRUST COMPANY

Capital Funds . \$37,500,000

100 BROADWAY

MADISON AVENUE AND 40TH STREET

TEN ROCKEFELLER PLAZA

Member of the Federal Deposit Insurance Corporation



## Over-the-Counter Securities

## Kobbé, Gearhart & Co.

INCORPORATED  
Members N. Y. Security Dealers Ass'n  
45 Nassau Street New York  
Tel. Rector 2-3600 Teletype N. Y. 1-576

## President Accepts Industry-Labor Ban On Strikes; Closed Shop Issue Remains

President Roosevelt on Dec. 23 accepted the three-point general agreement reached by management and labor for uninterrupted production in defense industries for the duration of the war. The plan, proposed by Senator Thomas (Dem. of Utah), Chairman of the Senate Labor Committee and Associate Moderator of the joint conference, provides that (1) there shall be no strikes or lockouts, (2) all disputes shall be settled by peaceful means, and (3) the President shall set up a proper war labor board to handle these disputes.

Before the President's intervention, the conference of 12 industry and 12 labor representatives, had been deadlocked because of industry's demands for inclusion of a fourth provision, i.e., the closed shop be ruled out as an issue for governmental arbitration. However, the President directed that the three-point formula be accepted thus turning down the fourth point for which industry had been holding out. The President stepped into the dispute on Dec. 23 after William H. Davis, Chairman of the National Defense Mediation Board and Moderator of the conference,

and Senator Thomas had informed him of the deadlock over the closed shop question.

Mr. Roosevelt's letter to the conference, read on Dec. 23 by Mr. Davis, follows:

Gentlemen of the conference: Moderator Davis and Senator Thomas have reported to me the results of your deliberations. They have given me each proposition which you have discussed. I am happy to accept your general points of agreement as follows:

1. There shall be no strikes or lockouts.
2. All disputes shall be settled by peaceful means.
3. The President shall set up a proper War Labor Board to

(Continued on Page 1647)

## INDEX

### Regular Features

Page	
1646	Bank and Insurance Stocks
1653	Calendar of New Security Flotations
1647	Investment Trusts
1648	Municipal News and Notes
1641	Our Reporters Report
1644	Personnel Items
1645	Railroad Securities
1650	Securities Salesman's Corner (The)
1645	Tomorrow's Markets—Walter Whyte Says
1656	Bond Selector (The)
1652	Whisperings
1650	Our Report on Governments
1652	Uptown After 3
1644	Jottings

### Miscellaneous

1641	Over-the-Counter Dealers Must Unite
1641	President Accepts Non-Strike Pact
1643	Sees War Economy Presenting New Problems
1643	"Getting" Dealers or "Protecting" Investors

## THE CHASE NATIONAL BANK OF THE CITY OF NEW YORK

Broaden your customer service with Chase correspondent facilities

Member Federal Deposit Insurance Corporation

## Canadian Securities

DIRECT PRIVATE WIRE TO TORONTO

## The FIRST BOSTON CORPORATION

NEW YORK BOSTON CHICAGO PHILADELPHIA SAN FRANCISCO AND OTHER PRINCIPAL CITIES

## OTIS & CO.

(Incorporated)  
Established 1899

CLEVELAND

New York Chicago

AMERICAN MADE MARKETS IN CANADIAN SECURITIES

## HART SMITH & CO.

Members  
New York Security Dealers Assn.  
52 WILLIAM ST., N. Y. HANOVER 2-0980  
Bell Teletype NY 1-395  
New York Montreal Toronto

## FINCH, WILSON & CO.

Members New York Stock Exchange

Commission Orders Carefully Executed for Institutions and Individuals

120 BROADWAY, NEW YORK

**MARKETS FOR MORTGAGE CERTIFICATES**

issued by  
**BOND & MORTGAGE GUAR. CO.**  
**HOME TITLE INSURANCE CO.**  
**LAWYERS MORTGAGE CO.**  
**LAWYERS TITLE & GUAR. CO.**  
**N. Y. TITLE & MORTGAGE CO.**  
**STATE TITLE & MORTGAGE CO.**  
**TITLE GUARANTEE & TRUST CO.**  
 All other local companies  
**Newburger, Loeb & Co.**  
 Members New York Stock Exchange  
 40 Wall St., N. Y. Whitehall 4-6300  
 Bell Teletype NY 1-2033  
 Philadelphia Atlantic City Lebanon

**Eastern Sugar Assoc. Pfd.**  
**Punta Alegre Sugar**  
**Vertientes Camaguey Sugar**  
**West Indies Sugar**

**J. F. Reilly & Co.**  
 Members  
 New York Security Dealers Assn.  
 50 Broad St., New York, N. Y.  
 HANover 2-4660  
 Bell System Teletype, N. Y. 1-2480

**A. E. Staley**  
 Common  
**Cuba Co.**  
 Preferred

**Berkeley-Cariart**  
 5 1/8s, 1946

**Shuron Optical Co.**  
 Common

**Minneapolis Gas Light**  
 4s, 1950

**Detroit International Bridge**  
 Bonds & Stocks

**Frank C. Masterson & Co.**  
 Members New York Curb Exchange  
 64 WALL ST. NEW YORK  
 Teletype NY 1-1140 HANover 2-9470

**Phila. & Read. C. & I. 5s, 1973 C/Ds**  
**Nat'l Bronze & Aluminum Commcn**  
**Stevens & Thompson Paper 3 1/2s, 1958**  
**Stevens & Thompson Paper Commo.1**  
**Houston Oil Co. Preferred**  
**Tudor City Units**

All Westchester Mortgage Certificates and Bank Stocks

**Schoonover, deWillers & Co.**  
 INC.  
 120 BROADWAY INC. 20 S. BROADWAY  
 NEW YORK, N. Y. YONKERS, N. Y.  
 REctor 2-7634 MAble 7-8500  
 Bell Teletype NY 1-2361

**OFFERINGS WANTED**

**Berland Shoe Com. & Pfd.**  
**Edison Bros. Pfd. (New & Old)**  
**Louisiana Ice & Electric Com.**  
**Texas Pr. & Lite 6 & 7% Pfd.**

**EDWARD D. JONES & Co.**  
 Established 1922

**Boatmen's Bank Building, ST. LOUIS**

Members  
 New York Stock Exchange  
 St. Louis Stock Exchange  
 Chicago Stk. Exch. Chicago Bd. of Trade  
 Assoc. Member Chicago Mercantile Exch.  
 New York Curb Exchange Associate

Phone Central 7600 Postal Long Distance Bell Teletype—ST L 593

**PUBLIC UTILITY PREFERRED**

**G. A. Saxton & Co., Inc.**

70 PINE ST., N. Y. Whitehall 4-4970  
 Teletype NY 1-609  
 NEW YORK BOSTON

**Over-The-Counter Dealer Must Unite**

(Continued from First Page)

etc.). There is also a division of the balance remaining based upon a 50/50 commission arrangement. We don't believe that anyone expects salesmen to work without compensation nor do we believe that any Dealer today can hire competent men for much less than this basis of about one half the gross after taxes, etc.

Bank Stock Group—	(A)	(B)	(C)	(D)	(E)	(F)	(G)
Bank of Manhattan	13 1/4-14 1/4	13 1/4-14	1/2 point	1/2 point	\$8.50	\$14.75	\$1,400
Chase National	24 1/2-25 1/2	25 -25 1/2	1/2 point	1/2 point	21.00	8.50	2,500
National City	23 -24	23 1/4-23 3/4	1/2 point	1/2 point	8.50	14.75	2,300
Bankers Trust	43 1/4-45 1/4	44 1/4-44 3/4	1/2 point	1/2 point	14.75	27.25	4,500
Chemical Bank & Trust	39 1/4-40 1/4	39 1/4-40	1/2 point	1/2 point	2.25	39.75	4,000
Empire Trust	41 1/4-43 1/4	41 -42 1/2	None	1/2 point	None	33.50	4,300
Irving Trust	9 1/2-10 1/2	9 1/2-10	1/2 point	1/2 point	2.25	27.25	1,000
Manufacturers Trust	31 1/2-32 1/2	31 1/2-32 1/4	1/2 point	1/2 point	2.25	14.75	3,300
Total					\$59.50	\$260.50	\$23,350

Insur. Stock Group	(A)	(B)	(C)	(D)	(E)	(F)	(G)
Aetna Life	24 -25	24 1/4-24 3/4	1/2 point	1/2 point	\$8.50	\$8.50	\$2,500
American Equitable	17 1/2-18 1/2	17 1/2-18 1/4	1/2 point	1/2 point	2.25	2.25	1,800
American Surety	46 1/2-48	47 -49	1/2 point	1/2 point	21.00	46.00	4,700
Baltimore American	6 -6 1/4	6 -6 1/4	None	1/2 point	None	14.75	650
Camden Fire	19 1/2-20 1/4	19 1/2-20 1/4	1/2 point	None	8.50	None	2,000
Firemen's	8 1/4 - 9	8 1/4 - 8 3/4	1/2 point	1/2 point	2.25	8.50	900
Great American	25 1/4-26 1/4	26 -26 1/4	1/2 point	1/2 point	8.50	8.50	2,600
Hanover	24 1/2 - 5 1/4	24 1/2-25 1/4	1/2 point	1/2 point	2.25	14.75	2,700
Home Insurance	26 1/2-27 1/2	26 1/2-26 3/4	1/2 point	1/2 point	2.25	14.75	2,700
New Brunswick	31 1/2-33 1/2	32 -33 1/4	1/2 point	1/2 point	2.25	14.75	3,300
Prov. Washington	31 -32 1/2	31 -32	None	1/2 point	None	21.00	3,200
Westchester Fire	33 1/2-35 1/2	34 -34 1/4	1/2 point	1/2 point	22.25	14.75	3,500
Total					\$80.00	\$168.50	\$30,350

Industrial Stock Group	(A)	(B)	(C)	(D)	(E)	(F)	(G)
Am Cyanamid pref.	11 1/4-12	11 1/4-11 1/2	1/2 point	1/2 point	\$2.25	\$14.75	\$1,200
American Hardware	18 1/2-19 1/2	18 1/2-19 1/4	None	1/2 point	None	2.25	1,900
Autocar Co.	18 1/2-19 1/2	18 1/2-19	1/2 point	1/2 point	2.25	14.75	1,900
General Machinery	27 1/2-28 1/2	27 -28 1/4	None	1/2 point	None	27.25	2,900
Giddings & Lewis	10 1/2-11 1/2	10 1/2-11 1/4	None	1/2 point	None	14.75	1,100
Great Lakes S. S.	38 1/2-40 1/2	38 -40	None	1/2 point	None	14.75	4,000
Harrisburg Steel	14 1/2-15 1/2	15 -15 1/4	1/2 point	1/2 point	2.25	14.75	1,500
P. R. Mallory	9 1/2-10 1/2	9 1/2-10 1/4	1/2 point	1/2 point	None	None	1,000
Ohio Match	7 1/2-8 1/2	7 1/2-8 1/4	1/2 point	1/2 point	2.25	2.25	800
Remington Arms	3 1/2-4 1/2	3 1/2-4	None	1/2 point	None	21.00	450
Superior Tool & Die	2 1/2-3 1/2	2 1/2-3 1/4	1/2 point	1/2 point	2.25	2.25	200
Triumph Expl.	3 -3 1/2	3 1/4-3 1/2	1/2 point	1/2 point	2.25	8.50	350
Warner & Swasey	16 1/2-17 1/2	16 1/2-17	1/2 point	1/2 point	2.25	14.75	1,700
Total					\$15.75	\$150.00	\$19,000

- (A) Newspaper quotes, Dec. 13, 1941.
- (B) Actual markets, from National Dly. Quot. Serv., Dec. 13, 1941.
- (C) Total gross if dealer acts as principal—Buy side.
- (D) Total gross if dealer acts as principal—Sell side.
- (E) Net profit to salesman or to house on a basis of a 50% commission and after deduction of \$8.00 per hundred for average handling expense—Buy side.
- (F) Net profit to salesman or to house on a basis of 50% commission and after deduction of \$8.00 per hundred for average handling expense—Sell side.
- (G) Total market value in dollars, 100 shares.

Does any one who has ever run any kind of a business believe that the average Dealer can exist on the basis of such profits as are shown here? In the Bank group, for handling over \$23,000 worth of securities, his profits on the Buy and Sell side amount to about 1/4 of 1% and 1/2 of 1% respectively. The same in the Insurance group and in the Industrials it's even worse.

The SEC doubtless wishes to be of the utmost service to investors. What better purpose could the Commission serve than to see to it that the excellent and liquid markets for many of these leading issues in the over-the-counter group is maintained and preserved? In order to insure orderly and liquid markets it is absolutely essential that dealer activity is encouraged and not discouraged. Dealer activity is based upon sales effort. Unless salesmen go out in the highways and the byways and talk to investors—unless they put in many an hour of hard, discouraging work—and regardless of any arguments to the contrary, we know from actual contact with dealers and salesmen all over the country even leading insurance and bank stocks today have to be sold. People just do not call up and buy them. There are no lines waiting to buy in broker's offices. Selling stocks is one of the hardest, most thankless and difficult ways of earning a living that anyone could choose under today's conditions. In order to get anyone to do it they at least must have sufficient incentive to make the effort worth while.

Based upon the meagre commissions that this study indicates the average salesman would earn how could anyone except any Dealer to be interested in hiring a sales force and in trying to build an organization for the distribution of securities? It is time for a realistic appreciation upon the parts of all concerned of the seriousness of the problem that this condition has brought about. A revision of these quotations is vital to the continuance of the over-the-counter business.—Anonymous (New York City).

I read with great interest the editorial on the first page of your good publication dated Thursday, December 18, 1941, in reference to the narrow spreads existing in the published financial column in this country in regard to bank and insurance stocks.

This firm, for a number of years, have been large distributors of New York bank stocks and insurance stocks in this territory. We have felt that in selling this class of merchandise, we were offering our clients the best securities that it was possible for them to buy as a long term investment, but today with the existing quotations, we find that we cannot offer these securities to our clients and make any profit, and this seriously affects our business and our ability to continue in the investment banking business. We have never tried to extort an exorbitant profit from the client in the distribution of bank and insurance stocks, and it has been our practice to try to deliver these securities to our customer much below the existing asked price, but we now find that most of the time we cannot even buy the stocks ourselves at the existing asked price as

**J. B. Cornell To Join Atlantic Investing**

As of Jan. 1, 1942, John B. Cornell, Jr., will become associated with Atlantic Investing Corporation, 67 Wall Street, New York City, dealers and brokers in over-the-counter stocks and bonds. Mr. Cornell will continue to specialize in reorganization securities and railroad bonds.



Mr. Cornell has been manager of the reorganization securities department of Roggenburg & Company since 1938, and prior thereto was a partner in DuVal, Cornell & Co. In the past he was manager of the railroad and industrial bond departments of Hammons & Co., Inc., and was with Hoyt, Rose & Troster, and J. P. Morgan & Co. He is one of the original members of the Security Traders Association of New York and is active in the affairs of the National Security Traders Association.

**Now Hanna-Kramer Co.**

BURLINGTON, IOWA — The firm name of W. D. Hanna & Company has been changed to Hanna-Kramer Company and the main office is now located in the Farmers' and Merchants' Bank Building in Burlington. Officers and personnel of the organization are unchanged.

published in the paper, and feel that the narrow spread now existing is wholly unjustified and eliminates our sales force from offering bank and insurance stocks which this firm contends are pre-eminent investments for the average individual.

The investment banking fraternity will owe your distinguished publication the deepest gratitude if there is any way in which you can have this present quotation service revised.—W. Carroll Mead (Baltimore).

We are writing to tell you that we feel that your article "Over The Counter Dealers Must Unite" is extremely timely.

Our little shop activities are predicated on dealing in those seasoned Over The Counter Securities such as Utility preferred, Bank and Fire Insurance stocks.

We have, indeed, been greatly disturbed by the almost vanishing differential between wholesale and retail bid and ask prices. In our conversation with dealers in the Cleveland district we find they too are complaining about this. It really seems to us that it is making existence almost impossible for those who wish to deal in high grade Over The Counter stocks.—Anonymous.

Your editorial on the front page of your current issue struck me as touching upon one of the most important problems of the day concerning non-member houses, and I hope your effort to stimulate action looking toward the revision of quotations on unlisted securities, as now published in the daily papers, will prove successful.

Unless these quotations at very narrow spreads between bid and asked prices are revised to reflect a realistic view of the markets that actually exist for over-the-counter securities, we are afraid that thousands of non-member firms and tens of thousands of holders of unlisted securities will suffer irreparable loss. For if the machinery for the distribution of securities as represented by these non-member houses is scrapped, by the elimination of all opportunity to realize profit from the sale of unlisted securities, then the vast majority of unlisted stocks, representative of companies with capitalizations of a few hundred thousand shares, inevitably and quickly will lose a large part of their present marketability.—George Geyer (New York City), Huff, Geyer & Hecht, Inc.

If we must sell securities and stay within the range of quotations as now shown in the newspapers, it will be impossible for us to stay in business.

As a specific example: Home Insurance is quoted 26% to 27% in the Louisville Courier Journal this morning; the inside market is 27 to 27 1/2. On a sale of 100 shares, which is a \$2,762.50 transaction, the gross profit would be \$25.00, or approximately 9/10 of 1%. Out of that we pay our salesman \$12.50, leaving \$12.50 for the house out of which must come teletype charges, taxes, shipping charges and overhead.

The salesman making the sale probably traveled a total of anywhere from 50 to 150 miles, spent anywhere from 30 minutes to an hour or more to make the sale, and it is entirely possible has had to make several calls to complete the transaction.

I do not believe there is any other retail business that is expected to work on such a narrow margin of profit.

If the unlisted dealers are put out of business, what will happen to the markets on the thousands of unlisted securities? Many issues (Continued on Page 1647)

**Merry Christmas and Happy New Year**

**KATZ BROS.**

Established 1920  
 Members New York Security Dealers Ass'n  
 40 Exchange Pl., N.Y. HA 2-2772  
 BELL TELETYPE NY 1-423

**Alabama and Louisiana Securities**

**STEINER, ROUSE & Co.**

Members New York Stock Exchange  
 Maritime Bldg. Brown-Marx Bldg.  
 New Orleans, La. Birmingham, Ala.  
 Direct Wire BH 198  
 25 Broad St.  
 New York, N. Y.  
 NY 1-1557

**Triumph Explosives**  
 Common

**Triumph Explosives**  
 Warrants

Trading Department

**DURYEA & CO.**

Members New York Stock Exchange  
 65 BROADWAY, NEW YORK, N. Y.  
 Teletype NY 1-1702  
 Tel. Whitehall 4-0488-89-90-91

**BANK STOCKS • INSURANCE STOCKS**

**Frederic H. Hatch & Co.**

Incorporated  
 Members New York Security Dealers Association  
 63 Wall St., New York, N. Y. Bell Teletype NY 1-897

**COMMERCIAL and FINANCIAL CHRONICLE**

Reg. U. S. Patent Office  
 William B. Dana Company  
 Publishers  
 25 Spruce Street, New York  
 BEekman 3-3341  
 Herbert D. Selbert,  
 Editor and Publisher  
 Frederick W. Jones, Managing Editor  
 William Dana Selbert, President  
 William D. Riggs, Business Manager  
**Thursday, December 25, 1941**  
 Published three times a week [every  
 Thursday (general news and advertising  
 issue) with statistical issues on  
 Tuesday and Saturday]  
 Other offices: Chicago—In charge of  
 Fred H. Gray, Western Representative,  
 Field Building (Telephone State-0613),  
 London—Edwards & Smith, 1 Drapers'  
 Gardens, London, E.C.  
 Copyright 1941 by William B. Dana,  
 Company.  
 Reentered as second-class matter Sep-  
 tember 12, 1941, at the post office at  
 New York, N. Y., under the Act of Mar.  
 3, 1879.  
 Subscriptions in United States and  
 Possessions \$26.00 per year, \$13.00 for 6  
 months; in Dominion of Canada, \$27.50  
 per year, \$13.75 for 6 months. South  
 and Central America, Spain, Mexico and  
 Cuba, \$29.50 per year, \$16.75 for 6  
 months; Great Britain, Continental Euro-  
 pe (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.

**Ralph T. Ryan To Join  
 Corrigan, Miller Co.**

MIAMI, FLA.—Ralph T. Ryan, formerly with R. S. Dickson & Company in New York City, will become associated with Corrigan, Miller & Co., Inc., Alfred I. du Pont Building, as of Jan. 1, 1942. Mr. Ryan has been active in New York trading circles for many years; prior to his association with R. S. Dickson & Co. he was an officer and manager of the sales department of D. M. S. Hagerty & Co., Inc., was New York manager for Dickson & Co., was in charge of the retail sales department of J. G. White & Co.; in the past he was with J. H. Holmes & Co. and conducted his own investment business in New York.

**Toronto Bond Traders  
 Elect '41-'42 Officers**

TORONTO, ONT., CANADA—The Toronto Bond Traders Association at its annual meeting elected the following officers for the year 1941-1942:  
 President: A. E. Oliver, Wood, Gundy & Co., Ltd.  
 Vice-President: J. A. Brewster, W. C. Pittfield & Co., Ltd.  
 Secretary: D. G. Simpson, Midland Securities, Ltd.  
 Committee: H. D. Beatty, Bralley, Cathers & Company; C. W. McBride, Gardiner, Wardrope, McBride, Ltd.; James Wilson, A. E. Ames & Company, Ltd.; D. K. Cassels, Chochran, Murray & Company, Ltd.; George Rose, Goulding, Rose & Company, Ltd.; and L. M. Wightman, Fairclough & Company.

**Alexander Co. Opens  
 Kansas City Branch**

KANSAS CITY, MO.—Alexander & Company, Inc., Chicago investment firm, announces the opening of a branch office in the Dwight Building to conduct a general investment and securities business. The new office will be under the direction of I. S. Bruce, who is being transferred from the firm's Chicago office. Associated with Mr. Bruce will be James H. Matthews, Harry H. Heuler, Edwin H. Lahrman, John D. De Vault and Albert L. Sholders, all formerly with John J. Seerley & Co., Inc.

**Jas. P. Doherty Will  
 Rejoin Clement Curtis**

CHICAGO, ILL.—James P. Doherty, member of the Chicago Stock Exchange and Chicago Board of Trade, will become a partner in Clement, Curtis & Co., 134 South La Salle Street, members of the New York and Chicago Stock Exchanges, on Jan. 2. Mr. Doherty was recently in business as an individual and prior thereto was with Clement, Curtis & Co. and for many years was a partner in S. B. Chapin & Co.

**To The Institutional Seller:**  
 We are equipped to liquidate blocks of underlying, inactive railroad bonds.  
 Inquiries invited  
**B. W. Pizzini & Co.**  
 GUARANTEED RAILROAD STOCKS-BONDS  
 Telephone 52 Broadway Teletype  
 BO. Gr. 9-6400 NEW YORK N. Y. 1-1068

**Results Of Treasury  
 Bill Offering**

Secretary of the Treasury Morgenthau announced on Dec. 22 that the tenders for \$150,000,000 or thereabouts, of 82-day Treasury bills, to be dated Dec. 24 and to mature Mar. 16, 1942, which were offered on Dec. 19, were opened at the Federal Reserve Banks on Dec. 22. The following details of this issue are revealed:  
 Total applied for—\$352,938,000  
 Total accepted—150,174,000  
 Range for accepted bids (excepting two tenders totaling \$220,000):  
 High—99.966. Equivalent rate approximately 0.149%.  
 Low—99.927. Equivalent rate approximately 0.320%.  
 Average Price—99.933. Equivalent rate approximately 0.295%.  
 (74% of the amount bid for at the low price was accepted.)  
 There was a maturity of a similar issue of bills on Dec. 24 in amount of \$100,742,000.  
 The Treasury Department announced on Dec. 18 its plan to reduce the maturity of the weekly bills so that they will fall due during the week of March 16—income tax week. It intends to pay off four of its weekly bill offerings amounting to about \$600,000,000 in the week of March 16 with tax receipts in a move designed to keep the money market level. Normally the bills have a 91-day maturity and are paid off a week apart. The next two weekly bill offerings of \$150,000,000 each will be dated so as to provide for their maturity in about 75 days or less.

**Coggeshall & Hicks  
 To Admit W. F. Purcell**  
 Walter F. Purcell will become a partner in Coggeshall & Hicks, 111 Broadway, New York City, members of the New York Stock and Curb Exchanges, on Jan. 1.

Inquiries Invited On  
**High Grade  
 BONDS and PREFERRED STOCKS**  
*Listed and Over-the-Counter*  
**Spencer Trask & Co.**  
 25 Broad Street, New York  
 Telephone HANover 2-4300 Teletype NY 1-5  
 ALBANY BOSTON BRIDGEPORT GLENS FALLS HARTFORD  
 PHILADELPHIA SCHENECTADY WORCESTER  
 Members New York Stock Exchange Members New York Curb Exchange

**J. S. Bache Co. Sees War Economy Presenting  
 New Problems For Investment Portfolios**

In a study on "American Business in Wartime," J. S. Bache & Co., 135 Wall Street, New York City, members of the New York Stock Exchange and other leading national exchanges, point out that a war economy presents new problems to investors. In discussing these problems, the company states that it will be necessary for investors to—  
 1. Commit a substantial share of their funds to the purchase of Government defense bonds, without which successful prosecution of the war and return of reasonably normal economic activity can not be effected; and  
 2. Determine what securities they wish to retain in their portfolios and what percentage of cash they wish to reserve as additional investment buying power.  
 "For some months," the study says, "American business has been functioning under semi-war conditions. Controls of various kinds have been instituted; priorities and allocations of raw materials have been increasing; shortages have developed in many industries; taxes have been increased and Government loans have expanded materially.  
 "During this period it has been apparent that some industries were in a position to adjust them-

**"Getting" Dealers Or "Protecting" Investors?  
 The Louisville Gas & Electric Company Case**

It has long been a claim of some investment bankers that the SEC doesn't like the way they tie their tie, anyway, and is out to get them, regardless.  
 That is, regardless even of the investors whom it is mandated to protect.  
 It is a hard case to prove—almost impossible. Yet incidents do become public in which the weight of evidence seems to show it. For instance, the recent offering of Louisville Gas & Electric Company common stock.  
 Possibly at stake is the underwriters' share in a large prospective volume of financing of local operating companies under the death sentence in the Utility Act of 1935. If the Louisville case is a precedent that share will be a small one, in a lot of future business.  
 The company asked SEC permission to by-pass Rule U-50 and avoid competitive bidding. The Commission granted it because of (Commissioner Purcell told the Lea Committee) "the provision in the . . . rule which grants an exemption where the Commis-

B. S. **LICHTENSTEIN**  
 AND COMPANY  
 I heard the bells on Christmas Day  
 Their old, familiar carols play,  
 And wild and sweet  
 The words repeat  
 Of peace on earth, good-will to men!  
 —Longfellow  
 99 WALL STREET, NEW YORK  
 Telephone: WHITEhall 4-6551

**Aldred Investment Trust**  
 4 1/2, 1967  
**Newberry Lumber &  
 Chemical Units**  
**United Stove Co.**  
**Joseph McManus & Co.**  
 Members  
 New York Curb Exchange  
 Chicago Stock Exchange  
 39 Broadway, New York  
 Dlgby 4-2290 Tele. NY 1-1610-11

We Are Specialists In  
**REAL ESTATE SECURITIES**  
 Inquiries Invited In  
 Lawyers Mtge. Co. Ctfs.  
 Lawyers Title Co. Ctfs.  
 Bond & Mtge. Co. Ctfs.  
 and all other Title Co.'s  
 Bank Trust Participations  
 Complete Statistical Information  
**L. J. GOLDWATER & CO.**  
 INC.  
 Members New York Security Dealers Assn.  
 39 Broadway, New York, N. Y.  
 HANover 2-8970 Teletype NY 1-1203

**BOND  
 BARGAIN**  
 Operating Utility  
 1st Mtg—Yield 10% +  
 Circular on Request  
**A. O. VAN SUETENDAEL & CO.**  
 20 S. B'WAY - YONKERS, N. Y.  
 N. Y. City Telephone MARble 7-9667  
 Bell Teletype Yonkers 2318

So the company undertook the sale itself.  
 It has gone very badly.  
 Wind of this came to two Congressmen on the Lea Committee. They questioned Mr. Purcell. He indicated that the final disagreement between company and dealers was not over price but over the company's selling its own stock. The Louisville dealers heard of this and sent a hot wire to the Committee, saying for the record that this wasn't so.  
 To this the record now carries a rather lame reply from Commissioner Purcell. He said: "One must distinguish between the basis of the dealers' opposition to the method of financing as they gave it at the hearing, and the (Continued on Page 1650)

**BONDS** { Public Utility  
 Industrial  
 Railroad  
 Municipal  
**A.C. ALLYN AND COMPANY**  
 Incorporated  
 CHICAGO NEW YORK

**Eastern Corporation**  
 Bonds, Preferred  
 Common & Warrants  
 Bought—Sold—Quoted  
 Complete statistical report  
 sent on request  
**R. E. SWART & Co.**  
 INCORPORATED  
 40 EXCHANGE PLACE, NEW YORK  
 Tel.: HANover 2-6510 Tele.: NY 1-1913

## Newburger, Loeb To Admit A. Newburger

Andrew M. Newburger will become a partner in Newburger, Loeb & Co., 40 Wall Street, New York City, as of Jan. 1, 1942. Mr. Newburger has been associated with the firm since 1939 in the statistical department.

Newburger, Loeb & Co., established in 1900, are members of the New York and Philadelphia Stock Exchanges, the New York Curb Exchange and the Chicago Board of Trade.

## Canadian Mining Securities

Bought & Sold in U. S. Funds

Complete statistical data available on all Canadian mines

## Macdonald & Bunting

Members Toronto Stock Exchange

41 Broad St., New York, N. Y.  
HANover 2-7673 Tele. NY 1-1619  
Toronto New York

# 'JOTTINGS'

Calvin Coolidge or somebody said that a "leader" was somebody who could keep far enough ahead of his followers to avoid being run over. That sounds like some people in Washington today. Particularly in relation to the Far East.

The public surprised the Army and Navy on enlistments.

It swamped the Treasury on defense bond purchases, up 175% since Pearl Harbor. In fact private business seems to have been well ahead of the Treasury for some time in readiness to get going on defense bond sales.

Again, the OPM is still allowing tin to go into tubes for shaving cream, into beer cans, and into cans for dog food—or was until a week ago. That tin has to be conveyed by the Navy. Of course the public would give them up willingly.

The OPM seems to be bogging down again. Left-wingers, parrot-like, have accused its dollar-a-year men of too much "business as usual" ever since it was set up. But now the armed services and the Administration are beginning to express the same opinions though somewhat sotto voce.

In fact, Far Eastern affairs have been a case for years of where the public was ahead of the Government. Remember those polls a couple of years ago in favor of an embargo on war materials to Japan.

And remember how slow Congress and the Administration were in the stock-piling program for Far Eastern materials. If you don't, ask any silk man. The silk trade was at Washington for a year to increase the imports of silk. But when we embargoed it in August we were caught so short that silk mills had to shut down abruptly.

In general, the same happened in Britain. It was public pressure which pushed the Government there into rationing, concentration of civilian output in "nuclear plants," and other measures.

And speaking of rationing, Washington is a-buzz with talk of it, yet Washington officials seem reluctant to mention it or discuss it with the public. The idea seems to be that the public wouldn't accept it. All evidence runs to the contrary—i. e. that the public is far readier to go all-out for victory than the Government thinks.

Rationing is likely only in three major fields—(1) imports from the Far East; (2) things mechanical; and (3) things of metal.

There's a good time coming when we win. Immense technological advances are being made under war pressure. Scores of corporations are holding inventions and developments ready for civilian use at unprecedentedly low cost whenever the war lets up. We shall come out of the war with better planes, better highways, better railroad rolling stock, better home-building facilities, better radios, better cars, better food supplies—etc., etc.

For the duration, rationing in passenger automobile transportation may amount to little or nothing. There won't be much to ration. A three-way shortage seems likely to converge on everything but essential motor transportation—of cars, of tires, and of good gasoline. If you need it you can have it; if you don't, you can't.

A gasoline "shortage" may seem absurd in the U. S. In fact there will not be a shortage—just an inability of the industry to keep up with indefinitely expanding civilian demands during war. Bottlenecks may appear in tanker transport, refining equipment, and tetra-ethyl lead for higher octane-rating. But it looks as though the motor industry's change-over may go so far that there'll be plenty of gasoline for those who can still get cars.

Enough of these gloomy guesses.

Pick-up in defense bond sales may considerably ease the pressure on the Treasury. They have been running round \$250,000,000 a month. Now they are nearly tripled, running round \$600—\$700,000,000 a month. As soon as the Treasury gives the go-ahead signal to the numerous agencies ready to encourage and organize them they ought to jump to three, four, and even more times the pre-war rate. ("Pre-war" now means before Dec. 7, 1941.) That would be round \$300-\$1,000,000,000 or more a month—no chicken-feed at all. Over-time pay, holiday pay, bonuses, etc., are likely to go almost all into defense bonds.

And then remember that the reduction in non-defense output will mean fewer things on which the public can spend its money. Vide the decline in the mail-order stocks last week on the guess that their sales will decline. That money will be available for defense bonds.

The war hasn't upset the outlook for security law amendment as much as you would think. It cut the IBA people out of four days of testimony in December. But hearings are slated to be resumed Jan. 13. IBA has said most of its say, and the issues involving the stock exchanges are simpler and will take less complicated telling. So the outlook is still about the same—through the House in February, through the Senate in March.

But there's many a slip, these days. . . .

"Real" story of the IBA convention—? Eicher invited merely to attend. Grapevine request he be

## UTILITY PREFERRED

## JACKSON & CURTIS

ESTABLISHED 1879

(Special to The Financial Chronicle)  
BOSTON, MASS.—Anna A. Glendon has been added to the staff of A. G. Walsh & Son, 84 State Street.

(Special to The Financial Chronicle)  
CHICAGO, ILL.—Howard William Voss has become connected with Barcus, Kindred & Co., 231 South La Salle Street.

allowed to speak. "What could the IBA do?" And under the circumstances, what could Eicher do but make a friendly talk? How, then, to get off the blast? Why, by a separate release to the press. Hence, the "calamity-howler" or "belly-acher" charges. For which the convention made a splendid sounding board, due to the battery of press representatives present, sending out 10,000-12,000 words a day and hungry for something to send besides speeches favoring "free enterprise."

Did you notice that the "New York Times" and "New York Herald Tribune" have left out the Monday morning weekly summary of stock prices? These quotation tables are an exceedingly expensive proposition to compile and set in type. (The most comprehensive tabulation of stock and bond price ranges to be found anywhere is given in the Tuesday issue of the "Financial Chronicle.") And have you noticed how the business news in the "Times" and "Herald Tribune" is creeping over onto the financial pages? (We hate to bring this up, of course.)

"Money in circulation" figures are phenomenal. They have just topped \$11,000,000,000. That's over twice the normal level of the 'twenties. Everywhere else it's the same—in Britain, Germany, France, Japan. But not all that money is in circulation. The Reserve Board estimated in September that out of the first \$3,000,000,000 increase up to that time since the war started, about nine-tenths was in denominations of \$50 and up. Up to last summer Axis agents' devious wiles were one explanation, but the increase still keeps up. The Fed asks a lot of questions now when people want bills of big denomination, but people don't give the real answers.

Miscellaneous. . . . Remember those 60 cargo ships the British ordered last December-January of the Todd shipyard people. The first two were "launched" Saturday. We say "launched" in quotes because they were built in graving docks and the "launching" consisted of letting the water into the docks. . . . First "war casualty" among commercial air programs, Lipton Tea's Helen Hayes show. Tea is short. . . . But many sponsors are staying on the air anyway, though they've little to sell. They don't want the public to have forgotten them after the war. . . . Mutual has a war-clause that a commercial sponsor can be excused from his contract if by reason of the war he has nothing to advertise to the public. . . .

(Special to The Financial Chronicle)  
CHICAGO, ILL.—Joseph Andrew Babbert has become associated with Hornblower & Weeks, 29 South La Salle St. Mr. Babbert was formerly with F. H. Armstrong & Co. and Otis & Co.

(Special to The Financial Chronicle)  
CHICAGO, ILL.—William Lawrence Folds, previously with Haskell, Scott & Jennings and Selected Investments Co., has become affiliated with Paine, Webber & Co., 209 South La Salle Street.

(Special to The Financial Chronicle)  
CHICAGO, ILL.—Harry C. White is now connected with Shillinglaw, Crowder & Co., Inc., 120 South La Salle Street. Mr. White was formerly with John J. Seerley & Co., Perry, Spencer & Co., and Straus Securities Co.

(Special to The Financial Chronicle)  
DETROIT, MICH.—Alfred J. Rosborough, previously with Allison & Co., is now with A. M. Kidder & Co., Penobscot Building.

(Special to The Financial Chronicle)  
GRAND RAPIDS, MICH.—Ralph J. MacVean has been added to the staff of Harper, Wegusen & Yonkman, Inc., Federal Square Building.

(Special to The Financial Chronicle)  
NEW ULM, MINN.—Daniel William Griffiths has joined the staff of State Bond & Mortgage Co., 26½ North Minnesota Street.

(Special to The Financial Chronicle)  
LOS ANGELES, CALIF.—Norman Edgar Jackson and Forrest Elwood White have become associated with Bankamerica Company, 650 South Spring Street.

(Special to The Financial Chronicle)  
LOS ANGELES, CALIF.—Edward F. Bogardus, Jr. has been added to the staff of Cavanaugh, Morgan & Co., 634 South Spring Street. Mr. Bogardus was previously with M. H. Lewis & Co.

(Special to The Financial Chronicle)  
LOS ANGELES, CALIF.—Lester M. DuVall, formerly with L. Paul Steffen, has become affiliated with Hill, Richards & Co., 621 South Spring Street.

(Special to The Financial Chronicle)  
LOS ANGELES, CALIF.—John B. Bailey is now connected with Dean Witter & Co., 634 South Spring Street.

(Special to The Financial Chronicle)  
LOS ANGELES, CALIF.—George Calvin Codd has joined the staff of Wyeth, Hass & Co., 647 South Spring Street.

(Special to The Financial Chronicle)  
PITTSFIELD, MASS.—James Dennison Colt has become affiliated with Reynolds & Company, 28 North Street.

(Special to The Financial Chronicle)  
ST. LOUIS, MO.—William Richardson Humphrey has become associated with Edward D. Jones & Company, Boatmen's Bank Building. Mr. Humphrey was formerly President of the Investment Research Corporation of St. Louis and in the past was President of Humphrey, Jacques & Co.

(Special to The Financial Chronicle)  
ST. LOUIS, MO.—George Norman Brinkerhoff and Robert A. Waddell have become associated

## DETROIT

### LISTED AND UNLISTED SECURITIES

Charles A. Parcels & Co.  
Members of Detroit Stock Exchange

PENOBSCOT BUILDING  
DETROIT, MICH.

## ST. LOUIS

### STIX & Co.

SAINT LOUIS

509 OLIVE ST.

Members St. Louis Stock Exchange

with Reinholdt & Gardner, 400 Locust Street. Both had formerly been connected with H. L. Ruppert & Co., Inc., since 1934.

(Special to The Financial Chronicle)  
SAN FRANCISCO, CALIF.—William H. Wyckoff Bailey is associated with Bankamerica Co., 300 Montgomery Street.

(Special to The Financial Chronicle)  
SAN FRANCISCO, CALIF.—John William Merchant, previously with Edgerton, Bourne & Company, is now affiliated with Hammill & Company, Russ Building.

(Special to The Financial Chronicle)  
SPRINGFIELD, MASS.—Leslie F. Bishop and Martin L. Coyne, both formerly with Seybolt & Seybolt, Inc., have joined the staff of Amott, Baker & Company, Inc., Third National Bank Building.

(Special to The Financial Chronicle)  
SPOKANE, WASH.—William T. Kelleher has become affiliated with J. Tom O'Brien Company, Old National Bank Building. Mr. Kelleher was previously in the trading department of Edwin J. Gowanlock and prior thereto was manager of the bond department of Chester Harvey.

## H. Hentz Co. Opens New Branch in Mexico City

H. Hentz & Co., 60 Beaver Street, New York City, members of the New York Stock Exchange and other principal exchanges, announce the opening of a branch office in Mexico, D. F., Mexico, on Dec. 22 at Venustiano Carranza 42. Operations of the office will be under the supervision of Walter C. Gibson, Jr., formerly manager of the firm's European offices. While H. Hentz & Co. have had branch offices in many foreign cities, this will be their first venture in Mexico, D. F. The new office is understood to be the only branch of a New York Stock Exchange firm in the Mexican capital at the present time.

## Lucey, Stetson Are Asst. Mgrs. of Brown Bros.

The partners of Brown Bros. Harriman & Co., private bankers, announce the appointment of Joseph C. Lucey and Eugene W. Stetson, Jr., as Assistant Managers.

## Tomorrow's Markets Walter Whyte Says

The market has been acting a little better; not the averages but a number of individual stocks, particularly those which have been doing most poorly; market generally is in a buying rather than a selling position; see below.

By WALTER WHYTE

In the last few days the market has been acting a little better. Not so much as a unit, for the averages are still trying to make new lows daily. Underneath the obvious weakness of the general market, however, stocks here and there are once again beginning to make noises like they are capable of sitting up and take nourishment.

In the last two or three weeks the market has been called upon to take all kinds of bad news. For, in addition to tax selling, which this year was the heaviest in generations, it also had to take the Jap attack on the chin followed by a declaration of war against the Axis Powers.

That these factors made prices go plummeting down was not surprising. What was surprising is that they didn't go down more.

That tax selling was due, was expected and, if it's any solace to you, our change-over into an intensive stage of war economy will make such selling still larger next year; but it was the Jap attack and the subsequent developments that caught me, and other people, unaware.

It's all well and good to call the Japs a lot of dirty yellow so-and-so's and label the Pearl Harbor raid as dastardly. The fact remains that war is not a pink tea. Still it served one purpose. It yanked us out of our smugness.

Now the market's big worry is not what has happened but what is likely to happen. Corporate reports, big earnings, increased dividends and all the rest of the bull market paraphernalia so popular in the days gone by don't mean a thing today. It all depends

### Max Sternberg Will Be Ralph Samuel Partner

Max Sternberg will become a partner in Ralph E. Samuel & Co., 115 Broadway, New York City, members of the New York Stock Exchange, on Jan. 1. Mr. Sternberg was previously a partner in Richard K. Kaufmann & Co.

## Guaranteed Railroad Stocks

Joseph Walker & Sons

Members New York Stock Exchange  
120 Broadway NEW YORK Tel. REctor 2-6600  
Dealers in GUARANTEED STOCKS Since 1855

## Triumph Explosives Sales Indicate Rapid Expansion

Comparative sales and profits figures of Triumph Explosives, Inc., indicate the rapid expansion of the Company's business. Increased plant capacity will add to production shortly, which should steadily increase the monthly shipments of the company, according to Duryea & Company, 65 Broadway, New York City, members of the New York Stock Exchange.

Comparative figures for the fiscal year ended July 31, 1941 and for the four months ended Nov. 30, 1941, as compiled by Duryea & Company follow:

	Fisc. yr. end. July 31, '41	4 mos. ended Nov. 30, '41
Net sales	3,081,443.35	*2,048,958.31
Net profits, incl. divs. received & before prov. for income taxes	342,239.99	*393,938.02

\*The above figures for the four months ending Nov. 30, 1941, are unaudited and uncertified and not based on physical inventory, therefore, profit figure is estimated.

Duryea & Company also calls attention to the fact that the Stock Purchase Warrants, Series of 1938, of Triumph Explosives, Inc. expired on Dec. 15, 1941, and that any such warrants not exercised by that date have become forfeit as no extension was made. All of the options outstanding by the Company have been exercised. There remain, therefore, only the stock Purchase Warrants, Series of 1939, exercisable until Nov. 9, 1943 at \$5.25 per share, still outstanding.

## N. Y. Stock Exchange Weekly Firm Changes

The New York Stock Exchange announces the following weekly firm changes:

H. Alexander Montgomery will act as alternate for Moorhead C. Kennedy, Jr., Montgomery, Scott & Co., New York City, under Section 15, Article IX.

Transfer of the Exchange membership of John Whitney, a partner in Thomson & McKinnon, New York City, to Richard F. Teichgraber, a partner in the same firm, will be considered on Dec. 30.

Maximilian Knoll will retire from Hecker & Company, Philadelphia on Dec. 31.

Hogg & Co., New York City, dissolved partnership as of Dec. 18.

D. M. Minton & Co., New York City, will be dissolved as of Dec. 31.

The transfer of the Exchange membership of Clarence R. Hayes to John M. Young, partner in Morgan Stanley & Co., New York City, which will become a member firm, will be considered on Jan. 8, 1942.

## Curb Seat Retirement

It was announced on Dec. 18 that arrangements have been made by the New York Curb Exchange to purchase the membership of Alexander M. White, Jr. at \$1,000 for retirement. This will be the 20th seat to be retired under the plan adopted by the membership on July 20. Present market for Curb Exchange memberships is \$1,000 bid by the Exchange, offered at \$2,500.

## Defaulted Railroad Bonds

Bought—Sold

PFLUGFELDER, BAMPTON & RUST

Members New York Stock Exchange  
61 Broadway New York  
Telephone—DIgby 4-4933 Bell Teletype—NY 1-310  
RAILROAD REORGANIZATION SECURITIES

## RAILROAD SECURITIES

The pressure of tax selling is nearing its final stages and railroad men are beginning to look forward to the probability of a sharp rebound in the second grade list after the turn of the year. This type of bond has absorbed a particularly heavy volume of selling in recent months and it is felt that even aside from any question of fundamental value, the technical position is stronger than it has been in years. Therefore, it is argued, purchasers of second grade rails at, or close to, their December lows are apt to see even more gratifying results than were reaped last year. Moreover, the financial and earnings background of these bonds is more conducive to confidence now than it was at the end of 1940.

The accompanying table, tracing the broad market action of a number of representative second grade rail liens, is interesting. All of the bonds listed scored substantial advances from the tax-selling lows of December, 1940, to the first quarter highs, with the gains ranging from 12% to 38%. With the exception of Southern Pacific 4 1/2s, these first quarter highs were identical with, or within a couple of points of, the year's peak. In contrast, the general stock market, as measured by the Dow-Jones industrial average, recovered only 4% from the December, 1940, low to the first quarter, 1941, high established on January 10, and which was also the year's top. The Dow-Jones railroad stock average advanced 10% from the December, 1940, low to the first quarter 1941 high.

Most of the bonds covered have recently declined to approximately the same price range as they were a year ago. Only the

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	1st	Advance	High	High	Advance	High	Recent	Price
	Dec. 1940	1941 (1) to (2)	1941 (1) to (2)	1941 (1) to (2)	1st Qtr. 1941	Yr's High (2) to (5)	Market (1) to (7)	Change (1) to (7)
Coast Line 4 1/2s, 1964	52 1/2	67	14 1/2	27	69	2	60 1/2	+ 7%
Illinois Central Jt. 5s, 1963	38 1/2	48 1/2	10 1/2	28	51	1 1/2	40 1/2	+ 7%
Morris & Essex 5s, 1955	33 1/2	41 1/2	8	24	44	2 1/2	34 1/2	+ 1
N. Y. Central 4 1/2s, 2013	56 1/2	63 1/2	7 1/2	13	63 1/2	Nil	42	-14 1/2
Nickel Plate 4 1/2s, 1978	57 1/2	64	6 1/2	12	65	1	59 1/2	+ 2 1/2
Northern Pacific 6s, 2047	60	69 1/2	9 1/2	16	70	1/4	58	- 4
Pere Marquette 4 1/2s, 1980	64 1/2	74	9 1/2	15	74	Nil	58 1/2	- 6
Southern Pacific 4 1/2s, 1969	35 1/2	49 1/2	13 1/2	38	55 1/2	6 1/2	44 1/2	+ 8 1/2
Southern Ry. 4s, 1956	55	63 1/2	8 1/2	16	65 1/2	7 1/2	57	+ 2
Texas & Pacific 5s, 1980	60 1/2	73 1/2	13	21	74 1/2	1 1/2	60	- 1/2

Coast Line 4 1/2s and the Southern Pacific 4 1/2s have retained any material part of their earlier advance, while the Central 4 1/2s and Pere Marquette 4 1/2s are substantially lower than during the 1940 tax selling period.

There are valid reasons why these bonds should all be selling at better levels than they were a year ago, and it is hoped that some of them may become effective market factors once the seasonal pressure is lifted. Carriers, collectively and individually, have made rapid strides towards financial rehabilitation in the intervening months and further progress is indicated for the coming year. Cash balances have been bolstered and debt reduced. Also, physical plants have been improved by heavy maintenance work and a large amount of new equipment installed, presaging greater operating efficiency and a consequent release of a larger proportion of operating revenues for debt reduction. Whether or not net earnings in 1942 hold to the

## Railroad Reorganization Securities (When Issued)

BEAR, STEARNS & CO.

Members New York Stock Exchange  
New York Chicago

We maintain net trading markets in most of the medium-priced Rail Bonds, particularly obligations of

New York Central  
Illinois Central  
Lackawanna  
Lehigh Valley, etc.

We invite dealer inquiries and are in a position to submit firm bids and offerings in connection with final tax selling operations.

LEROY A. STRASBURGER & CO.

1 WALL ST., NEW YORK  
Whitehall 3-3450 Teletype: NY 1-2050

levels established this year, the earnings prospects are certainly brighter than the prospects were a year ago. Finally, it is believed that the carriers stand an excellent chance of getting broad freight rate increases fairly early in 1942. This would give an additional fillip to any speculative interest that does develop.

There are a number of external developments that may well add to the speculative appeal of, and

AMERICAN MADE  
MARKETS IN  
CANADIAN  
SECURITIES

## Season's Greetings

### HART SMITH & CO.

52 WILLIAM ST., N.Y. HANover 2-0980  
Bell Teletype NY 1-395  
New York Montreal Toronto

## TRADER AVAILABLE

Due to partnership changes Trader with broad experience in all Over-the-Counter securities seeks new association. Well known in trading circles. Would prefer firm having Retail Department or interested in opening New York office for firm out of town. Box L 26, Financial Chronicle, 25 Spruce St., New York, N. Y.

## Trader Securities Analyst

Fifteen years as partner of over-the-counter firm and manager unlisted department, seeks affiliation with trading department of New York Stock Exchange firm; would organize new unlisted department or manage New York office for out-of-town member firm; established clientele. Box S 70, Financial Chronicle, 25 Spruce St., New York, N. Y.

## SECURITY ANALYST and FINANCIAL WRITER

of mature experience, thoroughly posted on RAILS, INDUSTRIALS, PUBLIC UTILITIES and NEW YORK REAL ESTATE issues; desires employment with a Bank, Insurance Company, Investment Trust or other institution in need of competent supervision of its holdings.

Salary reasonable. Part time employment would be considered. Box S 16, The Financial Chronicle, 25 Spruce Street, New York, N. Y.

interest in, this second grade rail bond list. In the first place, as the war effort progresses the question of corporation income taxes becomes more acute. People holding regular dividend paying stocks for income are getting apprehensive that the cost of the war may necessitate curtailment of dividends even though volume of business continues to increase. This possibility is not a factor in the rail bonds as the interest is deductible before arriving at taxable income. There may well be fairly heavy switching from industrial stocks to low priced bonds on this basis. Secondly, many quarters expect a shifting of stress in railroad speculation away from defaulted bonds, which have long held the limelight, because of nullification of reorganization plans by the recent adverse court decisions.

## Season's Greetings

l. h. rothchild & co.  
specialists in rails  
11 wall street n. y. c.  
HANover 2-9175 Tele. NY 1-1293

We specialize in  
Wholesaling to Dealers

## Oil Royalties

Send for our new booklet  
"PETROLEUM ON PARADE"  
It will help you sell Royalties

### TELLIER & COMPANY

Members  
Eastern Oil Royalty Dealers Ass'n.  
42 Broadway New York City  
ROwling Green 9-1847 Teletype NY 1-1171

**Bank of New York  
Bankers Trust Co.  
Chemical Bank**

*Bought—Sold—Quoted*

**A.M. Kidder & Co.**  
Members New York Stock Exchange  
and other leading exchanges  
**1 WALL ST. NEW YORK**  
Telephone *Digby* 4-2525

**Bank and  
Insurance  
Stocks**

*Inquiries invited in all  
Unlisted Issues*

**Laird, Bissell & Meeds**  
Members New York Stock Exchange  
**120 BROADWAY, NEW YORK CITY**  
Telephone: BRa clay 7-3500  
Bell Teletype—NY 1-1248-49  
L. A. Gibbs, Manager Trading Department)

**Bank and Insurance Stocks**

**This Week — Insurance Stocks**

The market performance of fire and casualty insurance stocks since entry of the United States into World War II has fully justified their support by dealers and investors as conservative issues affording a good hedge against the uncertainties of wartime.

A daily index of 20 insurance stocks has declined 3 3/4 points, or 6%, in the approximately two weeks since Dec. 6. This compares with a 8 3/4-point drop (7%) in the Dow Jones Industrials and decline of 6 1/2 points (16%) for bank stocks. This initial test of market pressure has found the insurance stocks performing favorably.

There are various good reasons why insurance stocks should rank high as wartime hedges. Among these may be listed the following:

(1) Wartime increases both the need for, and volume of, insurance.

In order to remain adequately covered during a period of rising prices, property owners must constantly check their insurance. Increased volume of production, higher and costlier inventories, heavier flow of shipments, increases in plant space, capital goods and productive capacity, Defense construction projects, rising payrolls, increased exposure to hazards and risks of loss all indicate a good volume outlook for insurance companies during wartime.

This volume outlook is confirmed by the experience of World War I. Fire companies' premium volume grew from \$307,000,000 in 1914 to \$500,000,000 in 1919 and \$618,000,000 in 1920. Casualty companies' earned premiums jumped from \$151,000,000 in 1914 to \$300,000,000 in 1918 and \$318,000,000 in 1919. These gains in volume were retained and added to in the subsequent post-war period.

(2) Rates are based on loss experience and are free from artificial control.

Regulation of insurance companies recognizes that the best way to assure safety of the companies is to have a reasonable rate structure that allows profitable operation. Underwriting earnings are all "ploughed back," as dividends are limited to within investment income. Thus, underwriting profits are the chief source of internal growth of the policyholders' surplus, which increases the safety factor for policyholders.

Illustrating the reasonableness of rates, the average rate of fire premiums was only \$0.67 for 1940 and 1939, compared to \$0.95 in 1927 and \$1.05 in 1921. During

**Central-Penn National Bank  
Corn Exchange Nat'l Bk. & Tr. Co.  
Fidelity-Phila. Trust Co.  
Penna. Co. for Ins. on Lives etc.  
Philadelphia National Bank  
Provident Trust Co.  
Phila. Transportation Co.  
3-6s, 2039 & Pfd.**

**H.N. NASH & CO.**  
1421 Chestnut Street, Philadelphia  
Phila. Phone New York Phone  
Locust 1477 HANover 2-2280  
Teletype PH 257

World War I, rates rose slightly, from \$1.03 in 1914 to \$1.06 in 1918 and \$1.08 in 1919. Casualty companies, too, have granted rate reductions in recent years, despite their all-too-recent experience with inadequate rates during the depression. For 1940, fire companies made only 2.3% underwriting profit, while casualty companies made the more reasonable return of 5.8% on earned premiums.

In view of the reasonableness of rates, the inevitable uptrend in losses during wartime, and the importance of underwriting profits in building up policyholders' safety factor, it is apparent that there is neither necessity nor justification for any Federal regulation of insurance rates. This is entirely apart from the fact that such Federal control of rates would encroach upon and impair State authority in rate regulation.

(3) Freedom from Government competition.

Private operation is essential for any soundly run system of insurance based on objective, actuarial principles, free from political control. However, in wartime it is obvious that certain forms of coverage, such as war risk and bombardment insurance and protection against loss caused by enemy attacks, become impracticable to write on an actuarial basis. "Insurance" against such damage, as N. Y. State Super-

intendent Pink points out, is too dangerous for private firms to handle; it is not really insurance, because there is no way of determining the potential loss.

Consequently, formation of the War Insurance Corporation by the RFC, with \$100,000,000 capital, to write Government war risk insurance, is a proper Government function, and does not mean that the Government is competing with insurance companies. In fact, insurance companies will probably play an important role in such insurance by acting as servicing agents, as is done in England for similar Government war damage insurance.

(4) Cash nature of the business. In many lines of business in wartime, the necessity of employing all available working capital in production and inventories and paying higher payrolls and taxes means low cash available for dividends to stockholders despite good earnings.

Insurance companies have a constant flow of incoming cash derived from premium volume, and the entire cash income from investments is available for stockholders' dividends.

(5) High degree of exemption from taxes.

Insurance companies, like other corporations, are subject to both normal taxes and surtaxes. However, as institutional investors, they are entitled to credit for income from corporate dividends, such credit being up to 85% of net income, on both normal tax and surtax. On excess profits tax, most companies use the average earnings method, which affords them high exemption base.

(6) High growth factor.

Since dividends are limited to investment income alone and all other earnings are "ploughed back," insurance stocks have a high rate of growth. For example, 20 fire stocks currently pay out 62% of 1940 operating earnings, while 16 casualty stocks pay out only 34% of earnings.

(7) Hedge against wartime inflation.

Insurance company liabilities are stated in current dollars, not dollars of a fixed purchasing power. On the other hand, insurance volume increases in inflation and rates if necessary may be raised by State authority to cover higher losses. Investment income is increased by accumulation of volume and "ploughed back" earnings, thus making possible higher dividends to stockholders as offset to increased cost of living.

**Precautions To Protect Securities In Air Raids**

The Association of Stock Exchange Firms distributed to its members on Dec. 19 a list of precautions to be taken to avoid loss or destruction of securities due to air raids or other acts of war. The Association urged that all partner and department managers of Stock Exchange firms familiarize themselves with the suggestions, which concern securities on premises and deliveries by messengers. It is pointed out that the brokers blanket bond contains a war risk exclusion clause, and it is vital, therefore, that the rules be observed to reduce exposure. The Association is at present working with the insurance industry in an effort to evolve a form of indemnity bond covering the duplication of securities destroyed by bombing or other act of war, and it is expected that such a bond will be available within the near future.

**Wm. Smith With Warner**  
(Special to The Financial Chronicle)  
PITTSFIELD, MASS.—William P. Smith, for many years local manager for Goodbody & Co., has become associated with J. Arthur Warner & Company, 156 William Street.

**Our Reporter's Report**

(Continued from First Page)  
market and company plans is regarded as most likely temporary particularly if production for the prosecution of the war against the Axis is to be pushed to the full.

Bankers are confident, accordingly, that turn of the year will see the market righting itself and the issuance of new securities resumed. They point out that in view of the conditions which prevailed in the past fortnight the behavior of the market must be regarded as encouraging for the future.

The major industrial groupings, measured by the Dow-Jones averages, have moved about 2 to 2 1/2 points lower. Top utilities for example closed on Dec. 6 at 110.39 and are currently moving around 108.

Best industrials finished the day, prior to the Pearl Harbor treachery, at 107.85 and currently are around 105.75 while best rails are now around the 90 level compared with 92.59 on Dec. 6.

**Union Oil Financing**

Union Oil Company of California is reported dickering with its bankers for flotation of an issue of some \$15,000,000 of long-term debentures to finance new construction which it has in contemplation.

But there is little or no expectation that this piece of business will go through until the early part of January, since little more than a week remains of the current year.

The company is understood to be seeking the loan with a 3% coupon. Its funded debt at the end of 1940 stood at \$37,900,000, including \$7,900,000 of non-callable 6s due May 1, next year.

The 6s, incidentally, have been selling, when available, to afford the purchaser a return of 2% at times recently. But the catch is that few of the bonds have been found available.

**Feeling the Effects**

The effect of the war situation in the Pacific has naturally made itself felt in greatest degree among securities of corporations operating on the West Coast.

In that respect the 30-year 3s of the Pacific Gas & Electric Company, brought out just about a year ago are a case in point. That issue dipped under par, this week, for the first time since issuance.

On relatively light offerings, the bonds slipped down to 99 3/4 or thereabouts, after having sold as high as 106 3/4 earlier in the year.

**Tax-Selling Over Soon**

Close followers of the investment market are satisfied that selling to register losses for tax purposes has been a real influence for lower prices over the last few weeks.

They contend that such selling has been in more substantial volume this year than for some time passed due to the fact that the market generally is somewhat off from its peak levels.

Accordingly, there is a disposition to look for seasoned high-grade issues to do somewhat better in the closing days of the year since selling of this type should about have run its course now.

**Bank Loans for Bonds**

The Continental Oil Company moved to lift a substantial block of securities out of the market when it announced the call for redemption on Feb. 4 next of its outstanding \$21,071,600 of 10-year 2 3/4% convertible debentures. It had been announced several

**NATIONAL BANK  
of EGYPT**

Head Office Cairo  
Commercial Register No. 1 Cairo

FULLY PAID CAPITAL £3,000,000  
RESERVE FUND £3,000,000

LONDON AGENCY  
6 and 7 King William Street, E. C.

Branches in all the principal Towns in EGYPT and the SUDAN

**NATIONAL BANK  
of INDIA, LIMITED**

Bankers to the Government in Kenya Colony and Uganda

Head Office: 26, Bishopsgate, London, E. C.

Branches in India, Burma, Ceylon, Kenya Colony and Aden and Zanzibar

Subscribed Capital £4,000,000  
Paid-Up Capital £2,000,000  
Reserve Fund £2,200,000

The Bank conducts every description of banking and exchange business

Trusteeships and Executorships also undertaken

**Royal Bank of Scotland**  
Incorporated by Royal Charter 1727

Over 200 Years of Commercial Banking

HEAD OFFICE—Edinburgh  
General Manager  
William Whyte

Total number of offices, 258

CHIEF FOREIGN DEPARTMENT  
3 Bishopsgate, London, England

Capital (fully paid) £3,780,192  
Reserve fund £4,125,965  
Deposits £69,921,933

Associated Bank  
Williams Deacon's Bank, Ltd.

**Australia and New Zealand**

**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.

LONDON OFFICES:  
29 Threadneedle Street, E. C.  
47 Berkeley Square, W. 1  
Agency arrangements with Banks throughout the U. S. A.

weeks ago, following a board meeting, that the company intended to call at least \$11,000,000 of the total.

Funds for payment of the issue will be provided by use of bank loans in the amount of \$10,000,000, with the balance to come from cash resources.

**To Be King & Conrads**

ROCKFORD, ILL.—Coincident with the admission to partnership of Paul E. Conrads, the firm name of Joseph D. King Company, members of the Chicago Board of Trade, 317 West State Street, will be changed to King & Conrads, as of Jan. 2, 1942. Mr. Conrads has been associated with the firm for some time as manager of the Unlisted Department.

**INSURANCE STOCKS**

**Mackubin, Legg & Company**  
Established 1899  
Members New York Stock Exchange

BALTIMORE NEW YORK

Telephone—Plaza 9260 WHITEhall 3-9636  
Teletype—BA 288 NY 1-563

## Over-The-Counter Dealer Must Unite

(Continued from Page 1642)

which enjoy good markets today will have no markets at all, and the public will suffer and suffer plenty.—J. B. Reimer (Louisville), Berwyn T. Moore & Company, Inc.

We note the leading article in your issue of Thursday, December 18th, in regard to narrowing of the spread on over-the-counter stocks, especially in connection with insurance stocks, and we want to add our voice of protest to this action.

Apparently many people in the business do not appreciate that most dealers like ourselves cannot operate on eighths and quarters. We are not like the large trading houses where orders come in to us. We have to go out and dig up the orders. This takes time and money, the employment of salesmen, the paying of commissions to them, the maintaining of statistical data and considerable additional overhead.

Based on spreads as they are now quoted it is practically impossible to sell many stocks and make a profit that will pay overhead, salesmen's commissions and leave anything for the firm. We feel strongly that the spreads as heretofore quoted were reasonable and approximately the same spreads should be retained as against the closer spreads now being quoted.—Anonymous (Indianapolis).

We are writing to express appreciation of and hearty agreement with the subject matter of your article in your issue of December 18 entitled, "Over-The-Counter Dealers Must Unite."

Your article deals with the threat to the existence of the over-the-counter dealer which is implied in the recently narrowed spreads in the published quotations in various over-the-counter stocks. There is no business in the world in which there are not two sets of prices, wholesale and retail, or in other words one set of prices to prevail between dealer and dealer and another between the dealer and the general public. On any other basis it is obvious that a host of dealers must be forced out of business and in our opinion that is exactly what will happen to many firms like ourselves if the newspaper quotations on our stock in trade, namely the over-the-counter securities, are to be so narrowed as to make the obtaining of a fair profit almost an impossibility. The quotations as they are now being printed do just that.

We also want to register our protest along with yours against the general principle of any governmental setting of such prices. We have no quarrel with proper supervision of the general activities of our business, but we do not believe that it is any proper function of the government to step inside that business and to dictate to the dealer the terms upon which he shall buy and sell. Competition will effectively take care of that matter for any dealer and we believe the government should concern itself merely with such supervision, in this or any other business, as is necessary to make sure that the business is being honorably conducted in accordance with the statutes.—Anonymous (Bridgeport).

In regard to your article on the first page of the December 18th issue of the Commercial & Financial Chronicle regarding newspaper quotations of unlisted bonds:

My comment on this situation is this—In the first place why should unlisted dealers give out wholesale quotations? Do the wholesale dealers in carpets, wallpaper or watches hand out their quotations to the general public? They might quote such articles in their strictly trade papers, but I have never seen wholesale prices of furniture, clothing, etc., in the daily newspapers. The newspapers have but one source for unlisted quotations and that source is the dealers themselves. Why do not dealers in the larger metropolitan areas make up a quotation committee to hand out "retail quotations" to the newspapers?

It is quite all right for newspapers to quote the high, low and last of an auction market (that's all a listed market is) because you have actual sales and the closing bid and asked is presumably a firm market both ways. Since the unlisted market is nearly always a "subject" market I do not think the newspapers are exactly truthful unless they have been given firm quotations by the unlisted dealers themselves.—Herman J. de Ford (Chicago), H. J. de Ford & Co.

Your article in this morning's "Chronicle" headed "Over-the-Counter Dealers Must Unite" forcefully expresses a frequent and serious cause for complaint.

My business is over-the-counter. I deal with regular customers. I give them all sorts of advice, often dealing in listed stocks on which there is no commission; look after their tax sales much of which is without any compensation; send them reports on their securities, etc. I cannot charge for my services as a lawyer would and must have a fair commission on over-the-counter dealings if I am to stay in business.

My customers expect to buy at the asked price. Some of my very best customers expect to get between the bid and the asked, and I have often felt obliged to cut a fraction from the asked quotation leaving a margin that does not pay. This to avoid a suspicion of over-charging. I have actually lost good customers by selling at a little higher than the quoted price. Only yesterday I had such a complaint.

What is the result of this situation?—I am obliged to avoid as far as possible securities with published quotations.

It is hardly necessary to be specific but this morning I note that the asked price of Brown & Sharpe is quoted as \$136. It will cost our trading department \$135 to buy. I can get 37½¢ if I sell this stock, so I do not sell it. On Chase Bank I can get for myself 22½¢ a share if I do not shade the asked quotation.

The wide publicity you are giving this situation is most welcome and I trust may be effective. This sentence is particularly noted—"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." I would be interested to know what association, other than governmental bodies, within the securities business may also be exercising its influence.—Anonymous (New York City).

As if we didn't already have troubles enough in the security business, an agency of the Federal Government is now forcing us to advertise our merchandise in the daily papers all over the country at prices for which we cannot possibly sell our goods and stay in business.

(Continued on Page 1655)

## President Accepts Ban On Strikes

(Continued from Page 1641)

handle these disputes. I accept without reservation your covenants that there shall be no strikes or lockouts and all disputes shall be settled by peaceful means. I shall proceed at once to act on your third point.

Government must act in general. The three points agreed upon cover of necessity all disputes that may arise between labor and management.

The particular disputes must be left to the consideration of those who can study the particular differences and who are thereby prepared by knowledge to pass judgment in the particular case. I have full faith that no group in our national life will take undue advantage while we are faced by common enemies.

I congratulate you—I thank you, and our people will join me in appreciation of your great contribution.

Your achievement is a response to a common desire of all men of good-will that strikes and lockouts cease and that disputes be settled by peaceful means.

May I now wish you all a Merry Christmas.

Very sincerely yours,

Franklin D. Roosevelt.

The conferees assembled at the White House on Dec. 17 with instructions from President Roosevelt that an agreement for avoiding work stoppages be reached by Dec. 19. However, no accord was approved by that date and the group recessed until Dec. 22, when, after another full day of discussion they again failed to agree on a formula. The points at variance were then referred to the President resulting in the agreement on three general points.

In his informal talk to the representatives on Dec. 17, before the negotiations were brought under way, the President called for a speedy unanimous agreement explaining that "speed now is of the essence, just as much in turning out things as it is among the fighting forces." Warning that the production program must be increased greatly, Mr. Roosevelt said that the primary thing is "to keep the work going." He further said that the additional millions of new workers in defense in 1942 have to be protected at the same time, adding that "we can't have stoppages." The President, in his extemporaneous remarks, also stated:

I want to see what we can do. We have only been in this war for a week and a half. It is serious, at the present time. We are not sitting on "Easy Street."

I hope very much, in fact I am very confident, you will realize the spiritual side of this war emergency. We want our type of civilization to go on. It is threatened. We want our freedoms. We want freedom to express our own opinions. We want freedom of religion and the others as well. They are threatened.

I think very much the country is looking to you gentlemen to give us, just as fast as you possibly can—by tomorrow or the next day—some kind of an agreement so that we all can shake hands. After this war is won, let's go back if we want to, if we have to, to old Kilkenny. And you know what a Kilkenny fight is. But that is something that we can put aside until that date comes.

The country is looking to you. I am looking at you. The Congress is looking at you. All I can say, is God speed your efforts.

## AFFILIATED FUND INC.

Prospectus on request

LORD, ABBETT & Co.  
INCORPORATED  
63 Wall Street, New York

## Investment Trusts

Investors who want to buy Defense Bonds but can't afford to give up investment income are furnishing investment men with plain and fancy headaches. One way of meeting the problem is through the proper use of investment trust investments. This method has been suggested by The Keystone Corporation of Boston, sponsors of Keystone Custodian Funds.

Suppose, for example, an investor has \$50,000 and wants to buy Defense Bonds. With \$37,000 he can buy Series F Defense Bonds with a maturity value of \$50,000 in 12 years. The remaining \$13,000 can be invested in investment trust stocks to return whatever amount of income (up to about 2% on the whole \$50,000) that the investor feels he must obtain. Investment trust stocks are peculiarly adapted to such a program for, while the income return is generally fairly steady, they form an excellent hedge against any general inflationary development.

For the investor who is more interested in immediate income than in inflation hedges the investment trust bond funds will prove an excellent place for the funds not placed in Defense Bonds. The bond funds, through diversified investment are able to return an income that is far less hazardous than would be a like amount of income derived from a few individual securities. Individual bonds returning yields of from say 5% to 8% at today's prices are generally considered somewhat hazardous. But by spreading their portfolios over fifty or more such bonds, the bond funds are able to obtain a high degree of stability and at the same time offer high yields to investors.

For those who wish a greater inflation hedge the common stock and "balanced" portfolio funds offer varying income returns and varying degrees of inflation hedge. Through the principle of diversification they too are enabled to furnish a high degree of safety as regards income with quite satisfactory returns. Diversification also assures participation in rising markets. True, some individual stocks will experience much greater appreciation, but the trusts on the whole will out-perform about two-thirds of the listed stocks. In other words, the chances of an individual stock doing as well as the average trust are only one in three.

"It is difficult to make more than general comments on investment policy so soon after the declaration of war. However it seems clear that yearly expenditures for armaments will be greatly increased over even the amounts forecast before the outbreak of war. The \$150,000,000 'victory program' that has been in the discussion stages for several months now looms as a reality. The realization of this program will call for tremendous expansion of the nation's productive capacity as well as most serious curtailment of many consumers' goods. There will be greatly increased government control over the allocation of materials and

**FUNDAMENTAL INVESTORS, INC.**  
PROSPECTUS ON REQUEST  
**HUGH W. LONG and COMPANY**  
INCORPORATED  
15 EXCHANGE PLACE JERSEY CITY • 634 SO. SPRING ST. LOS ANGELES

over prices and production but the methods that will be used to obtain the highest possible production of armaments cannot be foretold. Taxes and costs will unquestionably be higher and corporation earnings will undoubtedly be adversely affected. Psychological or sentimental factors will have increasingly important influences on prices of securities and values can be expected to fluctuate widely. Under such circumstances investors will require more than ever investment management and diversification such as may be obtained in shares of Broad Street Investing Corporation." "The Broad Street Letter."

The Board of Directors of Broad Street Investing Corporation has declared a quarterly cash distribution of 47 cents a share, payable Dec. 24, 1941, to stockholders of record at the close on Dec. 16, 1941. Total declarations for the year aggregate \$1.22 a share, which amount is expected to be substantially equal to net income from dividends and interest for the period, and compares with \$1.12 a share declared for the preceding year, an increase of 9%. Based on the average of 1941 month-end liquidating values for shares of Broad Street Investing Corporation, disbursements of \$1.22 a share are equivalent to a dividend yield of 6%.

The Directors of Chemical Fund, Inc. have declared a dividend of 15 cents per share, payable (Continued on Page 1650)

**MANHATTAN BOND FUND**  
INC.  
PROSPECTUS ON REQUEST  
Wholesale Distributors  
**HUGH W. LONG and COMPANY**  
INCORPORATED  
15 EXCHANGE PL. JERSEY CITY • 634 SO. SPRING ST. LOS ANGELES

## Municipal News & Notes

### NEW ORLEANS

#### LOUISIANA and MISSISSIPPI MUNICIPALS

### Scharff & Jones

Whitney Bldg.

Jackson  
Miss. NEW ORLEANS Shreveport  
La.

Bill Teletype—NO 180

Although the Federal debt increased \$6,008,000,000 in the fiscal year ended June 30, 1941, State and local governments managed to cut outstanding debt by \$42,000,000, reversing the upward trend of recent years, the Department of Commerce disclosed this week in a comprehensive analysis.

The State and local debt totaled \$20,183,000,000 as of June 30, 1941, while the Federal debt was \$48,979,000,000, indicating a combined Federal, State and local debt of \$69,162,000,000, an all-time high. Since June 30, 1941, the Federal debt has grown to more than \$57,000,000,000.

From 1912 to 1941 the State and local debt rose from \$4,498,000,000 to \$20,183,000,000, while in the same period the Federal debt increased from \$1,194,000,000 to \$48,979,000,000. In 1912 the local and State debt represented 79% of all of the outstanding debt in the United States. However, the sharp rise in Federal indebtedness has cut this margin down to 29.2%.

The Commerce Department points out that Federal defense spending and national defense requirements have affected State and local government debt behavior in several ways. For example, expansion of the national economy has resulted in substantially heavier tax collections and in reduced relief loads.

The general downward trend was counterbalanced by two factors: A rise of \$216,000,000 in outstanding obligations of local housing authorities, and flotation of large bond issues by a limited number of cities to finance public service enterprises. A \$93,000,000 increase in New York City's debt for improvement of water supply and rapid-transit facilities overshadowed moderate debt decreases reported by a large number of municipalities.

Despite the slight change in total State and local government debt in the fiscal year 1941, a significant movement occurred among the various types of governmental units. Outstanding obligations of special districts, including special authorities, mounted at the rate of 8% to a new high of \$2,770,000,000.

State and local debt is expected to show a greater decrease in the 1942 fiscal year. Operation of priorities in the building and improvement projects is expected to affect their debt position.

### President Gets Pledge Of State And Local Government

President Roosevelt revealed at last Friday's press conference that he had received a pledge of full cooperation from a committee of the Governor's Conference and the Council of State Governments. The pledge emphasized the need for consistent fiscal action by State and local governments to combat inflation and expedite the defense program.

The statement by the Governors

to the President set forth six major proposals pertaining to the activities of State and local governments during the current crisis, as follows:

1. Priority for activities of State government which would best promote national defense.
2. Postponement of non-defense public works.
3. Maintenance of present public facilities, cooperative buying and general improvement of administrative efforts.
4. Preparation of plans for useful post-war public works to serve as an economic cushion.
5. Retirement of State and local government indebtedness and the accumulation of cash reserves to finance post-war public projects.
6. Safeguarding of services rendered by State and local governments and the preservation of the institutions of a free democracy.

### Defense Needs Cut Municipal Financing

The trend toward a smaller volume of new municipal financing is accentuated by the new war developments, it is generally agreed by tax-exempt specialists. Already hindered in planning for new projects by shortages of materials, municipalities are expected to encounter even more serious difficulties as a result of the nation's active participation in the war.

At the same time, it is believed that taxpayers will be increasingly likely to take the position that national defense must come first and local activities be reduced to a minimum. This tendency has been evident during the defense program period, as was illustrated in the last two months by voters in a number of instances turning down proposals for new public projects or otherwise increasing municipal outlays.

Refunding operations are expected to continue in relatively normal fashion. The bulk of curtailment in financing should be in issues related to the construction of new projects such as buildings, sewers and water plants.

### SEC Seen Seeking Municipal Bond Curbs

The SEC is considering asking for power over trading in municipal securities and perhaps over municipal financing, according to reports circulated last week among municipal bond dealers. Powers over financing, it was said, would be sought if law were passed permitting the Federal Government to tax interest on new municipal bonds.

Reports among dealers were that the Commission is seeking powers over the municipal bond market similar to those exercised over trading in corporate issues. Increased power over the counter market has already been sought.

When the 1933 Securities Act was enacted, it was noted, it was taken for granted that the Federal Government had no powers over the financing of the States or creatures of the States. Accordingly, the market for municipal bonds is not covered.

### 1941 Realty Taxes Changed Little

The annual report of the National Municipal League, based on a survey by Rosina K. Mohaupt of the Detroit Bureau of Governmental Research, was made public last week, showing that real property tax rates and assessed values were virtually unchanged in 1941. In 263 cities the average tax rate rose only 2 cents per \$1,000 from 1940, and the average assessed value only one-tenth of 1%

## FLORIDA

### FLORIDA MUNICIPAL BONDS

Our long experience in handling Florida issues gives us a comprehensive background of familiarity with these municipal bonds. We will be glad to answer any inquiry regarding them at no obligation.

**R. E. CRUMMER & COMPANY**  
157 HAY BARR BLDG. CHICAGO ILLINOIS

—six-tenths of 1% for the larger cities (more than 500,000 population) and about 1% for the smaller.

For the third successive year the highest adjusted rate in the country was that of Atlantic City, N. J.—\$59.80 per \$1,000, 66 cents below 1940. The lowest was \$8.13 for Montgomery, Ala.

It was emphasized that the reduction since 1931 in assessed values in the larger cities "adds to the already serious financial problems created by the decrease in Federal grants and the increasing costs of city government," and "requires higher tax rates unless total tax revenues are to be reduced."

"But the growing burden of Federal taxation and the general unpopularity of any increase in the general property tax," Miss Mohaupt added, "make the financial situation of many of these cities uncomfortable."

### Oklahoma Financial Survey Prepared

Furnishing a copy of their seventh annual survey on Oklahoma local finances, it is pointed out by R. J. Edwards, Inc., Terminal Building, Oklahoma City, that 1942 marks the 50th year they have dealt in Oklahoma municipal securities.

R. J. Edwards, Chairman of the firm, remarks as follows:

In these troubled times it is helpful to look back on the progress the State of Oklahoma has made in the past 50 years. I personally recall those first years of drought in '91 when the outlook was even darker than now. The span of this company's life began when the State was two territories under the jurisdiction of the Federal Government, when the only transportation was a buggy and team, when the only accommodations for the bond buyer was a homesteader's house, or a corner store with cheese and crackers. I and men in the company have seen this give way to statehood and transportation by rail and that give way to the development of highways and the motor car and the airplane. And in all that development we are happy to remember our part in furnishing credit. In our files we still have transcripts of bonds for frame courthouses in county seats, and transcripts of the bonds for the brick courthouse that replaced the frame, and of the cut stone and marble that replaced the brick. As we look upon the vast changes that have taken place in the past, we look with confidence and interest upon the future with even greater changes to come. And we look forward to a continued service to our clients.

### 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 in the booklet include appended.

Dec. 26th

\$600,000 De Soto Co., Fla.

This offering is made up of county bonds and special road and bridge district bonds. The county has not made any recent sale of its bonds.

Dec. 29th

\$3,994,000 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.

### Goldman, Sachs Will Admit Four Partners

Goldman, Sachs & Co., members of the New York Stock Exchange and New York Curb Exchange, on Jan. 1, 1942, will admit Miles J. Cruickshank, Alfred E. Hammill, James C. Hemphill, and Robert V. Horton to partnership in the firm. Mr. Cruickshank and Mr. Horton will make their headquarters at the firm's New York office at 30 Pine Street. Mr. Hammill, Manager of the Chicago office, 208 South La Salle Street, and Mr. Hemphill, who has been associated with him there, will continue to make their headquarters in that city.

### Baker, Oakley, Warren To Be Kidder Partners

John D. Baker, Jr., Uzal Oakley, and James C. Warren will be admitted to partnership in A. M. Kidder & Co., 1 Wall Street, New York City, members of the New York Stock Exchange and other leading Exchanges, on Jan. 1. Mr. Baker and Mr. Warren have been associated with the firm since 1938. Prior thereto Mr. Baker was with Mackay & Co. and Mr. Warren was a partner in Jenks, Gwynne & Co.

### Orin Newton Joining Mason, Moran & Co.

(Special to The Financial Chronicle)  
CHICAGO, ILL.—Orin Newton has become associated with Mason, Moran & Co., 135 South La Salle Street. Mr. Newton was previously Vice-President and Manager of the municipal department of Haskell, Scott & Jennings, Inc., with which he was connected for many years.

### John Whitney Will Be Baker, Weeks Partner

John Whitney will become a partner in Baker, Weeks & Harden, 52 Wall Street, New York City, members of the New York Stock Exchange and other leading Exchanges, on Jan. 1, 1942. Mr. Whitney was formerly a partner in Thomson & McKinnon, and prior thereto in Jenks, Gwynne & Co.

### Drexel Will Admit Day & Lee As Partners

PHILADELPHIA, PA.—Drexel & Co., 15th & Walnut Streets, members of the New York and Philadelphia Stock Exchanges, will admit William L. Day and Robert H. Lee to partnership in the firm as of Jan. 1, 1942.

### Roosevelt Confident of NYSE Cooperation

President Roosevelt has expressed confidence that members of the New York Stock Exchange "will give every measure of cooperation" in the present grave crisis. This was revealed on Dec. 20 in the December issue of "The Exchange," monthly publication of the Stock Exchange, which printed the exchange of letters between the President and Emil Schram, head of the Stock Exchange. Mr. Schram had written to the President on Dec. 11 on behalf of the Stock Exchange organization pledging its fullest "loyalty, support and cooperation." Mr. Schram's letter to the President read:

My dear Mr. President:

It is my privilege to send this message on behalf of the New York Stock Exchange, its members, its member firms and its entire staff and organization: that in your invincible leadership of our nation at this time of grave crisis you have our fullest measure of loyalty, support and cooperation.

Most respectfully yours,

EMIL SCHRAM

The President replied as follows on Dec. 13:

Dear Emil:

I am very happy to have your letter and I am confident that in this grave crisis the members of the New York Stock Exchange will give every measure of cooperation.

My best wishes to you.

Always sincerely,

FRANKLIN D. ROOSEVELT

### Atwell, Once Employee, Becomes Curb Member

The Board of Governors of the New York Curb Exchange has approved the transfer of a regular membership from Ernest Iselin, Jr. to John R. Atwell.

Mr. Atwell entered the employment of the Curb Exchange as a clerk in the record room on Dec. 15, 1928 and on May 18, 1929 was transferred to the trading floor as a reporter. He continued to work for the Exchange until Dec. 14, 1940. During this time he received his bachelor's degree from Fordham University and his law degree from St. John's College in Brooklyn and was admitted to the New York bar. After leaving the Curb Exchange he became associated with Remington Rand, Inc. and now returns to the Exchange as a regular member.

### L. J. Currier Is Now With Paul H. Davis & Co.

(Special to The Financial Chronicle)  
ROCKFORD, ILL.—Laurence Jenks Currier has become associated with Paul H. Davis & Co., members of the New York Stock Exchange and other leading exchanges, whose main office is located at 10 South La Salle Street, Chicago, Ill. Mr. Currier was formerly Treasurer and Manager of the trading department of Jilbert & Company, Inc., and prior thereto was an officer of William H. Flentye & Co., Inc., and Ramey, Bassett & Co.

### "Petroleum on Parade"

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

Copies may be obtained from Tellier & Company on request.

### Wickard Urges Farmers To "Plant To Prosper"

In a radio address broadcast from Washington to farmers on Dec. 17 Secretary of Agriculture extended special greetings to farm families in Tennessee, Arkansas, Mississippi and Missouri, bringing to a close the annual "Plant to Prosper" contest of the Memphis "Commercial Appeal." In part he said:

Since 1934, the farm families in this Mid-South area have had the stimulus of the annual contest sponsored by this far-seeing newspaper. Needless to say, the Extension Services, the Farm Security Administration, and other agencies of the Department of Agriculture have been happy to cooperate. The idea has spread to other regions, as other papers with wide influence have taken the lead in stimulating farmers to obtain better living from the farm, to greater diversification of farm activity, increased conservation measures, and improvements in the farm home.

Such campaigns have helped individual families to prosper. This year they also have served the needs of national defense. The same general line of improved farming in 1942 will help the Nation wage its war against aggression. Not only is it Plant to Prosper from now on; it's Farm for Victory.

The kind of farm production program followed by the "Plant to Prosper" contestants is a very real help to the war effort. Its first aim is to provide home-grown food and feed supplies. The farm family that grows its own vegetable and meat and egg and milk supply increases the Nation's productive capacity in several ways. First of all, such a farm family is better fed, stronger and able to work harder. Second, such a family does not call for the use of scarce tin and other containers to put up its food in city factories; it does not require the use of rail or highway transport to get part of its food supply; and it releases part of the commercial supply of these greatly needed foods for use by our own people, and the people of the nations allied with us. . . .

Let me give this audience assurance that I believe the American people will see to it that farmers and all producers are rewarded fairly for their contribution toward winning the war. Reward to each according to his part in the common effort is and will be the national principle. It is the only possible principle in our democracy.

### W. C. Fouch Associated With Grant-Brownell Co.

DAYTON, OHIO — Wayne C. Fouch has become associated with Grant-Brownell & Co., Winters Bank Building. Mr. Fouch for the past three years was manager of the Dayton office of BancOhio Securities Co. and prior thereto manager of the local office of McDonald-Coolidge & Co.

### V. H. Brown To Be Partner

Vernon H. Brown, member of the New York Stock Exchange, will become a partner in the Exchange firm of Vernon C. Brown & Co., 71 Broadway, New York City. Mr. Brown has been engaged in business as an individual floor specialist; in the past he was a partner in Vernon C. Brown & Co.

### Asiel & Co. To Admit

Joseph D. Croll and Samuel H. Rosenberg will be admitted to partnership in Asiel & Co., 11 Wall Street, New York City, members of the New York Stock Exchange, as of Dec. 31.



*This is a true story of "Life Insurance in Action" taken from the policy-record files of the Massachusetts Mutual Life Insurance Company*

## Life Insurance Sees Him Through

Recently a letter was sent to a beneficiary under a Massachusetts Mutual Ordinary Life contract asking him to return the policy because the Company was about to make the final monthly payment due under the terms of the policy. The beneficiary was a young man who had recently received his M.D. degree. His father was accidentally killed some years previously and in his Massachusetts Mutual insurance policies it was provided that part of the proceeds should go for the education of his son.

Up to the time of his death the father paid \$756.06 in premiums to the Company. The net proceeds amounted to \$6,434.32. The settlement agreement provided that \$3,000 of the proceeds should be set up as an educational fund for his son, payable in monthly installments of \$110 excluding June, July, and August of each year. All of the proceeds over \$3,000 were to go to the widow.

And now the insurance contract had run its course and the father's carefully laid plans had reached fruition. How proud he would have been to see his son graduate! How proud our representative must be that through his initial efforts such a story of life insurance in action can be told!

## MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY

Springfield, Massachusetts

Bertrand J. Perry, President

Organized 1851

### Merrill Lynch To Acquire Hutton Branch In Lansing

LANSING, MICH. — As of Dec. 31, Merrill Lynch, Pierce, Fenner & Beane, will acquire the local office of W. E. Hutton & Co. E. V. Eschbach, manager of the W. E. Hutton & Co. branch, and Edwin Hayden and Scott Rutherford, who have been associated with him, will become associated with Merrill Lynch, making their headquarters at the latter firm's office at 108 West Allegan Street.

### Harry D. Miller To Be Nugent, Igoe Partner

NEWARK, N. J. — Harry D. Miller, for many years associated with Nugent, Igoe & Manning, 21 Commerce Street, members of the New York Stock Exchange, and Eisele, King & Nugent, as manager of the East Orange branch, will be admitted to partnership in the firm on Jan. 1. Mr. Miller will continue to make his headquarters at the firm's East Orange office, 19 North Harrison Street.

### Form DeCoppet & Berdan

Robert F. DeCoppet and John T. Berdan, both members of the New York Stock Exchange, will form DeCoppet & Berdan with offices at 71 Broadway, New York City, as of Jan. 1, 1942. Mr. DeCoppet has been in business as an individual floor broker; Mr. Berdan was a partner in Vernon C. Brown & Co. and in the past was active as an individual floor broker.

### Form T. J. Beauchamp Co.

Subsequent to the dissolution of Beauchamp & Fagan and Yelin & Co., partners of the two firms have formed T. J. Beauchamp & Co., New York Stock Exchange firm, with offices at 41 Broad Street, New York City. Partners are Thomas J. Beauchamp, Benjamin Yelin, both Exchange members, Della Dee Jacobs, general partners, and Samuel Ungerleider, Jr., limited partner.

## Our Reporter On "Governments"

The government bond dealers are complaining now about the fact that the market is "too stable" . . . With the world-wide war not yet a month old, so well has the market been controlled that the worry is about lack of price fluctuation—not about too much price movement . . . Ponder that for a moment, for in this record you have proof of the tremendous control power of our Government today . . . In what has happened in the last three weeks you have a perfect indication of how effectively support can be handled . . . And you have a sign of what is ahead . . .

There's too little trading," says one dealer. "The market is so stable that there's virtually nothing going on on either side of the list." . . . "We know the 2½s and 2s are going to be held at or above par if the Treasury and the Federal Reserve can manage it and they can manage it, it seems. So there's no incentive to buy or sell them." . . . "All the activity is in the 2½s and 2s," says a third. "And that means we're caught in the control." . . .

Psychological as well as actual control is playing a part in the market's steadiness these days too, incidentally . . . With the dealers and commercial banks convinced of the working of the support, they have no convictions on large sales . . . Besides, some consider it "unpatriotic" to hammer at the Government market now (a significant point, as we mentioned last week) . . . The "gentlemen's agreement" among the commercial banks is still in operation, in addition . . .

So there's your present government bond market setup . . . It's encouraging . . . And considering the cash borrowing prospects, the chances are it will remain encouraging for some weeks to come.

### Cash Borrowing

The Treasury probably can stay away from the market as far as cash financing is concerned, until February, at least . . . Another optimistic note in the present picture . . .

According to the figures, the Treasury will enter 1942 with the largest cash balance recorded in a quarter-century—approximately \$3,500,000,000 . . . That's a fantastic figure . . . And when you consider the costs of the war, the day-by-day drain on the Treasury's resources, it's a particularly heartening statistic too . . .

There has been about one and one-quarter billion dollars balance for some weeks . . . A minimum figure . . . Then, on Dec. 15, Secretary Morgenthau received the \$1,500,000,000 borrowed through the sale of the 2½s and 2s . . . And also on that day, he received the last installment on the 1940 income taxes—maybe \$600,000,000 or \$700,000,000 or even more . . . And he has been getting funds daily from sales of defense bonds . . . And from sales of tax-anticipation notes . . . And he has been raising money weekly from sales of discount bills . . .

Add up the figures and you'll come to more than \$3 billions. . . . Nothing approaching this balance has been shown by the Treasury in years. . . . Probably the only time a larger total was reported was immediately after the sale of the Fourth Liberty Loan. . . .

With defense bond sales skyrocketing and with indications that after the post-Christmas lull, they'll rise even faster, the odds are against a Treasury cash borrowing before February . . .

There'll be a major refunding deal in January . . . That we know, for Morgenthau has indicated this will go through unless the market is in extremely bad shape . . . And that seems highly unlikely, considering the way it has taken the news of the last month . . .

But the refunding is not important as a market factor . . . What is significant is the fact that the market is to be left alone for several weeks . . .

There's no disposition to argue with the way in which the Treasury and the Federal Reserve System have handled and are handling the government bond market and war financing . . .

### Excess Reserves

Excess reserves last week hit the lowest level since Dec. 28, 1938, at \$3,090,000,000 for the country as a whole and at \$890,000,000 for New York City banks alone. . . . The figures, just considered as figures, may seem large—but, actually and psychologically, they're approaching a dangerously low level. . . .

However—and this a big however—the chances are that from this point on, excess reserves will start rising on their own. . . . As a result of heavy withdrawals of funds on deposit with the Reserve Banks by the Treasury. . . . And possibly as a result of some return flow of money in circulation after the turn of the year. . . . Don't count on the second factor to any extent, though. . . . The big point is the pending withdrawal of Treasury balances. . . .

That in itself would constitute a stimulating force in the Government market (Amazing, isn't it, how they're adding up?). . . . And then there still is the definite possibility of a lowering of reserve requirements by the Federal Reserve Board in the not too distant future. . . . Chances are the cut in requirements will come before the middle of 1942, if there are any signs of a shaky market. . . . If not, expect it if reserve funds appear to be approaching the level at which bond sales may be traced to tight money conditions. . . .

Last week's total represented a drop of \$750,000,000 in one seven-day period. . . .

### Inside The Market

Less than one-sixth of the new bonds allotted in the New York district showed up in the holdings of reporting banks, indicating that non-banking institutions were the major buyers of the 2½s and 2s. . . . Just another proof of something reported previously though. . . .

Last week's Federal Reserve statement showed an increase of \$45,270,000 in the holdings of U. S. bonds by the Federal Reserve Banks. . . . The officially reported extent of the Reserve System's support of the market following the outbreak of war. . . . But this is only part of the story. . . . It is known that the Treasury bought large amounts of bonds for its investment accounts, and this support will not show up in the figures for several weeks, for the reports of the investment account holdings come out only every month. . . .

Incidentally, the Reserve System's buying of Governments in the open market helped soften the drop in excess reserves—for this is a

## The Securities Salesman's Corner

### HAVE CONVICTIONS — BE POSITIVE

If you want to do business, especially under today's conditions, cast aside doubts, fears and uncertainties. When professionals in the securities business admittedly are at a loss to forecast the future even a few months in advance, any salesman can readily appreciate the befuddled state of mind of the average investor.

No salesman, however, can afford to allow his clients to see that he has a confused outlook. In fact, it is not necessary for a salesman to be confused. He must first, make a sincere study of the issues which he is selling. Then, when he has become convinced of their soundness and their value, he should go ahead and try to sell them.

It is not strange that the average person who buys anything, instinctively wants to be SOLD. He wants someone else to do his thinking for him. He does not want to buy. Very few people have the initiative to make up their own minds about anything. That is why we have salesmen in this world.

With this fact firmly in mind, let us come to a few convictions of our own that will help us to be positive in our outlook and creative in our sales efforts.

1. We naturally believe that the United States will win a military victory in this war. Any other outcome would be intolerable and the only alternative to victory would be slavery. So, for the longer term in this respect, the outlook is bullish.

2. In the event we have to undergo the extreme penalty of a final currency inflation, securities and things in most instances would at least be equal to and even superior to cash.

3. With many good stocks selling today at three and four times their present day earnings, even a sharp increase in operating costs and a subsequent reduction in earnings and dividends would still not indicate that investors, who now buy sound equities for income, could be seriously hurt over the longer pull. On December 17th the Dow-Jones Industrial averages closed at 109.36. In 1937, the same averages were at 194.43, and in 1929 they were as high as 381.17. Here are some figures that you can quote to your doubting prospects when they tell you that they wonder whether or not this is the time to buy.

4. The writer would select medium grade bonds, preferred stocks and common stocks in companies that primarily should not be affected in too great an extent by sudden shift of administrative thinking and the commands from Washington bureaus and war agencies. In this group, we would look to companies that produce mainly basic raw materials, such as the non-ferrous metals, oil companies, companies with goodly percentage of basic by-products, the chemicals, companies engaged

in the production of vital war materials of a general nature, banking, insurance and finance companies, also producers of natural gas and others of this type. Upon this foundation of companies situated in industries that are firmly entrenched, we would then select individual situations on the same basis of value as during any other period when more normal conditions prevailed.

Upon these four principles we would look forward to going out after business in 1942, with the same amount of confidence and enthusiasm as in the past. In fact, it is quite likely that any salesman who goes out to sell his customers on the basis of such positive convictions, will find that his customers will be receptive and that business can be consummated.

In conclusion, let's not forget that people want to be sold. Regardless of what the story books say, they actually like it. They may give you excuses, but these excuses are only indications that they want you to go further and show them why they should give you an order.

Some years ago, the writer had a very devil of a time making dates with a certain young lady. One night he was telling his troubles to a more experienced friend and his friend gave him this advice: "The reason she is not interested in making dates with you might be because you always seem to ask her where she wants to go. The next time you see her, why don't you be the boss? Have your theatre tickets in your pockets and instead of saying 'Where shall we go tonight?' try the other way. For a change you tell her where you are going." Needless to say, this stunt worked so well, I finally ended up by marrying the gal.

Your clients expect you to know what you are doing and to be positive about it. In this respect, most human beings are the same. One never needs to be overbearing, but the salesman who believes in something so strongly that he won't take "No" for an answer—that's the fellow we believe will do the business in 1942.

A MERRY, MERRY CHRISTMAS TO ALL!

### W. L. Sterling In N. Y.

Warren Lee Sterling has opened offices at 114 East 52nd Street, New York City, to engage in a general securities business.

time-honored way of easing the money situation. . . . The buying of bonds in the open market was done for another reason, of course—direct support of the 2½s and 2s—but the fact is this open market activity is another way to keep excess reserves up and to keep the banks from selling Governments and disturbing the market. . . .

Odds are against issuance of a "tap issue" by the U. S. Treasury for many, many months, despite persistent rumors that this is under consideration. . . . Tap issues are used extensively in England, of course, but the American investing public is unfamiliar with them. . . .

### Tax-exempts

A considerable amount of switching from tax-exempts into taxables is taking place—presumably on the basis of fears that something will be done sooner than is expected to remove the tax-exemption privilege. . . . Perhaps a nation-wide drive will be attempted to "force" holders of tax-exempts to pay taxes "voluntarily." . . . The patriotism angle—plus the fear of being considered selfish at a time of national emergency. . . .

Or perhaps Treasury experts will find some way yet to get rid of the tax-exemption in a "legal" manner. . . . Whatever the point, the fact is that in Wall Street and in other financial districts, there is a considerable amount of fear that tax-exemption may not remain. . . . You can feel it in the municipal market. . . . You get reflections of it in the Government market. . . .

Thus the switches from tax-exempts to taxables—despite the obvious reasons for holding the tax-exempts. . . . Anyway, the taxables have a definite position and every one knows what it is. . . .

## Investment Trusts

(Continued from Page 1647)  
able Jan. 15, 1942 to holders of record Dec. 31, 1941.

Union Bond Fund, "C"—"With its substantial holdings of lower-grade rail bonds, UBC is the natural focus of attention, during these historic times, among the several Union funds. In a sense, UBC is a clue to the strength in the rail security field.

On Oct. 6, UBC registered to a high of \$5.72.

At last week's low it was \$5.03.

Dec. 15 close was (plus dividend) \$5.22.

(Offering price in each case)

"The decline, thus, was \$69, and the recovery was \$19, or 27% of the entire decline from the high (not from merely the pre-outbreak price of \$5.56). The fact of this strong recovery would seem to support the view that psychology, rather than questioning of real value, was the prime factor in the outbreak decline." . . . "The Union Dealer."

"The next quarterly dividend on MIT shares is scheduled for payment Jan. 20, 1942 to stockholders of record Dec. 31, 1941. This payment will represent the net income of the Trust received in dividends and interest on securities owned during the fourth quarter. The Trustees now estimate that the dividend will be at least 38 cents a share, but it is possible that it may be increased to around 40 cents." . . . "Brevits."

## "Protecting" Investors Or "Cetting" Dealers?

(Continued from Page 1643)

issue on which the dealers and the company finally parted. My statement in the record was confined to the former and I did not mean to indicate that that was the basis on which the dealers and the company finally disagreed."

But he did not answer the Louisville dealers' statement that "at one stage in the negotiations company agreed to withdraw from direct selling and all other details of offering were arranged satisfactorily. Final disagreement was solely on price and was in an effort to protect our small investors."

Some of the Louisville dealers claim that theirs was a pure self-sacrifice in passing up \$112,500 in commissions (75 cents on 150,000 shares) to protect their customers from an over-priced issue.

But this may be an over-statement. They might not have been able to sell much more of it than the company has. And after that, what would their customers have thought of them? And how about their underwriters' liability to their customers on an issue in neither the prospectus nor pricing of which they had any hand whatever?

But it is no over-statement to say that they acted much more in the interest of small Louisville investors than did the Commission. Result: The company doesn't get its money, the dealers don't get the business and a few investors get an over-priced issue.

All of which prompted one Congressman to say, "Here we find the unusual situation of a Commission set up by Congress to protect the public interest passing favorably upon a matter while the dealers who have an opportunity to make a profit out of it reject the opportunity because they feel that the Commission is in error and that the price is unreasonable to the public."

Of course, it can't be proved that the Commission was so interested in "getting" the dealers that it forgot about the investors. But it looks like it.

**DIVIDEND NOTICES**

**CANCO AMERICAN CAN COMPANY**  
COMMON STOCK

On December 23rd, 1941 a quarterly dividend of one dollar per share was declared on the Common Stock of this Company, payable February 16th, 1942, to Stockholders of record at the close of business January 23rd, 1942. Transfer Books will remain open. Checks will be mailed.  
R. A. BURGER, Secretary.

**American Manufacturing Company**  
NOBLE AND WEST STREETS  
BROOKLYN, NEW YORK

The Board of Directors of the American Manufacturing Company has declared the regular quarterly dividend of \$1.25 per share on the Preferred Stock and a dividend of \$1.50 per share on the Common Stock of the Company. Both payable December 31, 1941 to Stockholders of record December 19, 1941.  
ROBERT B. BROWN, Treasurer

**CITY INVESTING COMPANY**  
55 BROADWAY, NEW YORK

December 18, 1941  
The Board of Directors has this day declared, out of surplus earnings of the Company, a dividend for the three months ending December 31, 1941, of one and three quarters (13 3/4%) per centum upon the issued and outstanding Preferred Capital stock of the Company, other than Preferred Stock owned by the Company, payable January 2, 1942, to holders (other than the Company), of the Preferred Capital stock of record on the books of the Company at the close of business on December 27th, 1941. Checks will be mailed.  
G. F. GUNTHER, Secretary

**Electric Bond and Share Company**  
\$6 and \$5 Preferred Stock Dividends

The regular quarterly dividends of \$1.50 per share on the \$6 Preferred Stock and \$1.25 per share on the \$5 Preferred Stock of the Company have been declared for payment February 2, 1942 to the stockholders of record at the close of business January 6, 1942.  
L. B. WIEGERS, Treasurer

**JOHN MORRELL & CO.**



**DIVIDEND NO. 50**  
A dividend of Fifty Cents (\$0.50) per share on the capital stock of John Morrell & Co., will be paid Jan. 26, 1942, to stockholders of record Jan. 3, 1942, as shown on the books of the Company.  
Ottumwa, Iowa, Geo. A. Morrell, Treas.

**National Power & Light Company**  
\$6 PREFERRED STOCK DIVIDEND

The regular quarterly dividend of \$1.50 per share on the \$6 Preferred Stock of National Power & Light Company has been declared for payment February 2, 1942, to holders of record at the close of business January 15, 1942.  
ALEXANDER SIMPSON, Treasurer

**PACIFIC GAS AND ELECTRIC CO.**

**DIVIDEND NOTICE**

**Common Stock Dividend No. 104**

A cash dividend declared by the Board of Directors on December 17, 1941 for the quarter ending December 31, 1941, equal to 2% of its par value, will be paid upon the Common Capital Stock of this Company by check on January 15, 1942, to shareholders of record at the close of business on December 31, 1941. The Transfer Books will not be closed.  
D. H. FOOTE, Secretary-Treasurer  
San Francisco, California.

**THE CHASE NATIONAL BANK OF THE CITY OF NEW YORK**

The Chase National Bank of the City of New York has declared a dividend of 70¢ per share on the 7,400,000 shares of the capital stock of the Bank, payable February 1, 1942 to holders of record at the close of business January 16, 1942.

The transfer books will not be closed in connection with the payment of this dividend.

THE CHASE NATIONAL BANK  
OF THE CITY OF NEW YORK  
W. H. Moorhead  
Vice President and Cashier

**W. P. Sullivan Has Formed Sullivan Investment Co.**

WICHITA, KANS.—William P. Sullivan has formed the Sullivan Investment Co. with offices in the Union National Bank Building to engage in a securities business. Mr. Sullivan was formerly with Brooks-Milburn, Inc.; prior thereto he was partner and manager of the trading department of Sullivan-Brooks Co. and was proprietor of Wm. P. Sullivan & Associates.

**H. E. Anderson Jr. Joins**

Herbert E. Anderson, Jr. on Jan. 2, 1942 will be admitted to partnership in Green, Ellis & Anderson, 100 Broadway, New York City, members of the New York Stock Exchange.

**Macqueston With Halladay**

Edward G. Maqueston will become a special partner in Halladay & Co., 14 Wall Street, New York City, members of the New York Stock Exchange, on Jan. 1, 1942.

**Tucker Opens In Cambridge**

(Special to The Financial Chronicle)  
CAMBRIDGE, MASS.—Frank L. Tucker has opened an office at 30 State Street to engage in a general securities business.



**A JOB TO DO IN '42**

We insurance men are proud of the job we did in 1941. But the job for 1942 is even bigger. It calls for "all-out" effort to meet unparalleled demands. We know that freedom throughout the world depends upon America's manufacturing potential. And we're determined to safeguard that potential against the hazards that hamper production. This calls for more than just hard work on our part . . . it calls for study as well, to obtain full knowledge of today's complex situations and the policies which cover them. Yes, we insurance men realize that we're faced with a man-sized job in 1942. But we are going to do it!

**U. S. F. & G.**

UNITED STATES FIDELITY AND GUARANTY COMPANY  
With which is affiliated  
FIDELITY AND GUARANTY FIRE CORPORATION  
HOME OFFICES—BALTIMORE, MARYLAND

**Efforts To Federalize State Unemployment Compensation Systems Opposed By Batt**

Contending that "there is a definite intention to Federalize the unemployment compensation systems of the various States," George K. Batt, President of the New Jersey State Chamber of Commerce, believes that all representative organizations should take an aggressive position on this vital subject. Speaking before the monthly meeting of the New York State Chamber of Commerce on Dec. 4, Mr. Batt said that he believes the States are well fitted to provide unemployment compensation programs suitable for their respective needs and that all efforts to transfer the administration of these programs from the States to the Federal Government should be resisted. Federalization of the program, he added, would undoubtedly mean a diversion of trust funds from one State to another after certain standards laid down by the Federal Government had been met. Thus giving the Federal Government ultimate control of a system which properly belongs to the States. Mr. Batt continued:

At the present time, we as employers are asked to contribute 3% of our payrolls to the State Unemployment Insurance Fund, which is turned over to the custody of our Federal Government—90% of that being to the credit of the State Government and the other 10% utilized for Federal expenses. It is my understanding that the combined principal on this fund in the Federal Treasury has in the short space of six years

reached the staggering sum of over \$2,000,000,000 and that also the law provides that our Federal Government is to reinvest this sum in Government bonds of either old or new issues. But to date this sum has been issued in only new bonds, which, of course, means only one thing, that is, it is being used for the payment of current Government expenses.

If any one of you as business men or financial men were to follow that principle in the conduct of your own individual business, I believe, to say the least, that you would be under very severe censure from the various authorities involved. I also believe if this very great sum had been invested through the business life of the nation that it would have caused serious interference with the natural course of our business investment and that a form of competition would be set up which would be destructive to the sound financial basis which our country has always sustained. Therefore, the only

logical businesslike approach would seem to be that this matter be handled Statewide on a pay-as-you-go basis.

Federal control must never be allowed to use its taxing powers to dictate policies. Its taxing powers should be used to raise revenue. And in times of national defense there should be no doubt raised concerning the ultimate use of Federal tax money.

It is, therefore, recommended that such taxes as are deemed necessary for defense and other general revenue be honestly called such and not levied under the guise of social security.

**Jos. V. Allen To Be Partner**

Joseph V. Allen, in charge of the Statistical Department at Clark, Dodge & Co., 61 Wall Street, New York City, members of the New York Stock Exchange and other leading national exchanges, will be admitted to partnership in the firm on Jan. 1, 1942.

**Maclin Appointed Asst.**

James F. Burns, Jr., President of the Association of Stock Exchange Firms, announced on Dec. 22 that he has appointed Luttrell Maclin as his assistant. Mr. Maclin who has been associated with the Financial Department of the New York "Herald-Tribune" since 1934, will assume his duties on Dec. 29.

**F. H. PRINCE**  
BANKERS  
PROVIDENCE, RHODE ISLAND

---

**HIGH-GRADE INVESTMENTS**

---

Members  
New York, Chicago & Boston Stock Exchanges

Established 1856

**H. Hentz & Co.**

Members  
New York Stock Exchange  
New York Curb Exchange  
New York Cotton Exchange  
Commodity Exchange, Inc.  
Chicago Board of Trade  
New Orleans Cotton Exchange  
And other Exchanges

**N. Y. Cotton Exchange Bldg.**  
NEW YORK

BOSTON CHICAGO DETROIT  
PITTSBURGH  
GENEVA, SWITZERLAND

**LAMBORN & CO.**  
99 WALL STREET  
NEW YORK CITY

---

**SUGAR**

Exports—Imports—Futures

---

Digby 4-2727

**Tomorrow's Markets Walter Whyte Says**

(Continued from Page 1645)

on the war and it's outcome. In Europe the once detested Reds are chasing the Nazis home with their tails tucked between their freezing legs. In Libya the same thing is happening. Only in the Far East, where we are actively engaged, does the news continue bad. So long as the news from the Pacific continues in that vein, so long will our market do little but have fitful rallies.

\* \* \*

That doesn't mean that these so called fitful rallies are to be ignored. On the contrary, out of such rallies can money be made. And frequently what begin as just up ripples in a down market may actually develop into full blown market reversals.

\* \* \*

Right now the papers tell us stories about Jap landings all along the Philippines. We know that our forces are giving a good account of themselves. But until we change our tactics from defense into one of active offense no sudden news flare to feed a potential advancing market can reasonably be expected. Here censorship plays a major role. For as far as we know we might well be on the verge of a major turnabout in the

**WHISPERINGS**

One day Frank (Schwabacher & Co.) Bowyer was sitting at his desk racking his brain about where he could get a bid for some cats and dogs he had. All he wanted was a bid, firm long enough so his customer would offer it firm. He called Sid (S. R. Melvin & Co.) Melvin to see if he would take the stock. No luck. He tried all over the Street but met with equal success. Christmas, accord-

Pacific. But if this occurs in the immediate future my guess is that it will catch the market napping just as news of the outbreak in Pacific hostilities caught us asleep. So instead of looking at official communiques I think you'd better to look at individual stocks for clues, not for the war trend but for a market trend. One will reflect or anticipate the other.

\* \* \*

At the beginning of this article I wrote that the market was beginning to act a little better. I'll explain that. It isn't the market that acts better; it's certain stocks. And, strangely enough, it is the stocks that have been the worst performers of late that are beginning to show these characteristics.

\* \* \*

I recall an old, old trading rule that says in effect that the ones down the most are the ones to buy. If that is true today, then stocks like Chrysler, General Motors, Sears, Montgomery Ward, American Telephone, U. S. Rubber common and preferred are attractive.

\* \* \*

You may wonder what happens to the rest of the market if such stocks go up. Well, markets seldom start up as units. In the first stage stocks down the most go up the most. In the second stage (characterized by a slowing down of the first group) stocks that have not gone down far (e.g., U. S. Steel) join in. Just before the top, or coincidental with it, other stocks, those which seldom seem to gain much popularity, join the parade.

\* \* \*

All this is normal and part of a market picture which applies in war as well as peace. There may be some intensification of these swings due to news, particularly war news, but by and large the conditions remain the same.

\* \* \*

Summing it up I should say that despite the bad news the market right now is in a better buying than it is in a selling position.

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.]

ing to Frank, was now as bleak as it could be when suddenly the board buzzed angrily. It was Sid Melvin back again. "Still got that stock?" asked Sid. "Yep!" said Fred, seeing a couple of dollars on the horizon. "Want it?" "Okay," said Sid. "I'll take the stuff off your hands for only one reason. With everything going up, I figure the price of old paper'll go up, too. So send the stock over." Frank has been wondering ever since if, instead of combing the Street for a bid, he hasn't been wasting his time overlooking old paper buyers.

An optimist, according to Earl Rodney, is one who still thinks that the future is uncertain.

A broker, discussing the state of business, or the lack of it, was asked how a certain young man in his organization, his wife's cousin, was doing. "Oh, him!" replied the broker, disgustedly. "I'm going to turn him over to the Government for defense work." His wife, hearing the reply, gushed forth with, "Darling, I didn't know you had any Government contracts." "Who said anything about Government contracts?" roared the disgusted broker. "I'm just handing that cousin of yours to the Government so they can take the lead out of his pants and use it for bullets!"

**Bob Huff and Jack Hecht of Butler-Huff & Co., Los Angeles, Calif.**, are sending small cases of alligator pearls to a few people as Christmas presents. One of the recipients in the East received a case and for three days it stood in the corner. It seemed that the little woman, knowing all the tricks that her husband and his friends were capable of, refused to open the box. She was sure it held live alligators.

Two occupants of a brokerage board room on upper Fifth Avenue were busily engaged in examining a camera. "I'll tell you what," said one. "I'll give you \$20 for the camera." The man shook his head. "I can't afford to sell this for \$20. It cost me \$15." "Wait a minute," said the prospective purchaser. "You say you paid \$15 for it. I'm offering you \$20. How can you be losing money?" The owner of the camera sighed and explained. "I'm playing the market."

**Harry M. Sheely & Co., of Baltimore, Maryland**, has sent out a novel Christmas card. It's printed on what looks like bond paper, engraved to look like a stock certificate. It even has a warrant attached which " . . . if presented between the hours of 12 noon and 2 p.m., the holder has a pre-dated invitation for lunch, or at his option, cocktails." When we first saw it we thought 1929 was back again. However, a free lunch, or even a drink, particularly when accompanied by Harry Sheely's good wishes, isn't to be regarded lightly. . . . Here's to a better 1942! Harry.

A trader employed in a Broad Street security firm was showing his latest girl friend around the office and attempting to impress her that his coming down town every day was merely a gesture. Actually, he assured her, he had other more important interests, she knew her it was, sentiment and all that. Another trader overhearing this bit of confidence couldn't contain himself any longer. "Sure," he broke in with a snort. "He doesn't have to do this for a living. But he's too nervous to steal!"

**UP-TOWN AFTER 3**

**NEW MOVIES**

"The Man Who Came to Dinner" (WB), with a grand cast, headed by Monty Woolley, Bette Davis, Ann Sheridan, Billie Burke, Jimmy Durante, Richard Travis and others. Directed by William Keighley.

The Broadway success from which this was taken was a laugh from beginning to end, but the movie version is, if anything, funnier. If you saw the play you recall the action takes place in the living room of a Middle Western family. On the stage a single set has its advantages but in the movies it usually makes for dragginess. But strangely enough there is nothing draggy about the picture. Its dialogues are fast, brilliant, rapier sharp and funny. Monty Woolley, whose picture it is despite Bette Davis and Ann Sheridan, is a master of invective. is acting is top-notch. Both Miss Davis, as his secretary, and Miss Sheridan, as the actress in search of an author, give commendable performances. True, some of the lines fall close to the borderline. Anyway, a lot of them are full of double entendre. The result is adult comedy at its best. In any case, "The Man Who, etc.," is a grand picture. Don't miss it!

**Theodore's (4. E. 56th)** is one of the pleasantest restaurants in town. The service is everything you can expect and the food well prepared. Dinners start from \$1.65, but even in that category there is a wide assortment to choose from. By the way if you like a swell drink, a cordial, after dinner, as **A. Mele** (he's the owner) to give you some of the Liqueur Du Convent Du Pere Babylas. Its a cointreau type of drink, of which there are only seven cases in America. Mele has three and **Gene of the Colony** has four. Its 75c and the smoothest tasting cordial I have tasted. . . . And while I'm on the subject of drinking here's a few recipes you might like to try if you are having a party at home: **An Old Fashioned** as served at the famous Penderennis Club in Louisville: One quarter lump sugar; two spoons water; one dash Angostura; one jigger whiskey; one lemon peel; one lump ice, and serve with small spoon. If you prefer a drink with Scotch (not a highball) here's a few. **The Robin**: One-half bitters; one-half Scotch; stir and serve with a cherry. . . . **Rob Roy**: Dash of Orange Bitters; one-half Scotch; one-half Vermouth, stir and serve. . . . If you've got some **Irish Whiskey** try this one: Dash of Angostura; one-half Irish whiskey; one-half Italian Vermouth. Serve.

If you're having a mob at home and want to make the stuff up in wholesale lots, here's a drink called "**Champagne**." I don't know where it gets its name. There's no champagne in it. Anyway, here it is. A pitcher: One and one-half ponies brandy; one pony benedictine; one pony maraschino; one bottle soda; one bottle wine; one stick of ice; fruit, decorate with mint. . . . For the non-drinking set you might try this: Equal portions raspberry syrup; pineapple juice; lemon juice; orange juice; red currant juice. Stir, add ice and fill with water. Add sliced bananas and whole strawberries. If you've got some eggs around the house and want to make some flips (drinks not acrobatics) here's a few: **Sherry Flip**: One egg; one-half spoon sugar; one jigger Sherry; ice; shake; strain; grate nutmeg on top and serve. . . . **Whiskey Flip**: One egg; one-half spoon sugar; one jigger whiskey; shake; strain; nutmeg grated on top. . . . Here's a **hot drink**: One-half lump sugar; two spoons hot water; one piece twisted lemon peel; one jigger rye; fill with hot water. . . . If you want the same with Scotch here's what to do: Lump sugar; one jigger Scotch; fill two-thirds with hot water; one piece lemon peel twisted. . . . Here's a **hot spiced rum drink**: Lump sugar, dissolved in hot water; one jigger rum; five whole cloves; fill glass with hot water. . . . Somebody asked for a **Tom & Jerry**. Here it is: Beat six eggs well, adding powdered sugar until very thick, working out the lumps. Pour one-half tablespoon of this batter into mug. One-half jigger brandy; one-half jigger rum. Fill with hot water and add nutmeg. If you want a drink that looks like something, flames and everything, try this one: Moisten edge of a claret glass—dip in powdered sugar; seven-eighths hot coffee (black); one-eighth brandy on top. Set fire to brandy. . . . All the recipes were lifted right out of the old **Waldorf-Astoria Bar Book**. Some of them I have tasted. Most of them are still a mystery to me. However, bottoms up and here's hoping 1942 will be a lot better than 1941! . . . Oops—sorry. Musta ate too much.

**Scenes-About-New York . . . Fefe Ferry** at the Boomer dinner at the Waldorf being sent away. He's wearing black tie and white tie is obligatory. . . . So he comes back with white tie but no tails . . . his tailor has them and he's closed. For the rest of the night the elegant Fefe has a time explaining he's a guest and not a waiter. . . . **Lucius Beebe**, the Beau Brummel of newspaper row, at the same dinner—fast asleep. . . . **Lowell Thomas**, globe trotter, who knows his way around the world, trots into the ladies room by mistake and comes trotting out again. . . . That's all for now, so a Merry, Merry, Christmas!!

**Herman Michels to Become A Partner in Dean Witter**

SAN FRANCISCO, CALIF. — Herman H. Michels will become a partner in Dean Witter & Co., 45 Montgomery Street, members of the New York Stock Exchange, and other leading national exchanges, on Jan. 1. Mr. Michels for many years was a partner in Wm. Cavalier & Co.

**Changes Firm Name**

Richard K. Kaufmann & Co., 120 Broadway, New York City, members of the New York Stock Exchange, will change the firm name to Richard K. Kaufmann, Alsberg & Co. as of Jan. 1, 1942.

**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

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)  
Offered Dec. 24, 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—Auchinloss, 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)  
Effective 3 p. m., E. S. T., on Dec. 16, 1941  
Offered Dec. 17, 1941, at \$11.50 per share

FOOD MACHINERY CORP.

Food Machinery Corp. filed registration statement with SEC for \$4,000,000 sinking 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—Kidder, Peabody & Co., and Mitchum, 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)

Offered Dec. 24, 1941, at 100 and interest

NORTH SHORE GAS CO.

North Shore Gas Co. registered with the 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 1/4% 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
	(000 omitted)	(000 omitted)
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

Effective 4:30 p. m., E.S.T., on Dec. 18, 1941

Offered Dec. 19, 1941, the bonds at 101 and interest and the notes at prices to yield from 1% to 3.95%, according to maturity

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 1/2% 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)

SUNDAY, JAN. 4

INVESTORS MUTUAL FUND, INC.

Investors Mutual Fund, Inc. filed registration statement with the SEC for 3,000 units of investment certificates representing an equitable interest in the class of special stock of company known as "Investors Corporate Fund," as follows: 600 units of \$1,200 each of investors corporate fund monthly payment certificates without life insurance protection permitting aggregate payments of \$720,000; 400 units of \$1,200 each of investors corporate fund monthly payment certificates with life insurance protection permitting aggregate payments of \$480,000; and 2,000 units of \$250 each of investors corporate fund full paid certificates requiring aggregate payments of \$500,000. The number of shares to be issued of the class of special stock designated as investors corporate fund is indeterminate in advance.  
Address—Kansas City, Mo.  
Business—Company is a diversified investment trust, qualified to do business in Delaware and Missouri.  
Underwriter—Investors Fund, Inc., Kansas City, Mo.  
Offering—The investor makes written application to company for the size and type of certificate that will evidence the trust fund he has elected to create, and makes the required payment. Upon acceptance of the application, company issues a certificate that is authenticated by the trustee and is registered in the name of the investor. Full paid certificates are issued in denominations of \$250 and multiples thereof. Investors' net payments are invested at the net asset value of the shares of Investors Corporate Fund.  
Proceeds will be used for investment purposes.  
Registration Statement No. 2-4914. Form A1. (12-16-41)

MONDAY, JAN. 5

DIANA STORES CORP.

Diana Stores Corp. filed registration statement with SEC for 20,000 shares of 6% cumulative convertible preferred stock, and 60,000 shares common stock, \$1 par value  
Address—519 Eighth Ave., New York City  
Business—Operates a chain of 25 retail women's apparel stores, located in Florida, Georgia, North and South Carolina, Alabama and Virginia. Company does no manufacturing  
Underwriters—Smith, Burris & Co., Chicago, and Tobey & Co., New York  
Offering—20,000 shares of 6% cumulative convertible preferred stock and 20,000 shares of common stock will be offered to the public, in units consisting of one share of preferred and one share of common stock, at \$14 per unit. Underwriting commission is \$2.10 per unit. Remaining 40,000 shares common stock are reserved for issuance upon the conversion of the preferred stock  
Proceeds will be added to working capital  
Registration Statement No. 2-4915. Form S2. (12-17-41)

UNITED AIRCRAFT CORP.

United Aircraft Corp. filed a registration statement with the SEC for 265,669 shares of cumulative convertible preferred stock, \$100 par value, and a maximum of 943,309 shares of common stock, \$5 par (latter reserved for issuance upon conversion of the preferred stock). Dividend rate on the preferred stock will be supplied by amendment  
Address—400 S. Maine Street, Hartford, Conn.

The Price Range on over 5,500 Securities Each Week

This complete record, published

in the FINANCIAL CHRONICLE, gives:

1. Day-to-day high and low prices, sales for the week, range since January 1st and the 1940 range of all stocks listed on New York Stock Exchange.
2. Weekly price range and sales of bonds listed on New York Stock Exchange; including last sale price, range since January 1st and interest periods.
3. Weekly high, low, close, sales, and range since January 1st of stocks and bonds listed on New York Curb Exchange and other United States and Canadian exchanges.
4. Over-the-counter quotations on recent bond issues and securities of New York banks and trust companies, insurance and investing companies, Federal Agencies, United States Treasury Bills and Notes.

Get acquainted with this unusually comprehensive business and financial publication. Send \$1.00 for the next ten issues containing securities quotations, corporation and municipal news and other valuable statistical material.

COMMERCIAL & FINANCIAL CHRONICLE

Dept. C 25 25 Spruce Street, New York, N. Y.

Business—Business of company is carried on through five operating divisions and three subsidiaries; three of the divisions are manufacturing divisions and each has its own engineering, research, manufacturing and sales organizations. Business includes manufacture and sale of aircraft engines, propellers, and other aircraft parts and accessories  
Underwriting and Offering—The 265,669 shares of preferred stock will be initially offered to holders of company's common stock, for subscription at \$100 per share, pro rata, at the rate of one share of preferred stock for each 10 shares of common stock held of record on Jan. 2, 1942, and on the same basis to holders of certificates for shares of common stock of United Aircraft & Transport Corp. who, by exchange of their certificates after such date and prior to the expiration date of the subscription warrants, shall have become stockholders of the corporation. The rights to subscribe shall be evidenced by subscription warrants, which will expire on Jan. 13, 1942. Any of such shares of preferred stock not subscribed to under above offer, will be underwritten and offered to the public, at a price to be supplied by amendment. Price to the underwriters for the unsubscribed stock will be \$100 per share. Harriman Ripley & Co., Inc., New York, is named principal underwriter; names of the other underwriters will be furnished by later amendment  
Proceeds will be added to working capital and will be used for corporate purposes  
Registration Statement No. 2-4916. Form A2. (12-17-41)

THURSDAY, JAN. 8

ALABAMA POWER CO.

Alabama Power Co. filed a registration statement with the SEC for \$80,000,000 of first mortgage bonds, due Jan. 1, 1972. The interest rate will be supplied by post-effective amendment to the registration statement  
Address—600 N. 18th St., Birmingham, Ala.  
Business—A subsidiary of the Commonwealth & Southern Corp., this company is engaged, in the State of Alabama, in the generation and purchase of electricity and its distribution and sale at retail in 582 communities and rural areas, and sale at wholesale of electricity to other companies and municipalities. Also, purchases and sells natural gas in Phenix City, provides transportation service in Tuscaloosa and vicinity. About 99% of total gross operating revenues is derived from electric operations  
Underwriting and Offering—The bonds will be sold under competitive bidding, pursuant to Rule U-50 of the Public Utility Holding Company Act of 1935, of the SEC. Names of underwriters and the public offering price, will be supplied by post-effective amendment to the registration statement  
Proceeds from sale of the new bonds, together with the proceeds of bank loans aggregating \$12,000,000 and treasury funds of the company to the extent necessary, will be used for the redemption or provision for payment of the entire outstanding mortgage debt of the company  
Registration Statement No. 2-4917. Form A2. (12-20-41)

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:

	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
Chou & Torrey	1,000
Fuller, Crutenden & Co.	1,000
Victor Comm and 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%

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

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

Offerings will rarely be made before the day following.

THURSDAY, 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 (20,665 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

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:

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

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

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)

Protective Committee—John F. Bunn, Jr., Philadelphia; A. A. Christopel, 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)

Address—519 Eighth Ave., New York City

Business—Operates a chain of 25 retail women's apparel stores, located in Florida, Georgia, North and South Carolina, Alabama and Virginia. Company does no manufacturing

Underwriters—Smith, Burris & Co., Chicago, and Tobey & Co., New York

Offering—20,000 shares of 6% cumulative convertible preferred stock and 20,000 shares of common stock will be offered to the public, in units consisting of one share of preferred and one share of common stock, at \$14 per unit. Underwriting commission is \$2.10 per unit. Remaining 40,000 shares common stock are reserved for issuance upon the conversion of the preferred stock

Proceeds will be added to working capital

Registration Statement No. 2-4915. Form S2. (12-17-41)

UNITED AIRCRAFT CORP.

United Aircraft Corp. filed a registration statement with the SEC for 265,669 shares of cumulative convertible preferred stock, \$100 par value, and a maximum of 943,309 shares of common stock, \$5 par (latter reserved for issuance upon conversion of the preferred stock). Dividend rate on the preferred stock will be supplied by amendment  
Address—400 S. Maine Street, Hartford, Conn.

Proceeds will be added to working capital

Registration Statement No. 2-4915. Form S2. (12-17-41)

UNITED AIRCRAFT CORP.

United Aircraft Corp. filed a registration statement with the SEC for 265,669 shares of cumulative convertible preferred stock, \$100 par value, and a maximum of 943,309 shares of common stock, \$5 par (latter reserved for issuance upon conversion of the preferred stock). Dividend rate on the preferred stock will be supplied by amendment  
Address—400 S. Maine Street, Hartford, Conn.

Proceeds will be added to working capital

Registration Statement No. 2-4915. Form S2. (12-17-41)

UNITED AIRCRAFT CORP.

United Aircraft Corp. filed a registration statement with the SEC for 265,669 shares of cumulative convertible preferred stock, \$100 par value, and a maximum of 943,309 shares of common stock, \$5 par (latter reserved for issuance upon conversion of the preferred stock). Dividend rate on the preferred stock will be supplied by amendment  
Address—400 S. Maine Street, Hartford, Conn.

# Calendar of New Security Flotations

**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 5½% cumulative convertible preferred stock, \$50 par, and 131,202 shares of common stock, \$1 par  
 Address—721 Fifth Avenue, New York City  
**Business**—Operation of specialty store in New York City  
**Underwriters**—To be filed by amendment  
**Offering Terms**—Preferred and common will be publicly offered at prices to be filed by amendment, except that 106,202 common shares will be reserved for conversion of preferred  
**Proceeds**—Stock will be sold by Atlas Corp. and the American Co., parents, and no proceeds will be received by the company  
**Registration Statement No. 2-4748. Form A-2. (4-30-41)**  
 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 refer offer 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

**CHAMPION PAPER & FIBRE CO.**  
 Champion Paper & Fibre Co. registered with SEC \$8,500,000 of first mortgage bonds, due Nov. 1, 1956 (interest rate to be filed by amendment); 40,000 shares \$5 cumulative convertible preferred stock, no par; and an indeterminate number of shares of no par common stock, to be reserved for issuance upon conversion of the preferred stock  
 Address—Hamilton, O.  
**Business**—Largest domestic manufacturer of the types of paper known in the trade as white papers and book papers, and is one of the largest domestic manufacturers of coated papers  
**Underwriters**—Are W. E. Hutton & Co. and Goldman, Sachs & Co., both of New York, N. Y.  
**Offering**—The bonds and preferred stock will be offered to the public, at prices to be supplied by amendment  
**Proceeds**—Will be used to redeem the outstanding aggregate of \$8,660,000 of 4½% sinking fund debentures (\$4,125,000 principal amount due 1950, at 104½%; \$4,535,000 principal amount of the 1938 issue at 102½%), requiring \$8,947,663. Balance of net proceeds will be added to working capital  
**Registration Statement No. 2-4867. Form A2. (10-25-41)**  
 Amendment Filed—Company has filed an amendment with the SEC to its registration statement disclosing that the bonds would bear interest at the rate of 3½% per annum. The public offering price of the bonds and the preferred stock will be supplied by later amendment  
 Also disclosed in the amendment is the names of the underwriters for the bonds and preferred stock, together with the amount of each issue underwritten by each, as follows (all of New York City, unless otherwise indicated):

W. E. Hutton & Co.	No. of shs. of bonds of pref. stk.	8,000
Goldman, Sachs & Co.	1,700,000	8,000
E. 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 unlisted 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, Rich-

mond, 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; \$5,000,000 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 \$3,402,000 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. 2-4738. 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 8½%  
**Offering**—To be offered to the public at the then prevailing market price.  
**Proceeds**—Will be used for investment purposes.  
**Registration Statement No. 2-4825 Form A-1. (8-28-41)**  
 Amendments filed Nov. 8 and Dec. 15 to defer effective date

**CROCKER MC ELWAIN CO.**  
 The Voting Trustee 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)**  
 Hearing on suspension of registration statement postponed from Dec. 22 to Jan. 6, 1942

**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 102½%, the \$52,000,000 of company's First Mortgage 5s of 1954; \$15,693,370 to redeem at \$110 per share, the 142,667 shares of company's

\$7 preferred stock, no par. Further details to be supplied by post-effective amendment  
**Registration Statement No. 2-4845. Form A2. (9-17-41)**  
 Amendments filed Nov. 27 and Dec. 15, 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**—Schroeder, Rockefeller & Co., Inc., are principal underwriters. Other underwriters are Smith, Hague & Co. and Carlton M. Higbie Corp., Detroit, Mich.  
**Offering**—23,100 shares are unissued and are to be offered to the public for the account of the company; remaining 117,300 shares are outstanding and are to be sold to public for account of certain selling stockholders  
**Proposed offering** as amended: 23,100 shares by company, 105,756 shares by certain stockholders  
**Public offering price** is \$9.50 per share  
**Proceeds** to company will be used for general corporate purposes, including purchase of new equipment and for working capital  
**Registration Statement No. 2-4890. Form A2. (11-19-41 Cleveland)**

**HOUSTON LIGHTING & POWER CO.**  
 Houston Lighting & Power Co. registered with SEC an indeterminate number of shares of its common stock, no par. (Company has outstanding 500,000 shares of common stock, of which 499,987 shares are held by its parent National Power & Light Co., which latter company also holds options to purchase the remaining 13 shares of outstanding common stock of company).  
 Address—900 Fannin St., Houston, Tex.  
**Business**—Company is an operating public utility company principally engaged in generating, transmitting, distributing and selling electricity at retail and wholesale, serving 150 communities and an extensive rural area in Texas, including cities of Houston and Galveston.  
**Underwriter**—None  
**Offering**—No public offering contemplated initially. Company is advised by National Power & Light, that that company has filed with SEC a declaration under the Holding Company Act contemplating, initially, the exchange of common stock of company which National Power & Light owns, for the \$8 preferred stock of National Power & Light Co. and also contemplating that if, upon termination of such proposed exchange plan, National Power & Light still holds as much as 5% of common stock of company, it will dispose of such holdings as promptly as shall be practicable in light of then market and other conditions and with the best interests of its security holders in mind. After such disposition, company will have ceased to be either a subsidiary or an affiliate of National Power & Light Co. or Electric Bond & Share Co.  
**Registration Statement No. 2-4827 Form A-2. (8-29-41)**  
 Company filed amendment (Nov. 28, 1941) with SEC disclosing the terms under which its 500,000 shares of no par common stock, outstanding and owned by National Power & Light Co., would be offered in exchange for the outstanding \$6 preferred stock (279,716 shares) of National Power & Light Co. National Power & Light is offering to each holder of its \$6 preferred stock the right to exchange all or any part of his holdings of \$6 preferred stock, in full share amounts up to 90% of such holdings, for common stock of Houston Lighting & Power Co. on the basis 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.  
 Amendment filed Dec. 16, 1941, to defer effective date

**ILLINOIS COMMERCIAL TELEPHONE CO.**  
 Illinois Commercial Telephone Co. registered with SEC \$5,750,000 of first mortgage 3½% 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 pref. 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 3½% bonds, due June 1, 1970, at 105½%; 17,098 shares \$6 preferred stock, at \$110 per share; 1,108 shares \$6 preferred stock, owned by parent company, at latter's cost  
 Balance of net proceeds will be used to purchase from General Telephone Corp. the outstanding capital stocks of Central Illinois Telephone Co. and Illinois Stand-

ard 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)**  
 Amendments filed Nov. 26 and Dec. 15, 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; Beecroft, 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 \$6.50 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

**KEARNEY & TRECKER CORP.**  
 Kearney & Trecker Corp. filed registration statement with SEC for 198,033 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)**

**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 REND, LTD**  
 Kirkland Gold Rend, 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 4¾ 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 2,406 shares will be sold to Central Electric & Telephone Co.  
**Proceeds**—Stock registered is owned by parent company, Middle Western Telephone Co., which will donate a portion to La Crosse Telephone Corp. and latter will use proceeds to retire outstanding preferred stock  
**Registration Statement No. 2-4717. Form A-2. (3-29-41)**  
 Amendments filed Nov. 19 and Dec. 8, 1941, to defer effective date

**McDONNELL AIRCRAFT CORP.**  
 McDonnell Aircraft Corp. registered with SEC 6,453½ shares 6% Non-Cumulative Convertible Preferred Stock, \$100 par, and 129,063½ shares common stock, \$1 par  
 Address—Lambert-St. Louis Municipal Airport, Robertson, Mo.  
**Business**—Engaged in designing and developing aircraft and of manufacturing

and selling parts for aircraft; expects presently to engage in business of manufacturing, testing and selling aircraft  
**Underwriting**—None. Securities to be offered by company  
**Offering**—Of the shares registered, the 6,453½ shares of preferred and 64,531½ 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 64,531½ 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 other to be named by amendment  
**Offering**—Stock will be publicly offered at price to be filed by amendment  
**Proceeds**—All proceeds will be received by selling stockholders, United Light & Railways Co., and North American Light and Power Co.  
**Registration Statement No. 2-4741. Form A-2. (4-21-41)**  
 Northern Natural Gas Co. filed an amendment to its registration statement of shares of its \$20 par value common stock proposed to be offered to the public has been reduced from 710,500 shares to 355,250 shares. According to the amendment, such 355,250 shares are those that are presently owned, and outstanding, by North American Light & Power Co., and are to be offered to public for the account of American Light & Power Co.  
 The 355,250 additional shares originally registered with the SEC on April 21, 1941, for public offering, and withdrawn from registration were subsequently registered and became effective. These shares constituted the stock outstanding and owned by United Light & Railways Co., a subsidiary of United Light & Power Co.

**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 Kaller, 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)**

**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)**

**PUBLIC SERVICE CO. OF INDIANA, INC.**  
 Public Service Co. of Indiana, Inc., registered with SEC \$42,000,000 first mortgage series D 3½% 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.

## Over-The-Counter Dealer Must Unite

(Continued from Page 1647)

We cannot think of a reason, nor can we find anyone who can tell us a reason why this is sound practice from the standpoint of the government, the security dealer, or the prospective customer.

The Federal Government sanctions and encourages our aiding the defense program by obtaining private capital for such projects as Vultee Aircraft, Maryland Dry Dock, and hundreds of others, but refuses to allow sufficient profit on our day to day business to keep our doors open so that we can stay here to do our part toward financing the expansion of emergency production now, and help the normal flow of private capital into manufacturing enterprises when peace comes to the world again.

The function of the investment banker is a logical and absolutely necessary link in the normal economic cycle of any healthy, well organized and operated democracy, as we still believe these good United States to be.

This narrowing of spreads in quotations of unlisted securities in the daily papers is just one more yank at the noose which is strangling the business of the investment banker. Keep on and there can only be one ultimate result. The government will force us out of business. They cannot afford to do this, and we do not really believe they want to.—*DeWitt C. Ramsay (Bridgeport), W. R. Bull & Co., Inc.*

It is necessary to preserve at whatever cost, the judicial approach to the recent compromise effected with pressure, between the SEC and the National Association, resulting in the narrowing of the quoted spreads between bids and asks in the over the counter market. The value of a judicial mind in the very practical business of dealing in securities we need not examine, perhaps, too closely. The reasoning might get pretty involved in view of the history of the personnel of the regulatory authority.

However that may be, I cannot escape the conclusion that the practical effect of this most recent restriction, will be retirement from the field of both markets and marketers. . . —*J. S. Westbrook (Bridgeport).*

Your editorial entitled "Over-the-Counter Dealers Must Unite" was of great interest to us. We have found that in a great many instances it has been practically impossible to do business based on the quotations appearing in the newspapers. We have recommended the disposal of a great many securities during the past few months for the purpose of establishing losses for income tax purposes as well as for other reasons. In several cases we were unable to obtain the bid which appeared in the newspaper despite the fact that there had been no change in the actual "inside" quotation. In one instance in particular the security had actually declined on the day we were attempting to sell but despite this fact the following morning's papers advanced the bid one-eighth point. We could cite many instances where the bid published by the newspapers is exactly the same as the actual bid.

While we have not found the offering side of the market quite so much of a problem nevertheless in many instances the margin of profit permitted by newspaper quotations is so small that there is little if anything left after the execution of an order.

We believe that the narrowness and inaccuracy of most newspaper quotations has not only harmed the over-the-counter business but has injured the investor as well. During the past months on two occasions customers have insisted on receiving the published bid which we were unable to obtain, consequently their securities were not sold and have since declined substantially. Any steps which may be taken to remedy this situation will have our heartiest approval.—*Russell H. Cranage (Philadelphia), E. M. Fitch & Co.*

The trading or secondary or digestive period of the securities originally sold by the Underwriters carries over—not days or weeks or months—but over years of time and requires the constant wholehearted cooperation of Company management, Underwriters and every distributing dealer's cooperation it is possible to enlist.

If distributing dealer's cooperation is neglected, as it will be if it is not profitable, the original investor is the loser since he will find he can only sell his holdings at a serious loss. This, in turn, reflects on the Underwriter whose future wares will be looked on with doubt and suspicion and finally the management of the Company is blamed because its securities do not enjoy a market in which the Company's bondholders or stockholders can, if need be, liquidate their holdings.

Only if and when this part of the securities business is profitable will it reflect to the credit and profit of Company, Underwriter and the investing public at large. For unless it is profitable, it will not

permit any dealer, either Underwriter or distributor to continue their interest in the issue and the issue must, of its own weight, fall in price and eventually become one of the unknown and inactive issues of which there are today, far too many. This is a detriment to the Securities business as well as to any company.

We know the problems of the Securities dealers and their salesmen. We know for instance, that vast numbers of them travel a radius of hundreds of miles from their offices to visit their clients. This costs gas, insurance, hotel expenses, meals and then these calls mean more work and expense by supplying the client with statistical data and other information.

Some will say "Well, let the dealers confine themselves to the popular, easily sold, high grade issue." Fine, but what becomes of new business enterprises? Let's not forget that. Many, if not all of these high grades of today had their promotional stages, their underwritings and secondary market states. Let us not overlook that the stock of the predecessor of the great A. T. & T. of today was once traded at less than one dollar a share. Let us not forget that the acorn of today is the giant oak of tomorrow.

Let us not forget that in the development and building of industry the security dealer has a distinct function to perform and that his services should be as justly compensated as are those of the promoter or underwriter.

Let us not allow the destruction of the securities business from within its own ranks by curtailing profits to ridiculous maximums on which 90% of the industry can't exist.

A clear sample of how the curtailment of profits works is the example of one Midwestern state where formerly some one thousand registered dealers functioned employing some eight thousand salesmen. Today there are less than three hundred dealers and less than fifteen hundred salesmen registered in this state.

The surest way to kill the over-the-counter business is to set a ridiculous maximum profit, too small to support even a dealer's office boy.

If the NASD is to furnish the bid and asked prices on each security to the press let them do so with a sufficient spread under and over the inside prices to make it profitable for the dealer to do business. The public will then know what it can expect to pay for a security and what it can realize if it sells. If the dealer, by good fortune, can better these prices and still make the profit he requires to continue in business, that is to the benefit of both the dealer and the public.

We believe each dealer is the best judge of what profit he needs to maintain his organization.

Let us all cooperate to keep ourselves in business. Let us adopt a united policy and stick to it. For years this business has suffered for the want of cooperation. Let us cooperate in regulating that living wage on the decent standard of living that is American.—*Anonymous (New York City).*

In connection with your article of December 18, 1941 regarding newspaper quotations, we agree heartily that proper recognition should be given in quotations for a reasonable profit to dealers in the over-the-counter market. There have been a great number of quotations in the past several months, particularly emphasized during the past few weeks, that allowed no leeway for profit, or a very small leeway which was not a satisfactory amount to permit a fair profit to dealers.

We are not in the grocery business or any other business which has a variety of merchandise on hand to sell, to answer any request. It has been our practice to examine securities by way of manuals—Standard & Poor's sheets, etc.—and then make personal visits to plants to determine at first-hand the condition of plants and machinery, etc., and as far as possible determine working conditions, labor contracts, orders on hand, inventory, class of business as to necessary or unnecessary character, and secure as much other information as possible which, in our opinion, will affect the value of the stocks or bonds of the company.

After a complete report of this kind, we are in a much better position to recommend purchase or sale.

During the past two years we have visited probably forty plants, scattered from Connecticut to Alabama, and west as far as Illinois, Michigan, etc.—and this costs money.

We could not stay in business charging quarter point gross profits on securities and don't intend to try. This condition, however, should be considered by both the NASD and the SEC. They should know these conditions and make provisions for them.

Going one step further, who pays for the financial services, telephones, teletypes, draft charges, taxes, clerks, salesmen's salaries, etc.—certainly not a quarter of a point.

Several actual instances give an indication of what the dealer has been up against.

On December 15, 1941 we actually made two purchases of Buckeye Steel Castings Common Stock, one purchase at 16½ and one purchase at 16¼. At this time the inside quotations by dealers were 16½ bid, offered at 16¾ and, in a number of instances, 16¼ bid, offered at 17. Yet, the "Philadelphia Enquirer" on December 16 quoted the stock ex dividend 50c—15½ bid, offered at 16¾.

General Machinery has had an actual dealer's quotation during the past several days of from ¾ of a point spread to as high as 1¼ points spread. We actually purchased stock at ¾ of a point and 1 point above the bid prices. Yet, the "Inquirer" on December 16 quoted the stock 27¾ bid, offered at 29¾.

Wickwire Spencer Steel Company on December 18 was quoted in the "Inquirer" 10½ bid, offered at 11½. The best prices at which we could buy stock were ¼ and ⅓ above the bid. There was a ⅓ spread in the stock, although it was possible at some periods during the day to close the spread to ¼ of a point.

We selected these three stocks as typical, because in these three cases we have visited the plants on several occasions.

We know what our costs are, and we know that we can not conduct our business and show a profit by making a gross profit of ¼ of a point in transactions. While we are very glad to execute orders, as a broker, on this basis, where we are not put to any additional expense in selection of securities, etc., we must insist upon a reasonable profit, where we go to the expense and trouble of determining the value of the securities we offer for sale, and checking markets out of town to secure best prices.

We believe the tendency of the past several years to reduce the spreads between bid and ask prices, as quoted in the newspapers, is a healthy condition but, as often is the case, the tendency has gone too far, and paper quotations today do not offer a good indication of bid and ask prices with any fair allowance given for dealer profit.—*J. F. Waters (Philadelphia), Dawkins, Waters & Co., Inc.*

**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 106½ 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 Employers 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)**

Amendment filed Dec. 16, 1941, to defer effective date.

### 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, advertising campaign expenses, and for working capital.

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

### 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. from company.

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

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

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

### 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)**

### UNION LIGHT, HEAT AND POWER COMPANY

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

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

**Business**—Operating electric utility company.

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

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

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

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

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

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

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

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

### VIRGINIA LAND CO.

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

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

**Underwriters**—None.

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

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

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

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

## BIDS MADE ON BONDS WITH

COUPONS MISSING  
OR  
MUTILATED

Inquiries Invited

S. H. JUNGER CO.  
40 Exchange Pl., New York  
Phone D1gby 4-4832 Teletype N. Y. 1-1779S. F. Bond Club Holds  
Party During Blackout

SAN FRANCISCO, CALIF.—The San Francisco Bond Club held its final meeting for 1941 on Dec. 12. The evening had been planned as a Christmas party featuring dinner and a stage show depicting an old San Francisco night of the Gay Nineties, but shortly after the beginning of the party members attending found themselves in the midst of a two and one-half hour blackout. Practically all the members remained through the blackout, with the aid of music by the orchestra, and dinner and the show continued at about 10 o'clock, and were enjoyed by all.

The officers elected for the new year are:

President: Russell Hodge, Wm. R. Staats Co.

Vice-President: Waite Stephenson, Brush Slocumb & Co.

Secretary-Treasurer: Edwin F. Kirchen, Crocker First National Bank of San Francisco.

Two new directors elected are: Joseph Fuller, Franklin Wulff & Co., and Francis Watson, Blyth & Co., Inc.

Forrest C. Lattner To Be  
Lazard Freres Partner

Forrest C. Lattner, who has been associated with Lazard Freres & Co., 120 Broadway, New York City, members of the New York Stock and Curb Exchanges since 1934, will be admitted as a general partner in the firm as of Dec. 31.

Mr Lattner has been in charge of the corporate trading department of Lazard Freres & Co. for the past three years, and prior to that he was in charge of an institutional department of the firm. His experience in the investment banking field covers a period of 15 years, eight of which were spent with the Guaranty Company of New York.

Gilbert And Sullivan  
Are F. L. Putnam V.-Ps.

BOSTON, MASS.—Allyn T. Gilbert and John E. Sullivan, Jr., have been elected vice-presidents of F. L. Putnam & Co., Inc., 77 Franklin Street. Mr. Gilbert became connected with the firm in 1931 as manager of the Vermont office, being transferred to Boston as sales manager in 1934. Mr. Sullivan has been with the organization since 1933 and is manager of the trading department.

R. Hoe & Co.  
COMMON

Eagle Lock Co.

American Hair &amp; Felt

HAY, FALES &amp; CO.

Members New York Stock Exchange  
71 Broadway, N. Y. Bowling Green 9-7030  
Bell Teletype NY 1-61

## To All Of Our Business Friends . . .

Thank you sincerely for your favors to date.

At the end of 1942, we hope our business relationship will be one of *even closer cooperation and greater confidence*, due to its having met the additional test of the vicissitudes of another year.

Actual markets in a wide range of

## OVER - THE - COUNTER SECURITIES

## Kobbé, Gearhart &amp; Company

INCORPORATED  
Members New York Security Dealers Association  
45 NASSAU STREET, NEW YORK

TELEPHONE RECTOR 2-3600	PHILADELPHIA TELEPHONE ENTERPRISE 6015	BELL TELETYPE NEW YORK 1-576
HARTFORD TELEPHONE ENTERPRISE 6425	BOSTON TELEPHONE ENTERPRISE 1250	

## THE BOND SELECTOR

## THE OUTLOOK FOR BONDS

Last week we noted that the rising yields on short term Treasuries spreading over a period of ten weeks prior to the Japanese attack were reminiscent of the action of similar issues in the latter part of 1936. It was stated that such action might well have presaged a bearish outlook for high grade bonds. However, the Japanese attack and ultimate war declaration have obviously served to require more careful scrutiny of underlying

currents which may, and undoubtedly will, determine the future course of money rates and bond prices. The four factors which were then examined as tending to influence lower prices and an equal set of arguments pointing toward continuation of high prices might be outlined as follows:

## For Lower Prices

1. The reduction of excess reserves and the removal of certain factors formerly tending to increase them.
2. The probable demand for an enormous volume of funds for the armament program.
3. The increase in the price level and the resulting reduction of purchasing power.
4. The imminence of actual belligerency (which, of course, has now arrived).

## Against Lower Prices

1. The enormous volume of actual and hidden reserves of funds plus the large amount of currency in circulation.
2. The power of Federal authorities to control reserve requirements and to plan to a considerable degree the kind of bond market they desire. Obviously, the financing program must cost as little as possible.
3. The opinion that private demand for funds will decrease rather than increase in 1942. This factor is based largely on the belief that businessmen will become increasingly chary of creating new long term debts.
4. The fact that high grade bonds have remained at high

levels in virtually all belligerent countries due mainly to (1) government monetary policy and (2) the pessimism of business men and their unwillingness to place capital in long term enterprises.

Although common sense leads to the inevitable conclusion that the bond market is headed for a fall, a careful weighing of the pros and cons results in the belief that this may not occur for a long time to come.

One of the factors as responsible as any other for the continuation of the high level of bond prices during the past several years has been that the demand for bonds has far exceeded the supply. The amount of funds raised by new bond offerings in this period has been negligible, the bulk of the issues representing refunding on lower bases. The outlook is for a continuation of this situation inasmuch as the expansion to take place in new plants will largely be amortized out of earnings and financed by governmental agencies. Institutional funds, consequently, will continue to seek the best quality issues available, whose supply will not be augmented to any appreciable degree.

Considerable emphasis has been placed upon the rising price level and the resulting inflationary effect upon bond prices. That a rising price level necessarily means larger profits and a higher stock market (and therefore that a more suitable haven for funds is in

To our friends in the investment business  
we extend the Season's Greetings and best  
wishes for the New Year.

## FULLER, CRUTTENDEN &amp; COMPANY

Members Chicago Stock Exchange

120 South La Salle St., Chicago • Telephone Dea 0500 • Teletype CG - 35

Merck & Co., Inc.  
(common & preferred)  
American Airlines, Pfd.  
World's Fair 4s, 1941  
Merrimac Mfg. Co.  
United Cigar-Whelan  
Evans Wallower Zinc  
Mexican Internal & Ext'l Bonds

**M. S. WIEN & CO.**  
Members N. Y. Security Dealers Ass'n  
25 Broad St., N. Y. HANover 2-8780  
Teletype N. Y. 1-1397

Graham, Parsons Co.,  
NYSE Firm, Merging

Williams & Southgate, 25 Broad Street, New York City, members of the New York Stock and Curb Exchanges and the Boston Stock Exchange, and Graham, Parsons & Co., 1421 Chestnut Street, Philadelphia, Pa. will merge early in 1942 under the name of the latter firm.

John S. Williams, Irving A. Chapman and William M. Carson, present partners of Williams & Southgate, will become partners in Graham, Parsons & Co. with which several members of the New York and Boston offices of the former firm will also be associated.

Offices will be maintained in New York City, Boston, Philadelphia, Pittsburgh, Reading and York, Pa.

Alcock, Hill & Co.  
Is Formed In Boston

BOSTON, MASS.—Thomas R. Alcock and Kenneth B. Hill have formed Alcock, Hill & Company with offices at 75 Federal Street, to engage in a general securities business. Partners of the new organization were both formerly with Southgate & Co., of which Mr. Alcock was manager of the municipal department. In the past, Mr. Hill was sales manager for Lyons & Co. and Mr. Alcock was with Hale, Waters & Co., Inc., and was local manager for L. S. Carter & Co., Inc.

Frank Schumann Now  
Paine Webber Partner

Frank R. Schumann, member of the New York Stock Exchange, has become a partner in Paine, Webber & Co., members of the New York Stock Exchange and other leading national exchanges. Mr. Schumann is making his headquarters at the firm's New York office, 25 Broad Street. He was formerly a partner in Winthrop, Mitchell & Co. and in the past a partner in Clark Williams & Co.

John W. Foster has withdrawn from partnership in Paine, Webber & Co.

equities) is not necessarily axiomatic. It is entirely possible to envisage a sharp increase in all commodity prices but a net reduction in profits through the action of taxes.

It appears to follow, then, that the possibility of substantial funds flowing from bonds into common stocks depends upon the assurance of the maintenance or betterment of the profit level inequities. The Administration now in power—aside from motives ascribable to war conditions—has always been opposed to "excessive profits," has always been at odds with businessmen, and until this philosophy of governmental control changes, the outlook for high stock prices will be confined within rather narrow limits. This point is basic and importantly related both to bond prices and to the profit outlook for stocks.

J. Cronin A Partner In  
Schoellkopf, Hilbert

John P. Cronin has been admitted to partnership in Schoellkopf, Hilbert & Co., 70 Niagara Street, Buffalo, N. Y., members of the New York Stock Exchange. He will make his headquarters in the firm's New York City office, 120 Broadway, and will act as alternate on the floor of the Exchange for William T. Emmet, under Section 15, Article IX.

Pierre Stralem To Be  
Hallgarten Partner

Pierre Stralem, member of the New York Stock Exchange, will be admitted to partnership in the firm of Hallgarten & Co., 44 Wall Street, New York City, members of the New York Stock Exchange and other leading Exchanges, on Jan. 1. Mr. Stralem has been engaged in business as an individual floor broker.

Carl Naumburg To Be  
Stern Lauer Partner

As of Jan. 2, 1942, Carl T. Naumburg will be admitted to partnership in Stern, Lauer & Co., 30 Pine Street, New York City, members of the New York Stock Exchange. Mr. Naumburg was formerly a partner in Faroll Brothers and prior thereto was a partner in Naumburg & Reynolds and Townsend, Graff & Naumburg.

Wertheim Will Admit  
Geo. Jones As Partner

George S. Jones will become a partner in Wertheim & Co., 120 Broadway, New York City, members of the New York Stock Exchange and other leading national stock and commodity exchanges, on Jan. 1. Mr. Jones has been connected with Wertheim & Co. since 1932.

Bertram Goldsmith To  
Be Ira Haupt Partner

Bertram M. Goldsmith, for many years associated with Ira Haupt & Co., 39 Broadway, New York City, members of the New York Stock Exchange, as manager of the bond department, will become a partner in the firm on Jan. 2.

James Colthup To Be  
Freeman Co. Partner

James F. Colthup, who has been associated with Freeman & Co., 30 Pine Street, New York City, since 1921 will be admitted as a general partner in the firm at the first of the year. Mr. Colthup has been in their Equipment Trust Department and has been active in their new business and underwriting departments.

W. Scott Linn To Be  
Partner In Shields Co.

CHICAGO, ILL.—W. Scott Linn will be admitted on Jan. 2, 1942 to partnership in the New York Stock Exchange house of Shields & Co., which maintains a local office at 135 South La Salle Street. Mr. Linn has been connected with the firm in Chicago for a number of years.

## Defaulted RR Bond Index

The defaulted railroad bond index of Pflugfelder, Bampton & Rust, 61 Broadway, New York City, shows the following range for Jan. 1, 1939, to date: High—34 5/6, low—14%, last—28 1/2.