

# FINANCIAL COMMERCIAL & CHRONICLE

Reg. U. S. Pat. Office

Volume 155 Number 4036

New York, N. Y., Thursday, January 22, 1942

Price 60 Cents a Copy

## Treasury Arranges For Dealers And Others To Qualify As Defense Bond Issuing Agents

The Treasury Department announced on Jan. 18 that, as a result of the offer by officials of various securities and investment organizations to aid in providing a larger number of issuing agents for Series E defense savings bonds, arrangements have been completed so that clearing corporations of recognized securities exchanges and properly qualified members of the recognized securities and investment organizations may now be designated as such issuing agents.

The parent organizations which have been most active in this matter are the New York Stock Exchange, the Investment Bankers' Association of America, the National Association of Securities Dealers, Inc., the Association of Stock Exchange Firms, and the group of recognized dealers in United States securities.

The following officials of these organizations conducted the negotiations with the Treasury Department:

John S. Fleek, President of the Investment Bankers' Association of America.

Wallace H. Fulton, Executive Director of the National Association of Securities Dealers, Inc.

James F. Burns, Jr., Presi-

dent of the Association of Stock Exchange Firms.

Emil Schram, President of the New York Stock Exchange.

Dominic W. Rich, representing the group of recognized dealers in United States Government securities.

It is stated that the securities clearing organizations and qualified member firms or corporations of securities and investment associations which wish to qualify may do so through the Federal Reserve bank in the Reserve districts where they are located. In a general way the basic requirements for qualification as an issuing agent for a member firm or corporation is to be in good standing in its association or exchange, and to deposit under suitable regulations with the Federal Reserve Bank the sum of \$25,000 or the equivalent in approved securities.

Whether or not a member firm or corporation acts as an issuing agent will not in any way affect its continuing to give information and to help with the sales of all series of defense savings bonds, officials of that organization said.

The following statement, signed by Messrs. Burns, Fleek, Schram and H. H. Dewar, Chairman of the Board of Governors of the National Association of Securities Dealers, Inc., was issued on Jan. 18 following the Treasury announcement of plans for their greater activity in the defense bond program.

The President of the United States has told us what the war means in terms of planes, tanks, ships, guns and other war material. He has told the nation the cost in dollars. He has commanded the nation to raise its sights all along the production line. Money, management, men, machines, and materials, all

(Continued on Page 322)

## Federal Reserve Board Reports Industrial Activity Decline Less Than Seasonal

Industrial activity declined less than seasonally in December and the first half of January, retail trade continued in large volume, and prices of many commodities rose further, reports the Board of Governors of the Federal Reserve System in its monthly summary of general business and financial conditions in the United States, issued Jan. 21. The Board's summary further states:

### Production

In December total volume of industrial output declined less than is usual at this season and the Board's adjusted index rose further to 168% of the 1935-1939 average. In the armament industries output continued to advance and at machinery plants activity rose sharply, following little change in November. Output of materials, such as iron and steel and non-ferrous metals, continued at peak levels and lumber production showed less than the usual seasonal decrease. Automobile production declined sharply in the latter half of December, following announcement of sharp reductions in passenger car quotas, but early in January quotas for that month were increased and output rose considerably. Sales of new automobiles to civilians were halted at the beginning of January pending the establishment of a rationing system.

Textile production declined somewhat in December owing to a reduction in activity at cotton mills from the record level reached in November. Output of wool and rayon textiles was sustained at about capacity. Output of manufactured food products and shoe production showed about the customary seasonal declines. Coal output decreased somewhat in December, while petroleum production and mining of nonferrous metals were maintained at the high November rate.

Value of construction contracts awarded in December declined less than is usual at this time of year, according to figures of the F. W. Dodge Corp. Awards for public projects showed little change, while those for residential construction declined

less than seasonally following a considerable reduction in November.

### Distribution

Volume of retail trade, which had been large during most of the autumn, increased less than seasonally in December. This reflected to some extent a temporary slackening in sales around the middle of the month following this country's entry into the war. In the first half of January sales at department stores showed less than the customary sharp reduction from the Christmas buying peak and were at a level substantially higher in comparison with a year ago than that prevailing in other recent months.

(Continued on Page 319)

## OUR REPORTER'S REPORT

The experience of the Louisville Gas and Electric Company, in its attempt to market directly 150,000 shares of its own common stock, suggests that investment bankers and dealers throughout the Nation have a real service to offer the corporation seeking funds via the sale of securities.

The company undertook, early in May last year, to market the stock through the medium of direct sale to its customers without the assistance of investment dealers, after the Securities and Exchange Commission had promulgated its "competitive bidding rule" for all utility securities.

At the time the dealers in the area raised considerable objec-

(Continued on Page 318)

## INDEX

	Page
Our Reporter's Report.....	313
Bank and Insurance Stocks.....	318
Calendar of New Security Flotations	325
Investment Trusts .....	319
Municipal News and Notes.....	320
Personnel Items .....	316
Railroad Securities .....	317
Securities Salesman's Corner (The)	322
Tomorrow's Markets—Walter Whyte Says .....	317
Bond Selector (The).....	322
Whisperings.....	324
Our Reporter on Governments.....	328
Uptown After 3.....	324
Jottings .....	316
Over-The-Counter Dealers Must Unite .....	319
Treasury Arranges for Dealers, Others to Qualify As Defense Bond Issuing Agents .....	313
Industrial Activity Down Less Than Seasonally .....	313

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

Broaden your customer service with Chase correspondent facilities

Member Federal Deposit Insurance Corporation

## BANK AND INSURANCE STOCKS



## The FIRST BOSTON CORPORATION

NEW YORK BOSTON CHICAGO PHILADELPHIA SAN FRANCISCO AND OTHER PRINCIPAL CITIES

## FINCH, WILSON & CO.

Members New York Stock Exchange

Commission Orders Carefully Executed for Institutions and Individuals

120 BROADWAY, NEW YORK

## 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

## R. H. JOHNSON & CO.

INVESTMENT SECURITIES

64 Wall Street

New York

BOSTON PHILADELPHIA

Troy Albany WilliamSPORT  
Pittsburgh Watertown  
Wilkes-Barre

## 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

## F. H. PRINCE

BANKERS

PROVIDENCE, RHODE ISLAND

HIGH-GRADE INVESTMENTS

Members  
New York, Chicago & Boston Stock Exchanges

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

## 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. 1-876

**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 4-6301  
Bell Teletype NY 1-2033  
Philadelphia Atlantic City Lebanon

Eastern Sugar Associates  
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

Sharon Optical  
Potrero Sugar Pfd.  
Minneapolis Gas Light 4-50  
Western Lt. Tel. Com. & Pfd.  
61 Broadway 4-50 w. s.  
Great Lakes Utility 5 1/2 - 42  
Circle Theatre 6-46

**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  
Phila. & Read. C. & I. 6s 1949  
Stevens & Thompson Paper 3 1/2s, 1958  
Stevens & Thompson Paper Comm. 1  
Houston Oil Co. Preferred  
Tudor City Units

All Westchester County Mortgage  
Certificates and Bank Stocks

**Schoonover, deWillers & Co.**

INC. 20 S. BROADWAY  
NEW YORK, N. Y. YONKERS, N. Y.  
RECTOR 2-7634 MARBLE 7-8500  
Bell Teletype NY 1-2361

**OFFERINGS WANTED**

Arkansas Highway 3s & 3 1/4s  
Consolidated Coal Com. (St. L.)  
Missouri Utilities Com. & Pfd.  
Missouri Power & Light 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 Postals Long Distance  
Central 7600 Bell Teletype-ST L 528

Jersey Central Power & Light  
5 1/2%, 6% & 7% Pfd.  
Kings County Lightng  
5% & 7% Pfd.  
Mississippi Power & Light  
5% Pfd.  
New England Public Service  
All Pfd.  
Northeastern Water & Electric  
5 1/2 Pfd.

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

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

**DOMINICK & DOMINICK**

Members New York Stock Exchange

ANNOUNCE

THE REMOVAL OF THEIR OFFICES TO

14 WALL STREET  
NEW YORK

January 19, 1942

Barlay 7-4600

**Musson, Chairman NSTA Municipal Committee;  
DeWillers Heads Publicity With R. Gottron**

It has been announced by Herbert H. Blizzard, of Herbert H. Blizzard & Co., Philadelphia, President of the National Security Traders' Association, that the Municipal Bond Committee and the Publicity Committee have been named for the present year. The Municipal Committee has as its Chairman, James F. Musson of B. J. Van Ingen & Co., Inc., New York, and Russell M. Dotts of Bioren



Chester E. deWillers



Russell M. Dotts



James T. Musson

& Co., Philadelphia, as Vice-Chairman. Mr. Musson has named on his committee, a municipal bond specialist from each of the twenty-two affiliates of the National Security Traders' Association. Chester E. deWillers of Schoonover, deWillers & Co., Inc., of New York, has been named Chairman of the National Publicity Committee, and Richard Gottron of Gillis Russell & Co., Cleveland, as Co-Chairman for the Convention City.

Members of the Municipal Bond Committee are: Chairman, James F. Musson, B. J. Van Ingen & Co., Inc., New York, N. Y.; Vice-Chairman, Russell M. Dotts, Bioren & Co., Philadelphia, Pa.; Robert A. Warren, Baker, Watts & Co., Baltimore, Md.; Stanley G. McKie, The Weil, Roth & Irving Co., Cincinnati, Ohio; Ernest D. Willer, The Boatmen's National Bank, St. Louis, Mo.; Ray V. Condon, V. P. Oatis & Co., Inc., Chicago, Ill.; Carl H. Doerge, William J. Mericka & Co., Inc., Cleveland, Ohio; Edwin F. Foley, Kaiser & Co., San Francisco, Calif.; Paul O. Frederick, Commerce Union Bank, Nashville, Tenn.; Thomas Graham, The Bankers Bond Co., Inc., Louisville, Ky.; Robert Harkness, Hawkins & Co., Boston, Mass.; Walter D. Kingston, Lamar, Kingston & Labouisse, New Orleans, La.; F. Thomas Kemp, Thomas Kemp & Co., Los Angeles, Calif.; Edward J. Knight, Wells-Dickey

Company, Minneapolis, Minn.; June S. Jones, Atkinson, Jones & Co., Portland, Oregon; Frank P. Meyer, First of Michigan Corp., Detroit, Michigan; Roger S. Phelps, Campbell, Phelps & Co., New York, N. Y.; Josef C. Phillips, Drumheller, Ehrlichman & Co., Seattle, Wash.; Clyde C. Pierce, Clyde C. Pierce Corp., Jacksonville, Fla.; George V. Rotan, George V. Rotan Co., Houston, Texas; Walter W. Stebbens, The Wisconsin Company, Milwaukee, Wisconsin; Ludwell A. Strader, Scott, Horner & Mason, Inc., Lynchburg, Va.; Andrew L. Tackus, Putnam & Co., Hartford, Conn.; Jerry C. Vasconcells, Vasconcells, Hicks & Co., Denver, Colorado.

**Twin City Bond Traders Incorporate Association**

MINNEAPOLIS, MINN.—At the annual mid-winter meeting of the Twin City Bond Traders Club, articles of incorporation for the organization were signed for the organization. Officers of the club are: Joyce S. Finrud, First National Bank & Trust Co. of Minneapolis, President; George V. Jackish, Harris, Upham & Co., Vice-President; E. Byron Kairies, Merrill Lynch, Pierce, Fenner & Beane, Secretary, and Carroll H. Babcock, Jr., Piper, Jaffray & Hopwood, Treasurer.

**Trading Markets in**

Bank Stocks  
Insurance Stocks

Amerex Holding  
American Cyanamid Pfd.  
Northeastern Water & Elec., Pfd.  
Public Service Ind., Com. & Pfd.  
Talon, Inc.

**Frederic H. Hatch & Co.**

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

American Cyanamid 5% Pfd.

U. S. Lines (Nevada) Pfd.

Walworth Co. Pfd.

**Mc DONNELL & Co.**

Members New York Stock Exchange  
120 BROADWAY NEW YORK  
RECTOR 2-7815

**Merrill Lynch Launches Defense Bond Drive**

What is believed to constitute the most comprehensive integrated plan for merchandising of Defense Bonds by a private organization has been launched by the country's largest Stock Exchange firm—Merrill Lynch, Pierce, Fenner & Beane, through its 93 offices in cities throughout the country. The plan, sanctioned by the Treasury Department, emphasizes Defense Bonds primarily as an investment, on the theory that a greater investor appeal can be made on this basis than by patriotic argument alone.

Posters, circulars, letters, advertisements and bulletins comprise the Defense Bond "merchandising kit" which the firm's various offices and some 600 account executives will use in promoting the sale of Defense Bonds as the country's No. 1 investment. Approximately 175,000 customers and other friends of the Merrill Lynch organization over the country will be contacted or solicited directly, while the effect of the advertising and other promotional work should be to create investment interest in Defense Bonds among many thousands of other investors, present or potential.

**S. E. Ass'n Favors New Commission Rates**

James F. Burns, Jr., President of the Association of Stock Exchange Firms, advised the membership today of the attitude of the Board of Governors of the Association towards a revision of commission rates. It is the attitude of the Association that the present schedule is "a poor heritage of former days and both overcharges and under-charges under various conditions," he said.

"A readjustment of rates is necessary to maintain the health and vigor of the nation's financial system, of which the exchanges are a vital part," Mr. Burns stated. "Smaller volume, together with higher costs brought about by increased wages to employees to meet rising costs of living, additional Social Security taxes, etc., make revision desirable," he added.

**Schwartz Elected Pres. of San Francisco S. E.**

SAN FRANCISCO, CALIF.—Sidney L. Schwartz, senior partner in Sutro & Co., has been elected President of the San Francisco Stock Exchange, succeeding George N. Keyston. This is the eighth time that Mr. Schwartz, an Exchange member since 1907, has held the office. Frank M. Dwyer, Dwyer and Parrish, was named Vice-President. Newly elected members of the governing board are B. J. Frankenheimer, John D. Stern & Co.; Martin C. Wade, Jr., Wade-Lewin & Co., and G. Willard Miller, Dean Witter & Co. Two hold-over members, Victor T. Maxwell, Shaw, Hooker & Co., and Robert F. Mulvany, Irving Lundborg & Co., with the President and Vice-President complete the board.

**Worthwhile Checking:**

Differential  
Wheel Corp.

Common & V.T.C.

**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  
National Airlines

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

Natl. Fireproofing Co. & C. m.  
South Coast Corp. 6s & Pfd.  
Poli New England Theatre 5s  
Fulton Iron Works 6s, Pfd. & Com.  
A. P. W. Properties "A"  
Phila. Dairy Products Pfd. & Com.  
Southwest Lumber Mills 5s & Com  
Industrial Real Estate Trust 3s w. s.

**HARRY PARKER Co.**

74 Trinity Place, New York, N. Y.  
Phone Whitehall 4-8565  
Teletype NY 1-1102

**Bertram Smith Joins Jenks Kirkland Co.**

PHILADELPHIA, PA.—Bertram Smith has become associated with Jenks, Kirkland & Co., 1421 Chestnut Street, members of the New York and Philadelphia Stock Exchanges, as manager of their municipal bond department. Mr. Smith was formerly with Barclay, Moore & Co. for 10 years, and prior thereto was President of Smith, Schumacker & Co., Inc. Edward C. Hamstrom retired from partnership in Jenks, Kirkland & Co. on Jan. 1.

**Cinti Stock & Bond Club Names Officers**

CINCINNATI, OHIO—The Cincinnati Stock & Bond Club, Inc., has elected the following officers for 1942:  
President: John E. Joseph, John E. Joseph & Co.  
First Vice-President: Paul Glenn, Edw. Brockhaus & Co.  
Second Vice-President: George H. Phillips, W. L. Lyons & Co.  
Treasurer: Chas. H. Snyder, J. E. Bennett & Co.  
Secretary: James E. Madigan, W. E. Fox & Co., Inc.

**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, January 22, 1942**  
 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 1942 by William B. Dana Company.  
 Reentered as second-class matter September 12, 1941, at the post office at New York, N. Y., under the Act of Mar. 8, 1879.

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

**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

**Chicago Bond Traders To Hold Annual Dinner**

CHICAGO, ILL.—The Bond Traders Club of Chicago annual dinner will be held Tuesday, Feb. 3, at the Grand Ballroom in the Palmer House. The 250 members will be augmented by representations from Kansas City and St. Louis, Missouri, who are holding their dinners the Thursday and Friday following, and other cities in this territory. The new officers, headed by Henri Pulver, Goodbody and Co., President, will be presented to members and guests at that time. Herbert Blizzard, President of the National Security Traders Association, and officers of other affiliated groups will also be present.

Those interested in making the loop to Kansas City and St. Louis following the dinner in Chicago can receive information from Ed Welch, Sincere and Co., on an all-expense tour.

Early reservations are suggested and can be made through Paul J. Skepnek, Rogers and Tracy, Inc.

**Dabney Merging With Townsend, Anthony**

BOSTON, MASS.—Following the dissolution of F. L. Dabney & Co. on Jan. 31, Russell Coolidge, Thomas N. Dabney and William T. Glidden, Jr., will become partners in Townsend, Anthony & Tyson, 30 State Street, and the firm name will be changed to Townsend, Dabney & Tyson, as of Feb. 2.

Townsend, Anthony & Tyson and F. L. Dabney & Co. are among the oldest investment houses in Boston. With the admission of the former Dabney partners, the new organization will acquire additional memberships in the New York and Boston Stock Exchanges and the New York Curb.

**N. Y. Finance Institute Offers Spring Courses**

The New York Institute of Finance, successor to the New York Stock Exchange Institute, is now holding registration for the Spring term, beginning the week of Feb. 2. Registration closes Jan. 23.

In addition to courses in general business, subjects and specialized subjects pertaining to investment analysis, security brokerage and general finance, the Institute will offer courses in Business Forecasting, Commodity Price Forecasting, Current Monetary problems, Federal Regulation of the Securities Business, Public Utility Break-Up Values, Receivership Rails, and War Economics.

A special four-week course is being given from Feb. 3 to 24 on the preparation of individual income tax returns, under Dr. J. Stanley Halperin of New York University.

Additional information may be obtained from the Institute, 20 Broad Street, New York City.

**Cgo S. E. Amendments Re Military Service**

CHICAGO, ILL.—The Board of Governors of the Chicago Stock Exchange on Jan. 15 proposed to the membership an amendment to the Constitution of the Exchange which would waive annual dues of members engaged in active military or naval service of the United States or members devoting all their time to any public service incident to national defense.

The Board also recommended an amendment which would allow any member engaged in army, navy or other defense service of the United States, upon request and approval by the Board, to designate a general partner of such member to transact in his place and stead the usual business of such member on the floor of the Exchange.

If not disapproved by one-third of the members of the Exchange within one week, the proposed amendments become effective.

**Brailsford, Rodger Co. Expand Trading Dept.**

CHICAGO, ILL.—Brailsford, Rodger & Co., 208 South La Salle St., members of the Chicago Stock Exchange, announce an expansion of their present trading facilities by the opening of a general trading department under the direction of Edward M. Burke and Carl B. Ross.

Mr. Burke has been with Brailsford, Rodger & Co. for many years in charge of trading.

Mr. Ross' association with the firm was previously reported in the "Chronicle" of Jan. 15.

**OUT-OF-TOWN DEALERS**

We offer you the services of our TRADING DEPARTMENT

on Railroad - Industrial - Public Utility - Municipal ISSUES

**Spencer Trask & Co.**

25 Broad Street, New York  
 Telephone HANover 2-4300 Teletype NY 1-5  
 Members New York Stock Exchange Members New York Curb Exchange

**Dewar Elected NASD Chairman; Other Officers Named At Meeting Of The Board Of Governors**

H. H. Dewar, partner in Dewar, Robertson & Pancoast, of San Antonio, Texas, was elected Chairman of the National Association of Securities Dealers, Inc. at the final session of the Board of Governors, held at the Waldorf-Astoria Hotel in New York City. Mr. Dewar succeeds Robert W. Baird of the Wisconsin Company, Milwaukee.

Lee M. Limbert, Blyth & Co., New York, was elected first Vice-Chairman for 1942 and Francis F. Patton, A. G. Becker & Co., Inc., Chicago, was named second Vice-Chairman. Robert W. Baird was chosen Treasurer, succeeding Laurence M. Marks, Marks & Co., New York, Wallace H. Fulton of Washington, D. C. will continue as executive director.



H. H. Dewar

The executive committee will be composed of the officers, and Mark C. Elworthy, Elworthy & Co., San Francisco, and Hermann F. Clarke, Estabrook & Co., Boston.

Members of the Finance Committee appointed were William A. Fuller, Fuller, Cruttenden & Co., Chicago, Mr. Baird, and F. Edward Bosson, Putnam & Co., Hartford, Conn. Mr. Fulton is ex-officio member of the executive and finance committees.

At the meeting of the Board of Governors internal problems were discussed and plans formed whereby the association may be most effective in aiding in the sale of war obligations and Federal tax-anticipation notes, in conjunction with other associations of investment dealers. No formal announcement on the plans was made.

There was some informal discussion of the possibility of moving the Association's headquarters from Washington, and since there is a large amount of work done daily between the SEC and the NASD, it was thought that the NASD might also be moved to Philadelphia.

**F. M. Law Appointed To Arbitration Panel**

Cornelius Vanderbilt Whitney, President of the American Arbitration Association and Chairman of the Board of the Pan-American Airways, has announced the appointment of Francis M. Law, past President of the American Bankers Association, to the National Panel of Arbitrators of the Association. Mr. Law, who is President of the First National Bank, Houston, Texas, also formerly headed the Texas Bankers Association.

The Association, a national non-profit organization, may call upon Mr. Law to act as impartial arbitrator under the organization's standard rules of arbitration in connection with any commercial or industrial controversies involving war material production. Membership in the Panel includes over eight thousand qualified and carefully selected educators, professional and business men—experts in their fields—in more than sixteen hundred cities from coast to coast. As a result of increased demands upon their facilities, the Association recently placed their Panel members on an emergency basis and opened their 31 Tribunals to all industry for the voluntary arbitration of any type of dispute which might delay war production.

**Wm. Licklider With N. Y. Savings Bank**

Wm. G. Green, President of New York Savings Bank, at Eighth Avenue corner of 14th Street, announced that William B. Licklider has been appointed to take charge of the bank's bond investments.

Mr. Licklider was associated for 10 years with Blyth & Co., Inc., and more recently with Harriman Ripley & Co., Inc.

We have an interest in the following Public Utility Common Stocks:

- ARKANSAS-MISSOURI POWER CORP.
- BLACK HILLS POWER & LIGHT CO.
- IOWA PUBLIC SERVICE CO.
- IOWA SOUTHERN UTILITIES CO.
- MISSOURI UTILITIES CO.
- NORTHERN NATURAL GAS CO.
- PUBLIC SERVICE CO. OF INDIANA
- SIOUX CITY GAS & ELECTRIC CO.

**A.C. ALLYN AND COMPANY**

Incorporated

CHICAGO

NEW YORK

**B. S. LICHTENSTEIN AND COMPANY**

**THE \$64 QUESTION!**

This is the \$64 Question: How can I get the best prices for those little traded securities? The answer is—Always check both the Services and Lichtenstein! Then take it or leave it! Maybe you'll hit the Jackpot too! Obsolete Securities Dept.  
**99 WALL STREET, NEW YORK**  
 Telephone: WHitehall 4-6551

**Aldred Investment Trust**

4 1/2, 1967

**Reynolds Realization**

5s, 1946

**Indiana Limestone**

6s, 1952

**Joseph McManus & Co.**

Members

New York Curb Exchange  
 Chicago Stock Exchange

39 Broadway, New York  
 Dlgb 4-2290 Tele. NY 1-1610-11

We Are Specialists In

**REAL ESTATE SECURITIES**

Inquiries Invited In  
 Lawyers Mtge. Co. Cfs.  
 Lawyers Title Co. Cfs.  
 Bond & Mtge. Co. Cfs.  
 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

**New Orleans Great Northern**

5s, 2032

**Macfadden Pubs. Pfd. & Com.**

Permutit Company

Galveston & Houston

**ATLANTIC INVESTING CORPORATION**

67 WALL ST., NEW YORK, N. Y.

Telephone—BOWling Green 9-3000  
 Teletype—NY 1-1625

**JACOBS AIRCRAFT ENGINE CO.**

CAPITAL STOCK

Prospectus on request

**Norman Fernon & Co., Inc.**

Investment Securities

1500 Walnut St., Philadelphia  
 New York Tele. Philadelphia Tele.  
 REctor 2-0250 Kingsley 2500

**Washington Gas & Electric Company**

All Issues

Bought—Sold—Quoted

**R. E. SWART & Co.**

INCORPORATED

40 EXCHANGE PLACE, NEW YORK  
 Tel.: HANover 2-0510 Tele.: NY 1-1073

## DIVIDEND NOTICES

## INTERNATIONAL HARVESTER COMPANY

Quarterly dividend No. 94 of one dollar and seventy-five cents (\$1.75) per share on the preferred stock, payable March 2, 1942, has been declared to stockholders of record at the close of business February 5, 1942.  
SANFORD B. WHITE, Secretary.

## NATIONAL DISTILLERS PRODUCTS CORPORATION

The Board of Directors has declared a regular quarterly dividend of 50¢ per share on the outstanding Common Stock, payable on February 2, 1942, to stockholders of record on January 15, 1942. The transfer books will not close.

THOS. A. CLARK  
TREASURER

December 23, 1941

## J. F. Brown in Hospital

DENVER, COLO. — J. Fred Brown, a partner in Boettcher and Company, is in St. Luke's Hospital recovering from a motor accident.

## 'JOTTINGS'

Don't take that Truman report on the arms program too much to heart, because: (1) it contained a good deal of hindsight, criticizing 1941 from a 1942 viewpoint; (2) some of the criticisms have been cleaned up; (3) criticism for failure to use little business and little firms (particularly in the aircraft industry) was probably laid on extra thick because it is good politics; and (4) some of the answers are now "restricted information," much of which, if released, would make pleasant reading. Slant of the report may be seen by one quotation in the report from General Arnold, calling a well-known model little better than a trainer now. The full quote gave quite a different and better impression; the committee had wrenched one sentence from its context.

The censorship setup is liked by the Washington newsmen and they cooperate. Some queer things happen. The Treasury informed the press that Mr. Morgenthau had gone to Hollywood Beach, Fla., for a vacation, but banned publication. Newsmen puzzled whether Mr. Morgenthau was now a military secret, or whether he just didn't think it would sound nice to go on vacation at this juncture; they finally took it up to censorship and the news was released. Again, you remember that front-page story of the Republic Thunderbolt (P-47) and how it could dive to a terminal velocity of 620 miles an hour or something. It was an

accidental leak. From the 620 figure Axis agents could figure considerable about the plane's construction. Again, it appears that the censors will ban information in some papers they will pass in others. They appear, for instance, to feel that Axis intelligence men won't bother to read Wall Street publications.

One Washington view of the Nelson promotion is this. The President has been busy for a year or more getting us in the mood for war—too busy to pay much attention to the arms program. Also the international diplomatic situation was highly confusing and took much attention. Now things are simpler and he has more time—and he doesn't risk scaring people by vigorous measures of defense.

One opinion about Pearl Harbor is that the Navy should not be condemned until the Roberts report is heard. There were indications (some Pearl Harbor facts still remain restricted) that

(Continued on Page 327)

## Notice to the Holders of:

## Kingdom of Denmark

Twenty Year 6% External Gold Bonds, Due January 1, 1942  
Thirty-Year 5½% External Loan Gold Bonds, Due August 1, 1955  
Thirty-Four Year 4½% External Loan Gold Bonds, Due April 15, 1962

## City of Copenhagen

Twenty-Five Year 5% Gold Bonds, Due June 1, 1952  
Twenty-Five Year 4½% Gold Bonds, Due May 1, 1953

## Danish Consolidated Municipal Loan

Thirty-Year 5½% External Sinking Fund Gold Bonds, Due November 1, 1955  
Twenty-five Year 5% External Gold Bonds, Due February 1, 1953

## Mortgage Bank of the Kingdom of Denmark

(Kongeriget Danmarks Hypotekbank)

Forty-five Year 5% Sinking Fund External Gold Bonds Series IX, of 1927  
Due December 1, 1972

The undersigned Minister of Denmark in Washington makes the following statement for the information of bondholders of the above-described issues:

Existing conditions in Denmark, as referred to in my announcement of December 24, 1941, addressed to holders of Kingdom of Denmark Twenty Year 6% External Gold Bonds, due January 1, 1942, have made it impossible for the time being to meet the principal maturity of that issue. Having regard to this and to Denmark's desire of obviating preferential treatment of bonds of any one or more of the above-named loans, it is proposed that Danish Government funds in this country will not until further notice be available for making further sinking-fund or other payments on account of principal of any Danish dollar loan above referred to.

For the purpose of paying February 1, 1942 coupons of Kingdom of Denmark 5½% External Loan Gold Bonds, due August 1, 1955, and Danish Consolidated Municipal Loan Twenty-five Year 5% External Gold Bonds, due February 1, 1953, I propose to put the particular paying-agents in funds so far as it is estimated to be necessary to make coupon payments to holders, other than residents of Denmark, of bonds of these two issues.

February 1, 1942 coupon payments will be subject to such licences as may be granted to paying-agents by the United States Treasury.

In conformity with my announcement of December 24, 1941, I purpose to make subsequent announcements with a view to keeping bondholders informed of further developments relating to the above-described loans.

HENRIK KAUFFMANN

Envoy Extraordinary and Minister Plenipotentiary of His Majesty the King of Denmark

Washington, D. C., January 21, 1942.

## Canadian Securities

Traded in U. S. Funds

## F. W. Macdonald &amp; Co.

Members Toronto Stock Exchange

41 Broad St., New York, N. Y.  
HANover 2-7873 Tele. NY 1-1619  
Toronto New York

## Carter &amp; Co. To Admit Greff To Partnership

Herbert B. Greff will become a partner in Carter & Co., 14 Wall Street, New York City, members of the New York Stock Exchange, on Feb. 1. In the past Mr. Greff was a partner in Fellows Davis & Co.

## UTILITY PREFERRED

## JACKSON &amp; CURTIS

## PERSONNEL ITEMS

If you contemplate making additions to your personnel, please send in particulars to the Editor of the Financial Chronicle for publication in this column.

(Special to The Financial Chronicle)  
BOSTON, MASS. — John V. Flanagan, formerly with Trescott Griffin & Co., has joined the staff of Elwell & Co., Inc., 24 Federal Street.

(Special to The Financial Chronicle)  
BOSTON, MASS. — Rollin E. Morton is now with Massachusetts Distributors, Inc., 85 Devonshire Street.

(Special to The Financial Chronicle)  
BOSTON, MASS. — Walter H. Barrow has become connected with Paul D. Sheeline & Co., 24 Federal Street.

(Special to The Financial Chronicle)  
CHICAGO, ILL. — Orin Newton, previously with Mason, Moran & Co., has become associated with Paul H. Davis & Co., 10 South La Salle Street.

(Special to The Financial Chronicle)  
CHICAGO, ILL. — Stanley Morrill has become affiliated with Fahnstock & Co., 135 South La Salle Street. Mr. Morrill was formerly with Talcott, Potter & Co., Daniel F. Rice & Co. and Fuller, Rodney & Co.

(Special to The Financial Chronicle)  
CHICAGO, ILL. — Harry Arthur Tremaine is now with Hicks & Price, Continental Illinois Bank Building. Mr. Tremaine was formerly with Mitchell, Hutchins & Co.

(Special to The Financial Chronicle)  
CHICAGO, ILL. — Jack Frankel has joined the staff of Howell, Anderson & Co., 105 South La Salle Street. Mr. Frankel was previously with Carley & Co., Kirstein & Co., and Straus Securities Co.

(Special to The Financial Chronicle)  
CHICAGO, ILL. — John Price Seeley has become associated with Benjamin Lewis & Company, 135 South La Salle Street. Mr. Seeley has recently been in business for himself and in the past was with Enyart, Van Camp & Feil, Inc.

(Special to The Financial Chronicle)  
DETROIT, MICH. — Frederick C. Anger has become associated with Humphries, Angstrom & Co., Penobscot Building.

(Special to The Financial Chronicle)  
FRESNO, CALIF. — Francis T. McShery, previously with Time-trust, Inc., is now connected with Franklin Wulff & Co., Inc., Mattei Building.

(Special to The Financial Chronicle)  
KANSAS CITY, MO. — Ocal Lee Johnston is now with Barrett Herick & Co., Inc., 1012 Baltimore Avenue.

(Special to The Financial Chronicle)  
LANSING, MICH. — Edwin Hayden and Scott V. Rutherford, both formerly with W. E. Hutton & Co., have become connected with Merrill Lynch, Pierce, Fenner & Beane, 108 West Allegan Street. In the past Mr. Rutherford was with the Central Trust Co.

(Special to The Financial Chronicle)  
LONG BEACH, CALIF. — Carl Clement Kissel, formerly with Crowell, Weedon & Co., has become affiliated with Tucker & Company, 132 Pine Avenue.

(Special to The Financial Chronicle)  
LOS ANGELES, CALIF. — Ann W. Henderson and John E. Hostetler have been added to the staff of Blyth & Co., Inc., 215 West Sixth Street.

(Special to The Financial Chronicle)  
LOS ANGELES, CALIF. — Homer W. Wessendorf, formerly with M. H. Lewis & Company, is now with Crowell, Weedon & Co., 650 South Spring Street.

(Special to The Financial Chronicle)  
LOS ANGELES, CALIF. — Charles R. Hoffman has become associated with Hopkins, Hughey & Company, 609 South Grand Avenue. Mr. Hoffman was previously with J. A. Hogle & Co. and prior thereto was with Post & Flagg, Dean Witter & Co., and William Cavalier & Co.

(Special to The Financial Chronicle)  
LOUISVILLE, KY. — Howard D. Loudon has become connected with The Bankers Bond Co., Inc., Kentucky Home Life Building. Mr. Loudon was formerly associated with A. C. Allyn & Co. and Straus Securities Co.

(Special to The Financial Chronicle)  
OAKLAND, CALIF. — Albert Burnett Hood has become associated with Bankamerica Company, 1200 Broadway. Mr. Hood was formerly with H. R. Baker & Co.

(Special to The Financial Chronicle)  
PASADENA, CALIF. — Daniel M. Sullivan, in the past with Rutland, Edwards & Co., is now with Reagan, Carr & Gaze, Ltd., 575 East Green Street.

(Special to The Financial Chronicle)  
PASADENA, CALIF. — Robert K. Smith has joined the staff of William R. Staats Co., 311 East Colorado Street.

(Special to The Financial Chronicle)  
PORTLAND, ME. — John W. Oakley is now with Bond & Goodwin Incorporated, 120 Exchange Street. Mr. Oakley was previously local representative for Williams & Southgate.

(Special to The Financial Chronicle)  
SAN FRANCISCO, CALIF. — Donald Alexander McGregor, formerly with Donnellan & Co., Inc., has joined the staff of Conrad, Bruce & Co., Russ Building.

(Special to The Financial Chronicle)  
SAN FRANCISCO, CALIF. — Melvin G. Butt, previously with Mason Brothers, has become connected with Davies & Co., Russ Building.

(Special to The Financial Chronicle)  
SAN FRANCISCO, CALIF. — Clifford Stanley Lawrence has become associated with E. F. Hutton & Company, 160 Montgomery

## DETROIT

## LISTED AND UNLISTED SECURITIES

## Charles A. Parcels &amp; Co.

Members of Detroit Stock Exchange  
PENOBSCOT BUILDING  
DETROIT, MICH.

## ST. LOUIS

## STIX &amp; Co.

SAINT LOUIS  
509 OLIVE ST.

Members St. Louis Stock Exchange

## SALT LAKE CITY

## Specializing in

UTAH-IDAHO SUGAR  
AMALGAMATED SUGAR

Analysis on request

## EDWARD L. BURTON &amp; COMPANY

Established 1899

160 S. Main St. Salt Lake City, Utah  
Bell System Teletype SU 464  
Oldest Investment House in Utah

## W. Terwilliger Is With Milwaukee Co.

CHICAGO, ILL. — Walter E. Terwilliger, formerly Vice-President of E. W. Thomas and Company, has become associated with the Milwaukee Company, 135 South La Salle Street. In the past, Mr. Terwilliger was connected with A. C. Allyn and Company, Inc.

## To Be J. G. Stewart Co.

The firm name of W. A. Fine & Co., 1 Wall Street, New York City, members of the New York Stock Exchange, will be changed to John G. Stewart & Co., effective Feb. 1. On the same date Lucille Oldacre will become a partner in the firm.

Street. Mr. Lawrence was previously with Merrill Lynch, Pierce, Fenner & Beane.

(Special to The Financial Chronicle)  
SAN LUIS OBISPO, CALIF. — W. C. Wickenden has become affiliated with Franklin Wulff & Co., Inc., whose main office is in the Russ Building, San Francisco. Mr. Wickenden was formerly with Insurance Securities of Oakland, and in the past was local manager for Associated American Distributors, Inc.

(Special to The Financial Chronicle)  
SANTA BARBARA, CALIF. — Joseph Andrews, Jr. has been added to the staff of Schwabacher & Co., 930 State Street. Mr. Andrews was formerly with Franklin Wulff & Co., Inc. and Bankamerica Company.

(Special to The Financial Chronicle)  
WORCESTER, MASS. — Edmund F. Connolly is now with Charles T. MacDermott & Co., 16 Norwich Street.

## Tomorrow's Markets Walter Whyte Says

Market as a unit is not acting as well as I should like to have it act; I therefore, must repeat my advice of last week—sell and hold cash for better opportunities.

By WALTER WHYTE

Since last week's pessimistic forecast the market has done little to add to the gloom. True, it hasn't done anything on the up-side. Still, it didn't do much damage on the down-side either. As matters stand at this writing, the market is still at about the same level it was last Wednesday. But standing still isn't enough; not at this stage.

The market having backed itself into a corner, a break out is indicated. Whether or not this break-out will be violent remains to be seen. But the violence or the gentleness of the coming move isn't important. It's the direction that is important. Of course, there will be stocks that will act better than the averages, assuming it's averages that are worrying you, and among the better actors will be the rails. But a word about the rails.

They've been acting well right along, some better than others, but, by and large, the rails as a group have reached levels that indicate important resistance to further advances.

It's strange how things repeat themselves. Time and again certain characteristics in certain stocks indicate coming moves. But it isn't until these moves are close to previously determined objectives that the buying that too often marks a top appears. The current strength in the rails is an example. For weeks this group has been acting better than the market, but it wasn't until they were granted permission to raise their rates on less than car load lots that they began to attract a new following. It is this following which is unhealthy. It presupposes a unanimity of opinion that seldom works in the market.

It is possible that there may be an exception in this case but I have seldom found it profitable to bank on such exceptions. In any case I don't think the rails are the grand buys, everybody thinks they are.

**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

As far as the rest of the market is concerned it is not a particularly shrewd statement to say it will be affected by the fate of Singapore, or the outcome of the Latin American conference. How Singapore is faring, you know only too well. How the conference is doing, you also know.

And while you're looking at the news, it might be well to point out that while black headlines shrieking about submarine sinkings off the East coast, or MacArthur's knocking out a Jap battery make interesting reading, they are only minor incidents in a war. It is the outcome of the conference in South America, (Continued on Page 324)

### Advertising Important As Protective Measure

The maintenance of corporate good-will and prestige in these times is secondary only to the demands of the defense program and management is giving increased thought to the matter of prestige and reputation building copy apart from regular product promotion, according to Russell Law, Chairman of the Board, Albert Frank-Guenther Law, Inc., advertising agency.

"Cogent, forceful reputational advertising as a program separate from customary product advertising is an effective method of maintaining reputations and markets during wartime and is recommended as a protective measure of singular importance at this time," Mr. Law said.

The agency has initiated an advertising campaign designed to reach business executives and to remind them that there are "No priorities on good-will." The agency's advertising will appear in selected newspapers and business publications.

### J. G. Couffer V.-P. Of B. J. Van Ingen

B. J. Van Ingen & Co., Inc., 57 William Street, New York City, announces that James G. Couffer is now associated with them and has been elected a vice-president of the firm. From 1913 to 1933, Mr. Couffer was associated with the Continental Illinois Co. of Chicago and its predecessor banks in the municipal bond departments. He became associated with Blyth & Co. in Chicago, in 1933, as manager of the firm's municipal bond department and in 1935 he came to New York as manager of the municipal bond department here. He was associated with Blyth until the end of 1941.

**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%, low—14%, last—34%.

**Spokane International**  
Escrow Receipts

**Boston Terminal Company**  
3 1/2 & 4s

Bought — Sold

**PFLUGFELDER, BAMPTON & RUST**  
Members New York Stock Exchange

61 Broadway  
Telephone—Digby 4-4933

New York  
Bell Teletype—NY 1-310

RAILROAD REORGANIZATION SECURITIES

## RAILROAD SECURITIES

In the opening weeks of the year railroad traffic has continued to hold above the levels of a year earlier, but the rate of expansion has been narrowing and the normal seasonal trend has been violated on the down side. Standard & Poor's index of railroad freight loadings retreated from a high of 94.6 reached in the last week of November to 83.4 for the week ended Dec. 27, and successively to 82.0 and 77.2 in the last two periods for which data are available at this writing. These figures are a distinct disappointment to railroad analysts who, a few months ago, were confident of a better-than-seasonal showing for the first quarter of the year. The root of the disappointment, however, is specific rather than general. It necessitates a reappraisal of individual roads but not a change in attitude towards the industry as a whole.

**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.

**LEROY A. STRASBURGER & CO.**  
1 WALL ST., NEW YORK  
WHitehall 3-3450 Teletype: NY 1-2050

profitable operations are threatened; it is estimated that charges were earned close to two times last year. Nevertheless, the outlook does call for an attitude of speculative caution towards the company's securities.

Traders have been giving consideration to at least a short term switch from these issues into Southern Pacific Refunding 4s, 1955, where the earnings background is particularly bright and where it is believed that the financial rehabilitation program will continue apace. It is indicated that Southern Pacific may have reduced its debt, exclusive of equipments, by as much as \$30,000,000 last year, charges were probably covered about 2.25 times, and a wider coverage is a distinct possibility this year even without any freight rate increase.

Switching from the bonds is purely from a trading

As brokers we invite inquiries on blocks or odd lots of

**HIGHEST GRADE RAILS**

We also maintain net markets in  
INT. GT. NOR. ADJ. 6s/52  
PITTSBURGH & W. VA. 4 1/2s  
MISSOURI PACIFIC 5 1/2s/49  
ST. P. & E. GRD. TRUNK 4 1/2s/47  
SOUTH PACIFIC COLL. 4s/49

We are interested in all issues of the  
**SEABOARD RAILROAD**

**l. h. rothchild & co.**  
specialists in rails  
11 wall street N. Y. C.  
HANover 2-9175 Tele. NY 1-1293

AMERICAN MADE  
MARKETS IN  
CANADIAN  
SECURITIES

**Aldred Investment**  
4 1/2s, 1967 & 1968

**Canadian Pacific Ry.**  
3s, 1945

**Minnesota & Ont. Paper**  
5s, 1960—Common

**Montreal Lt., Ht. & Pwr.**  
3 1/2s, 1956-63-73

**HART SMITH & CO.**  
55 WILLIAM ST., N.Y. HANover 2-0988  
Bell Teletype NY 1-395  
New York Montreal Toronto

**Opportunity For Firm  
With Wire System**

Advertiser (42 years old) with background of over twenty years' experience with two representative firms, has sound ideas that would make for profitable utilization of their wire system. Operating expenditure would be modest. M 20, Financial Chronicle, 25 Spruce St., New York City.

angle and not an expression of pessimism over the fundamental value. Selling of the equities, however, is based on appreciation of the fact that their position has been definitely, and drastically, impaired. In the spring of 1941 there was fairly heavy buying of these shares on expectations that the high earnings would be utilized for rapid reduction of arrears on the prior preference stock and eventual similar action on the preferred. In the past the management had been relatively liberal in this respect.

Failure to make any disbursement last year was taken by speculators in their stride and attributed mainly to uncertainties arising from wage increases. With this out of the way, and with the prospects of a rate increase, hopes began to mount again. It seems now, however, that there is little chance that these hopes will be realized. Uncertainties inherent in a war economy and the rising tax burden, when aggravated by declining earnings, would hardly warrant a resumption of dividends.

Without dividends in a period of general industrial prosperity, the shares of this "feast or famine" road are considered to possess little speculative appeal. It is felt that holders of the stock will do better over the visible future by switching into the preferred stock of the reorganized Erie or of "Nickel Plate" which carries heavy accumulations.

We specialize in  
**Producing  
Oil Royalties**

Send for our new booklet  
"PETROLEUM ON PARADE"

**TELLIER & COMPANY**  
Members  
Eastern Oil Royalty Dealers Ass'n.  
42 Broadway New York City  
Bowling Green 9-7947 Teletype NY 1-1171

**National Union Fire  
Pittsburgh  
Westchester Fire  
U. S. Fire**

Bought—Sold—Quoted

**A. M. Kidder & Co.**

members New York Stock Exchange  
and other leading exchanges

1 WALL ST. NEW YORK  
Telephone Dlgby 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: Barclay 7-3500  
Bell Teletype—NY 1-1248-49  
L. A. Gibbs, Manager Trading Department

**Bank and Insurance Stocks**

**This Week — Insurance Stocks**

One of the wartime problems common to financial institutions doing business on "other people's money" is to preserve a reasonable ratio between mounting liabilities on the one hand, brought about by increased volume, and capital funds on the other.

In the insurance field, this ratio is usually expressed by the relation between unearned premium liability and policyholders' surplus (capital and surplus). Under the law, all premiums paid in advance must be set upon the books as a liability, and can be credited to underwriting account only as fully earned.

In addition to unearned premium reserves, however, such reserves as for losses in process of adjustment, for claims and claim expenses are also part of the total creditors' call upon capital funds. In the case of casualty companies, especially, such loss and claim reserves are often large, because of the slowness in Court disposition of litigated claims.

The investment of the available funds (capital funds and fiduciary liabilities) is indicated in turn by the size and composition of the cash and invested assets.

During wartime, volume tends to expand sharply, while growth in capital funds is at a slower pace. Thus, the volume leverage ratios rise, thereby exposing net worth to the increased risks and uncertainties of war inflation and post-war deflation. To meet such increased exposure of solvency, management can:

1. Keep in highly liquid form the greater part of incoming funds, such as in cash and Government securities, thus neutralizing the high volume leverage. This, however, tends to reduce investment earnings and appreciation, although it increases protection against depreciation.

2. Increase the ratio of "ploughed back" earnings, by retaining any bulge in earnings instead of paying larger dividends, or even reducing dividends to increase the ratio of retained earnings.

3. Increasing capital and surplus by subscriptions above par.

The leverage question for fire and casualty companies, thanks to advantages in operations and extra-conservative accounting practices, appears much less serious than in banking, where it has already influenced some dividend reductions.

In the first place, insurance companies can control the volume assumed to a greater extent, by selectivity and reinsurance. The

highly liquid distribution of assets. As of Dec. 31, 1940, 125 casualty companies showed 55% of assets in cash, agents' balances and Governments and another 17% in other bonds; compared to 37% and 14% for 135 fire companies, which carried 43% of assets in equities.

Since under wartime priorities and heavy taxes, dividends from equities are subject to uncertainties, casualty companies with their high liquidity and large underwriting earnings appear capable of more stability of dividends and asset values, yet sustained growth, under wartime conditions.

Fire companies, too, have been increasing their ratio of cash and Government securities, however, and the accumulation of reinvested funds plus the new volume would even at lower investment returns act as a partial offset to probably decreased dividend income from stock holdings in 1942. In some cases, nevertheless, where equity holdings are relied on for an important portion of investment income, such decreased income might lead to lower scale of extra dividends in 1942.

Thirdly, the leverage ratios are less of a problem for insurance companies because they are able to adopt more of an investment attitude toward holdings. This results from the fact that they are sellers of essential protection, not debtors to depositors, and outside of possible "switching" on unearned premiums, are not subject to withdrawal of funds upon demand. On the contrary, there is a constant inflow of premium income at no interest cost, so that even in times of market crises, insurance companies can hold on for more propitious levels and are not obliged to sacrifice holdings in necessitous liquidation.

For neither fire nor casualty companies, therefore, should the leverage ratios of liabilities and assets to capital funds, during the current wartime increase in volume, prove a source of direct concern to stockholders. This does not mean, of course, that insurance companies, like other corporations, will not face wartime problems, such as rising losses and operating expenses, particularly taxes; and the probability of reduced investment income from equity holdings. Under the circumstances, fair rates permitting reasonable underwriting profits assume increased importance in wartime—both to increase safety of policyholders' surplus and to keep up the growth factor for stockholders.

**Our Reporter's  
Report**

(Continued from First Page)  
tion but to no avail when the Commission ruled in favor of the company's plan.

Now it develops that, under an application filed about a week ago with the SEC, seeking authority to sell a block of the stock to Standard Gas and Electric Company, the issuer had succeeded in marketing only 23,795 shares of the issue on its own.

Under the plan now proposed by the company, to sell the stock to Standard Gas at \$22.75 a share, the dealers again would be denied any participation in the sale.

The Securities Commission has set a hearing on the application for next Tuesday and it is expected that dealers, though their chances of obtaining any of the business still appear slim, probably will be on hand to see what can be done.

The company needs the funds, which it seeks to raise through

the flotation of the stock to finance an expansion program which it has under way.

**Alabama Power Issue**

Those rumblings of a possible second bid for the Alabama Power Company's \$80,000,000 of first mortgage bonds, auctioned on Monday, proved to be nothing more than a stirring about.

Only a single group tendered a bid for the issue with the syndicate of 81 firms, headed by First Boston Corp. and Bonbright & Co., offering 100.40 for the bonds as 30-year 3½s.

Because of the large proportion of the outstanding obligations, to be retired, which are in the hands of institutional holders, it was recognized that any one of a number of substantial banking firms might be inclined to undertake the project.

Inquiry for the bonds, in advance of the offering, indicated a quick sale of the issue was in prospect with the price of 101¼ and the indicated current yield of around 3.44% proving attractive. These expectations were more than borne out by actual performance when books opened.

**Another Single Bid**

No surprise was occasioned by the appearance of but a single syndicate bid when Comptroller Joseph D. McGoldrick opened tenders for the \$50,000,000 of City of New York bonds sold on Tuesday.

Such procedure has developed before in the case of large city and State issues, with two prospective competing groups consolidating their positions in order to simplify the operation.

Representing possibly the last New York City issue for the duration, and perchance the last such borrowing on tax-free basis, that is if the Administration is successful in its efforts to end tax-exemption, books on the offering were closed within a short time after their opening.

**Junior Rail Issues Sought**

Junior railroad obligations have come back into the leadership of the seasoned bond market under the sponsorship of liens which had been decidedly neglected over a long period.

Investors with a flare for a bit of speculation are inclined toward such bonds, not alone because of the liberal yields which are available, but more so perhaps in the expectation of profiting substantially by appreciation.

The latest flare-up in junior carrier liens appears to have had its inception in the action of the Interstate Commerce Commission in granting the Railway Express Agency's plea for an increased handling charge.

This action was widely interpreted as the probable forerunner of similar action designed to aid the railroads meet their increased wage costs through the medium of a general rate increase.

**Short-Term Money Rising**

Gauged by the trend of Treasury bills which are sold weekly there is no gainsaying the fact that the cost of short-term money is on a rising trend.

The \$150,000,000 of bills placed this week by the Treasury were sold at an average cost of 0.196% compared with 0.119% for a similar issue sold the previous week.

The fact that the Treasury called for payment, this time, in cash rather than in book credits ordinarily tendered by the banks who are the big buyers, may of course, have contributed to the letting down of institutional bids.

**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., 1941 £150,939,354

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.

**Curb's Gratuity Fund  
Buys Defense Bonds**

The Trustees of the Gratuity Fund of the New York Curb Exchange announced on Jan. 19 that at a special meeting held Jan. 16, they authorized the Treasurer to purchase \$30,000 worth of United States Defense Bonds. The purchase will be made from the bank deposits of the Gratuity Fund and does not represent a mere shift from one type of bond to another. The Curb Exchange states that it was among the first business organization to engage in active promotion of the Defense Savings campaign and instituted one of the first payroll allotment plans to aid employees in purchase of the bonds.

**INSURANCE STOCKS**

**Mackubin, Legg & Company**

Established 1899

Members New York Stock Exchange

BALTIMORE

NEW YORK

Telephone—Plaza 9263  
Teletype—BA 783

Whitehall 3-9330  
NY 1-563

# 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 over-the-counter dealers write us their views on the subject.

On December 25 and succeeding weeks we presented a number of replies received prior to that date.

Today we make room for others which have since come to hand. Further comments and suggestions are urgently asked. Requests that names not be printed will be scrupulously observed.

We are only a small dealer but try to give a specialized service to a strictly investing clientele. The service that we render is based on a thorough and exhaustive analysis of the securities which we recommend. Consequently and quite naturally, such study and statistical review requires a great amount of time. This obviously implies that we must derive a fair percentage of profit on each deal as we receive no other income except from transactions. Rarely have our clients taken any exception to our margins because they realize that we are trying to give them an honest and intelligent service.

We could not possibly do business and survive on the basis of any NASD spreads. Our volume of business is too small. We believe that the great majority of the small dealers are in exactly the same position. Therefore to say that the NASD approach to the publication of quotations for the benefit of the public is highly unrealistic and impractical is putting it mildly.

This brings to the fore a very potent question: What has the NASD actually accomplished in the way of improving the lot of the small dealers? How has it helped us to obtain more business? How has it helped us to obtain a higher profit on the business that we do in order to offset the constantly increased costs of doing business? What have we received for the money that it costs us to belong to the association?

We would like to see an answer to the above questions that would be convincing.

Please don't misunderstand our attitude towards the possibilities of the NASD which could, with a different viewpoint, be a tremendous power for good in our profession, and give us a greater opportunity to obtain a decent income from our labor. So far we fail to see any significant accomplishment along this line. We are strongly for the NASD because it seems to us that it is imperative that we have a national association, such as all other trades and professions, but the policy in operations of the present setup must undergo a considerable change.—Anonymous, (Rockford, Ill.)

Your article "Over the Counter Dealers must Unite" is very timely.

I think this should be "NASD Members Should Unite" and remind the boys that are running that show to stick their necks out and do the necessary things to help us make money. After all, it is our dues that keeps the headquarters open.

All dealers in other lines such as Autos, Electrical Appliances, Tires, Hickey-Freeman-Clothes, Department Stores, Liquor Stores, etc. have an association and set a fair price on merchandise and that's the price, so why can't the NASD set the quotations at a reasonable spread and anyone that cuts gets fined.

When quotations are being set, don't forget that salesmen get half the profit so they have got to be wide enough for the trading house, the dealer and the salesman because they all eat, or at least want to.

Another thing the NASD should do is immediately start the ball rolling to have the big board split commission 50-50, not 70-30 or 60-40. Maybe if we had John Lewis, the labor leader, at the head of the NASD, we would get somewhere on this. He would simply walk into the Exchange and say we want a break—we have been helping you to make money long enough, now give us half of the commission or we will call a strike in three days and will not handle another listed stock and no over-the-counter house will sell you an unlisted stock or bond. He did better than that with U. S. Steel, Bethlehem Steel, Ford, General Motors, etc. and not only got a raise in wages for 500,000 men, but made every worker join the union.

The Exchange would have a real tough time getting along if the thousands of over-the-counter dealers and all their salesmen started a boycott, because don't ever forget, it's the men that make the calls and originate business that cause the exchange to have transactions. Very few investors or speculators ever get listed stocks until they have first had unlisted. The gravy train for the Exchanges has been running long enough at the expense of the over-the-counter dealer and salesmen and whether the NASD rolls up its sleeves and starts acting like the Labor Leaders and Farm Leaders or not, I for one am ready to pledge that my 1942 efforts will be as far away from the Exchange as possible if a few of the over-the-counter dealers will join with me and start the ball rolling. I know one over-the-counter firm now that puts the Brooklyn Bridge between the spread if a stock house calls for a quote on an over-the-counter stock because generally they only want the quote to steal some man's deal who probably drove 50 miles in the ice and snow to originate a trade.

To arms NASD, and make your members as secure as the members of the Musicians Union where they just don't play unless they get the big pay.—Walter F. Tellier, (New York City), Tellier & Co.

Several of the recent commentators on the subject of published quotations on over-the-counter securities have referred to the embarrassment caused an over-the-counter dealer when the securities he has sold to a customer on a net dealership basis are quoted by a wire house to the same customer on an "inside" brokerage basis.

In an effort to eliminate this unfair practice on the part of the wire houses, security dealers—members and non-members alike—should work out a plan whereby investor clients are furnished quotations and can buy and sell only at retail prices. The big wire houses are the worst offenders as far as the security dealers are

## Reports Trade Drop Less Than Seasonal

(Continued From First Page)

Freight-car loadings of most products decreased by less than the customary seasonal amount in December. Coal shipments declined considerably in the latter part of the month but then increased sharply in the first half of January. Shipments of miscellaneous freight, which includes most manufactured products, were maintained in large volume for this season of the year.

### Commodity Prices

Wholesale commodity prices increased sharply when this country entered the war early in December and then showed little change during the latter half of the month. In the first half of January prices again advanced, the principal increases being in agricultural commodities and chemicals.

Federal action to impose maximum prices was accelerated with the outbreak of war and applied on a wider scale to industrial products. Ceilings were extended to products in later stages of production and distribution and in most instances covered consumers' goods. Certain of the actions, like those relating to rubber and wool products, were associated with new Federal production restrictions. In this period also there were advances in a number of price ceilings established earlier.

### Bank Credit

Total loans and investments of banks in leading cities, which had advanced sharply during the first half of December, have subsequently shown little further change.

Treasury financing in the middle of December and heavy currency withdrawals during the holiday season absorbed close to \$700,000,000 of excess reserves during the month. About \$500,000,000 of this was recovered in the first half of January, as the result of a decline in Treasury deposits at the Reserve Banks and a return of currency from circulation. Recent changes in excess reserves have been almost entirely at banks outside of New York City.

### United States Government Security Prices

Prices of Government securities were steady in the first half of January, following a decline in December after the entry of the United States into the war.

## Jansen To Conduct Course At Am. Banking Institute

Arthur Jansen, manager of the statistical department of W. E. Burnet & Co., members of the New York Stock Exchange, has been appointed by the New York Chapter of the American Institute of Banking to give a course in "Analysis of Industrial Securities." The course will be given in the Spring term, which starts Jan. 26.

## Now Chace, Whiteside Co.

BOSTON, MASS.—As of Feb. 2, the firm name of Chace, Whiteside & Symonds, Incorporated, 24 Federal Street, will be changed to Chace, Whiteside & Co., Incorporated.

concerned and if they won't cooperate with the dealers in carrying through the above suggestion, all of the dealers should stop doing business with them.

There are plenty of Stock Exchange members who would welcome the commission business generated by the thousands of over-the-counter dealers throughout the country and these Stock Exchange members will be glad to accept our orders sent to them in New York by "collect telegram." Incidentally, it is the writer's understanding that this plan has been adopted in several communities in the State of New York and that it is working out satisfactorily.

Here is a constructive suggestion to work on. May we have some comments on same?—Anonymous (Cleveland).

# AFFILIATED FUND INC.

Prospectus on request

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

## Investment Trusts

Featured in recent investment company literature are down-to-earth discussions which help extricate the reader from the hysteria produced by Pearl Harbor. Fortunately for the financial world, the securities markets were not subjected to either a panic dose of selling, or an unreasoned rush of buying.

Investment trusts and investment counsels purportedly were large buyers of stocks on balance in December. But many had begun taking advantage of low prices before the surprise attack on Dec. 7, and then continued to buy throughout the month. Such action cannot be called panic buying, for undoubtedly these programs would have been halted in the event of a sudden and substantial rise in prices.

In view of the widespread buying action of the investment companies, the available comments should be of more than usual interest. The sources quoted are not necessarily those which have been active buyers, but they are representative of the general feeling in the industry.

The New York "Letter," published by Hugh W. Long and Co.:

"The task posed for the United States in World War II is first to outproduce then to outshoot the Axis. All things considered, we're amazingly well on the way. After 27 months of tooling, industry can now guaranty half of the job!

"Modern warfare depends on the airplane. We were woefully far, far behind. Germany, with five years' start, could turn out 2,400 planes. But only two years in 1939 our total output was only 2,500 planes. But only two years later, in 1941, we passed the 2,500 per-month mark with industry promising F. D. R. 5,000 a month in 1942.

"Steel is indispensable in war. Germany, with Italy, Japan and all her subjugated nations and neutral feeders, had a combined capacity of 60 million tons, say experts. America's 1941 capacity was 88 million tons since eclipsed by further expansion. Add the capacity of Russia and the British Empire and we double that of the Axis.

"Oil is the life-blood of war. Here Germany is especially deficient—had imported untold supplies which must be dwindling—a possible reason for the attack on Russia. The United States produces 63% of the world supply of crude oil and we have yet to work our wells under forced draft. Then there's also the Russian and Syrian fields.

"Aluminum is still another vital war metal. It supplies 70% of airplane frames, 23% of the

**MANHATTAN BOND FUND**  
INC.  
PROSPECTUS ON REQUEST

Wholesale Distributors  
**HUGH W. LONG AND COMPANY**  
INCORPORATED  
15 EXCHANGE PL. 634 SO. SPRING ST.  
JERSEY CITY LOS ANGELES

engines, 24% of the propellers. Even omitting Russian and British production, America and Canada top that of all the Axis and conquered countries by more than 50%.

"Electricity, source of power that keeps the wheels of war production humming, is produced in larger quantity in America than anywhere else in the entire world."

Massachusetts Distributors' "Brevits":

"Business: Industrial production, which is at the highest level in history, will expand still further in order to accelerate the armament program, and to complete the program, will continue at record high levels for an indefinite period ahead—at least two years and possibly longer.

"Taxes: The magnitude of the war program makes it quite clear that taxes of all kinds will, of obvious necessity, be increased to the maximum rates which can be applied. It is no longer a question of how much taxes might be increased; it is now a foregone conclusion that maximum rates will be applied. As the tax structure now stands, this means some further increase in corporation tax rates and probably much greater increases in personal tax rates. 'Maximum,' however, does not imply confiscation of all income. According to the philosophy of the tax authorities in both houses of Congress, 'maximum' implies only the greatest amount which can be drained out of national income without weakening the economy as a whole. As recently reported in 'Brevits,' Senator George, Chairman of the Senate Finance Committee, said he was convinced that taxes had already reached near maximum levels and therefore, from one of the best authorities, we have strong assurance that the 'maximum' rates to be incorporated in the next tax bill will not represent unduly drastic increases, at least for corporations.

"Profits: Some companies affected by shortages, etc., are bound to suffer seriously for the duration of the war, but in the aggregate, representative 'indus-

(Continued on Page 323)

# Municipal News & Notes

Some slight satisfaction can be derived from the report released recently by the Department of Commerce in Washington, showing that State and local debts were reduced by \$42,000,000 during the last fiscal year.

Of course, that sum does not weigh heavily against the terrific increases in the Federal debt which now exceeds \$57,000,000,000, giving a total Federal, State and local debt of more than 77 billions. But the reduction in State and local indebtedness does reverse for the first time a trend that has been upward since 1912.

State and local debt is expected to decline still more during the present fiscal year, due partly to the restraining effects of priorities in building and improvement projects.

Partially offsetting the reduction in State and local indebtedness was a rise of \$216,000,000 in outstanding obligations of housing authorities and the floating of large bond issues by a few cities to finance public service projects.

The Commerce Department's report presents in the realism of unvarnished statistics the financial burden that defense and war needs have imposed on the Nation. The total debt load is, of course, the highest in history. It necessitates the highest taxes in history.

Since whatever sums will be needed to carry the war to a successful conclusion cannot be restricted, the need to reduce

other public expenditures becomes doubly imperative. Congress must economize on non-defense expenditures. State and local debts must be reduced much more than they have been.

Just how, one might ask, is that to be brought about? Whether it is brought about or not depends largely on how insistent the public demand becomes for economy, beginning in the local government, extending to the State government and continuing on up to Congress. If enough citizens will make it known to local city officials, to State officers and Legislators and to their Congressmen that they are expecting economy and will vote accordingly, they'll get economy.

## State Defense Head Attacks Eccles' Elimination Plan

Exception was taken last week by Henry Epstein, Chairman of the Conference on State Defense, to the advocacy by Mariner S. Eccles of a plan to give the Federal Government power to tax income derived from future issues of State and municipal bonds. Mr. Eccles is Governor of the Federal Reserve System.

"No current revenue whatever could be obtained by a Federal tax on future issues of State bonds," Mr. Epstein said. "It is clear that no substantial revenues could be obtained from this source for from 10 to 20 years."

## NEW ORLEANS

**LOUISIANA  
and  
MISSISSIPPI  
MUNICIPALS**

**Scharff & Jones**  
INCORPORATED

Whitney Bldg.  
Jackson Miss. NEW ORLEANS La. Shreveport La.  
Bell Teletype—NO 180

"Once again Mr. Eccles trots out the same shopworn and distorted examples of people with \$1,000,000 incomes evading taxes through municipal bond investments. This does not represent the true picture, for most of them are held in public trust funds, sinking funds, banking reserves, insurance companies or similar places."

## Local Unit Financing Restraint Sought

A considerable portion of the municipal trade is of the opinion that a more important consideration of the administration in pressing for elimination of tax exemption is to have local governments keep their financing at a minimum during the emergency period.

This objective is important because the Federal Government needs materials for the war program that might go into local construction programs, does not want competition in its own efforts to raise funds and desires the local governments to have projects available to take up the economic slack in the post-war period. State and municipal financing will be held at a minimum, without any change in tax status, it is held, because materials are not available to carry out construction plans and a large part of the possible refunding already has been taken care of.

## Auto and Gasoline Revenues Affected by Curtailment

War measures which will result in a sharp curtailment in civilian use of motor vehicles and gasoline will sharply reduce Federal and State revenues collected on their use, it is pointed out in connection with a survey of motor vehicle taxes. Both the automotive and gasoline industries have shouldered a tremendous annual tax burden which has increased each year. Much of the tax receipts have been spent in the construction of essential Federal, State and county highways.

Tax payments in connection with motor vehicle ownership and operation jumped approximately \$250,000,000 during 1941 to reach an estimated aggregate of \$2,474,000,000, according to the National Highway Users' Conference. While approximately \$1,543,000,000 of this tax bill was collected to provide highways for defense and civilian use, \$891,000,000 represents a special contribution of highway transportation to general governmental activities.

Principal factors in the rise of motor vehicle ownership and operation taxes above the 1940 total of \$2,130,147,000 are more mileage per vehicle, increased registrations and higher Federal excise taxes. The greatest single source of revenue from motor vehicle taxation is the gasoline tax which yielded \$1,290,000,000 from State and Federal levies.

## N. Y. City Awards Large Issue

One of the largest syndicates ever formed to participate in a municipal bond sale entered the only bid Tuesday for the \$50,000,000 issue of New York City serial and assessment bonds.

## 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**  
117 NAT BANK BLDG. CHICAGO ILLINOIS

Headed by the National City Bank and the Chase National Bank, this comprehensive group bid 100.0938 for the \$32,000,000 of serial bonds as 2½s, and the \$18,000,000 of assessment bonds as 2¼s, an average interest cost of 2.439%.

The bonds were immediately reoffered at prices to yield from 0.60 to 2.65%, for maturities ranging from 1943 to 1972.

The two banks heading the syndicate usually manage separate groups to compete for New York City bond issues when the size is less formidable than Tuesday's. Joining of the two traditional syndicates created one powerful group of 131 banks and investment firms, embracing the greater part of the country's machinery for distributing State and municipal securities.

The interest cost basis on this latest issue compares with a cost of 2.048% on a longer average maturity issue floated by New York last March. Since then the city has done no permanent financing.

Following the award of the bonds, Controller Joseph D. McGoldrick said:

"Today's successful sale is the last important financing which the city will undertake for the duration of the war. We have now funded all our outstanding capital commitments and no important new ones are to be anticipated until the conclusion of the national emergency."

## New Municipal Bond Price and Yield Comparison Issued

The Chemical Bank & Trust Co. of New York issued Tuesday another of its annual surveys of the municipal bond market, which includes approximately 200 State and municipal bonds and traces the price movements over the last nine years. Nearly every major local government in the country is represented in the compilation.

An added feature of this study is the table showing the price and yield averages of all bonds listed maturing in 10 to 25 years. This is supplemented by the selection of 20 cities to represent various credit classifications as well as a broad geographical cross section of the entire list to arrive at a fairly accurate average of all bonds shown.

Of particular interest to individuals and institutional buyers of tax exempts is the price level established after the opening of hostilities with Japan. The compilation also gives a vivid picture of the unprecedented price changes in the market during the past decade.

The previous editions of this brochure have always been very well received all over the country and this current issue should prove even more popular because of prevailing conditions.

## South Entering Greatest Industrial Development Period

The present industrial growth of the South is by far the most important in its economic history, according to a study of recent developments in nine Southern States by the Division of Industrial Economics of The Conference Board. This growth gained

headway before the war. It has been accelerated by the defense program. It will be still further stimulated by the enlarged war program.

As compared with the South's earlier industrial development, which was based largely on the migration of the cotton textile industry from New England to the Carolinas and Georgia, the present growth is more diversified with respect to industries and their location. Among these new Southern industries, moreover, are many of the so-called process industries. Chemicals, pulp and paper, and metals are conspicuous examples. The growth of these process industries in the South has been favored by an abundance of raw materials and hydro-electric power, and by cheaper transportation, lower taxes, and lower labor costs, than in the North. The milder climate has also been a favorable influence.

## Philippines to Continue Bond Interest Payments

Secretary of Interior Harold L. Ickes announced last week that interest payments on outstanding bonds of the Philippine Government would continue to be met and serviced through the U. S. Treasury.

On recommendation of Philippine President Manuel L. Quezon, Mr. Ickes said, almost \$2,000,000 will be paid during 1942 as interest on obligations.

These payments will be made from funds of the Philippine Commonwealth on deposit in this country. No payment of principal is due until 1946.

## Michigan Tax Agencies Combined Into Single Unit

Launching of the new Michigan Department of Revenue on Jan. 10, consolidating in a single unit the powers, duties and functions of the nine State tax-collecting agencies, marks a milestone in the progress of State administrative achievement. The new department now becomes the backbone of Michigan's fiscal structure. It follows the lead of a dozen or more progressive States that have abandoned discredited and costly methods of tax collection by consolidating these agencies in a single non-political unit which is free to function unfettered in the public interest.

While no one can accurately estimate the saving that will result from streamlining the State's fiscal structure, it has been widely predicted that the amount would run into millions. However this may be, it is certain that only modest economies can be achieved during the adjustment period incident to a radical change in collection procedure. The magnitude of the State's undertaking may be judged when it is known that the gross revenue to be collected in 1942 may reach \$100,000,000.

## Detroit Offering Deferred

Officials of Detroit, Mich., announced Monday that the sale of \$28,994,500 refunding bonds, which had been planned for the end of January, probably will not take place until after March 1. The delay was occasioned by some confusion over the interpretation of the new statute as to whether the sale had to be advertised 30 days in advance in Detroit newspapers.

It would appear from this action that Senator Brown of Michigan, an outstanding opponent of tax exemption, has received assurances that no definite decision will be reached for some time on elimination of tax-free securities, thereby giving municipalities a breathing spell.

## Uncertainty Affects Bond Bids

Uncertainties over the tax status of future bonds has been re-

# Guaranty Trust Company of New York

140 BROADWAY

Fifth Ave. at 44th St. Madison Ave. at 60th St.

LONDON VICHY PARIS BRUSSELS

Condensed Statement of Condition, December 31, 1941

### RESOURCES

Cash on Hand, in Federal Reserve Bank, and Due from Banks and Bankers	\$ 883,795,875.57
U. S. Government Obligations	1,018,486,210.88
Public Securities	49,327,006.47
Stock of the Federal Reserve Bank	7,800,000.00
Other Securities and Obligations	22,032,385.91
Loans and Bills Purchased	550,865,729.43
Credits Granted on Acceptances	5,473,967.43
Accrued Interest and Accounts Receivable	6,788,221.57
Real Estate Bonds and Mortgages	1,755,325.57
	<b>2,546,324,722.83</b>
Bank Buildings	10,930,820.19
Other Real Estate	1,332,155.47
Total Resources	<b>\$2,558,587,698.49</b>

### LIABILITIES

Deposits	\$2,242,977,816.97
Checks Outstanding	16,917,584.52
	<b>\$2,259,895,401.49</b>
Acceptances	\$9,550,144.36
Less: Own Acceptances Held for Investment	4,076,176.93
	5,473,967.43
Liability as Endorser on Acceptances and Foreign Bills	94,097.00
Foreign Funds Borrowed	152,550.00
Dividend Payable January 2, 1942	2,700,000.00
Items in Transit with Foreign Branches and Net Difference in Balances Between Various Offices Due to Different Statement Dates of Some Foreign Branches	926,492.29
Miscellaneous Accounts Payable, Accrued Taxes, etc.	9,874,333.76
	<b>2,279,116,841.97</b>
Capital	\$ 90,000,000.00
Surplus Fund	170,000,000.00
Undivided Profits	19,470,856.52
Total Capital Funds	<b>279,470,856.52</b>
Total Liabilities	<b>\$2,558,587,698.49</b>

Securities carried at \$16,504,385.75 in the above Statement are pledged to qualify for fiduciary powers, to secure public monies as required by law, and for other purposes.

This Statement includes the resources and liabilities of the English and French Branches as of December 26, 1941, and Belgian Branch as of October 31, 1941.

Member Federal Deposit Insurance Corporation

New Issue

# \$50,000,000

## City of New York

### 2½% Serial Bonds and 2¼% Assessment Bonds

Dated January 15, 1942. Due January 15, as shown below. Principal and semi-annual interest, July 15 and January 15, payable at the office of the Comptroller of the City of New York. Coupon bonds in denomination of \$1,000 or fully registered bonds in denominations of \$1,000 or multiples thereof. Coupon bonds may be exchanged for registered bonds, but are not interchangeable.

*Interest Exempt from all Tax under present Federal and New York State Income Tax Laws*  
*Eligible, in our opinion, as Legal Investments for Savings Banks, Trust Funds and Life Insurance Companies in the State of New York*

The Serial Bonds, to be issued for Rapid Transit, Water, Dock Improvement, School and various municipal purposes, and the Assessment Bonds, to be issued for Street and Park Openings and Street Improvements, will constitute, in the opinion of counsel, valid and legally binding general obligations of the City of New York, payable as to both principal and interest from ad valorem taxes which may be levied without limit as to rate or amount upon all of the taxable real property therein.

#### AMOUNTS, MATURITIES AND PRICES

(Accrued interest to be added)

\$32,000,000 2½% Serial Bonds						\$18,000,000 2¼% Assessment Bonds					
Amount	Due	Price to Yield	Amount	Due	Price to Yield	Amount	Due	Price to Yield	Amount	Due	Price to Yield
1,696,000	1943	.60%	948,000	1953	2.35%	948,000	1963	2.60%	1,800,000	1943	.60%
1,696,000	1944	.90	948,000	1954	2.40	948,000	1964	2.60	1,800,000	1944	.90
1,696,000	1945	1.20	948,000	1955	2.45	948,000	1965	2.60	1,800,000	1945	1.20
1,696,000	1946	1.50	948,000	1956	2.50	948,000	1966	2.60	1,800,000	1946	1.50
1,696,000	1947	1.70	948,000	1957	2.50	948,000	1967	2.60	1,800,000	1947	1.70
1,512,000	1948	1.90	948,000	1958	2.50	348,000	1968	2.65	1,800,000	1948	1.90
1,512,000	1949	2.00	948,000	1959	2.55	348,000	1969	2.65	1,800,000	1949	2.00
1,512,000	1950	2.10	948,000	1960	2.55	348,000	1970	2.65	1,800,000	1950	2.10
1,512,000	1951	2.20	948,000	1961	2.55	348,000	1971	2.65	1,800,000	1951	2.20
1,512,000	1952	2.30	948,000	1962	2.55	348,000	1972	2.65	1,800,000	1952	2.25

*The above Bonds are offered when, as, and if issued and received by us and subject to the approval of legality by Thomson, Wood and Hoffman, Esqs., Attorneys, New York City.*

- The National City Bank of New York    The Chase National Bank    First National Bank    Chemical Bank & Trust Company    Manufacturers Trust Company
- The First Boston Corporation    Harriman Ripley & Co.    Smith, Barney & Co.    Lehman Brothers    Halsey, Stuart & Co. Inc.    Blyth & Co., Inc.    Lazard Frères & Co.    Barr Brothers & Co. Inc.
- R. W. Pressprich & Co.    Ladenburg, Thalmann & Co.    Blair & Co., Inc.    Kidder, Peabody & Co.    Hallgarten & Co.    Phelps, Fenn & Co.    The Marine Trust Company of Buffalo
- Swiss American Corporation    The Northern Trust Company    Bank of America N.T. & S.A.    Stone & Webster and Blodget    Kean, Taylor & Co.    Mercantile-Commerce Bank and Trust Co. San Francisco    Incorporated
- F. S. Moseley & Co.    Union Securities Corporation    R. H. Moulton & Company    Manufacturers and Traders Trust Company    Paine, Webber & Co.    Dick & Merle-Smith    Incorporated    Buffalo
- L. F. Rothschild & Co.    B. J. Van Ingen & Co. Inc.    Hemphill, Noyes & Co.    Geo. B. Gibbons & Co.    G. M.-P. Murphy & Co.    Shields & Company    Laurence M. Marks & Co.    Incorporated
- Darby & Co.    Gregory & Son    Eastman, Dillon & Co.    Equitable Securities Corporation    W. E. Hutton & Co.    Dominick & Dominick    Lee Higginson Corporation    Incorporated
- Graham, Parsons & Co.    Stern Brothers & Co.    City National Bank & Trust Co.    Hayden, Miller and Company    Merrill Lynch, Pierce, Fenner & Beane    Eldredge & Co.    Kansas City, Mo.    Incorporated
- C. F. Childs and Company    Central Republic Company    Wood, Gundy & Co.    Reynolds & Co.    Baker, Weeks & Harden    Roosevelt & Weigold    Bacon, Stevenson & Co.    Incorporated
- Charles Clark & Co.    Harvey Fisk & Sons, Inc.    Weeden & Co.    Mississippi Valley Trust Company    A. C. Allyn and Company    Heller, Bruce & Co.    Incorporated

New York, January 20, 1942

lected lately in sales of new issues, a number of bids being rejected by various local units because of the inclusion of conditions on tax status. Quite a few houses have insisted on including in their bills conditional clauses to release them from any obligation if they took the award and tax exemption was removed prior to delivery. In fact, North Carolina offerings now carry such clauses in their official forms.

#### Housing Notes Sold

The Chemical Bank & Trust Co. of New York headed a group which was awarded \$38,545,000 local housing authority notes Tuesday out of a total \$58,952,000 offered by 18 housing agencies. The remainder was distributed to various scattered purchasers.

#### 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.

##### Jan. 22nd (Today)

**\$750,000 Schenectady, N. Y.**  
 Last year at this time the city awarded bonds to a syndicate headed by Halsey, Stuart & Co. of New York. Stranahan, Harris & Co., Inc., and associates, was the runner-up.

##### Jan. 26th

**\$750,000 Alexandria, Va.**  
 On Jan. 26, 1939, this city sold bonds to Estabrook & Co. of New York, and F. W. Craigie & Co. of Richmond, jointly. Second best offer was entered by Halsey, Stuart & Co., Inc.

##### Jan. 27th

**\$1,000,000 West Va., State of**  
 On Sept. 23 the State awarded \$500,000 road bonds to a syndicate headed by the Union Securities Corp. of New York, whose bid topped that of Lazard Freres & Co. of New York, et al.

##### Jan. 30th

**\$650,000 Charlottesville, Va.**  
 Smith, Barney & Co. of New York, was highest bidder for the last bonds, awarded in June, 1939. Second highest tender was entered by B. J. Van Ingen & Co., Inc. of New York, and associates.

##### Feb. 2nd

**\$920,000 Baltimore Co., Md.**  
 This twelfth issue of Metropolitan District bonds follows the preceding issue awarded in April, 1941, to a syndicate headed by Shields & Co. of New York. Runner-up in the bidding was the Harris Trust & Savings Bank of Chicago, and associates.

#### S. E. Firms Cashiers Elect 1942 Officers

Walter L. Wright, of DeCoppet & Doremus, was elected President of the Cashiers' Section of the Association of Stock Exchange Firms at its twenty-fifth annual meeting and election held at the Downtown Athletic Club. Two hundred members attended.

LeRoy Dando, of Tucker, Anthony & Co., was elected Vice-President; Irving W. Smock, of Pershing & Co., 2nd Vice-President; Arthur H. Crump, of Eastman, Dillon & Co., Treasurer; John J. McDonald, of Peter P. McDermott & Co., Secretary; and George E. Rieber, of the National Association of Security Dealers, Recording Secretary.

were elected John J. Conway, Harry D. Milbank, Richard M. Trickey, Lester Allen, and Milton C. Altenberger.

To the Nominating Committee were elected Russell E. Cain, Chairman, and Robert J. Bee, Barclay J. Conway, E. F. Dieckman, and Alex Vanderwoude. Following dinner, the entire group attended the boxing bouts at the Club.

#### Write For Summary

Putnam & Co., 6 Central Row, Hartford, Conn., members of the New York Stock Exchange, have issued a condensed statistical and historical summary of 14 Connecticut industrial companies. Copies of this interesting summary will be sent on request.



"Service to the nation in peace and war"

Following the last World War a bronze and marble group was placed in the lobby of the American Telephone and Telegraph Company building in New York. On it are inscribed these words, "Service to the nation in peace and war."

They are more than words. They are the very spirit of the entire Bell System organization. In these stirring days, we pledge ourselves again to the service of the nation . . . so that "Government of the people, by the people, for the people, shall not perish from the earth."

BELL TELEPHONE SYSTEM



## THE BOND SELECTOR

### NASHVILLE, CHATTANOOGA & ST. LOUIS First Mortgage 4s, 1978

Nashville, Chattanooga & St. Louis 1st mortgage 4s, 1978, currently selling at 68½, are considered underpriced, in view of the wide margin of earnings available for charges, the road's favorable financial position and the outlook for the continuance of the present profitable traffic trend. At 68½, these mortgage bonds offer a current income return of 5.85% and yield 6.20% to their due date in 1978.

Controlled by Louisville & Nashville (through ownership of 72% of the stock), which in turn is controlled by Atlantic Coast Line, Nashville, Chattanooga & St. Louis serves as a connecting line between these two systems through operation of 1,111 miles of main track, and cuts off a considerable distance between the southeast and the mid-west. Lines extend from Paducah, Hickman and Memphis, on the Mississippi, through Nashville and Chattanooga to Atlanta, Ga. The territory served is still predominantly agricultural, but industrial development is rapidly increasing in importance. Of total trackage, 744 miles are owned and 367 are leased.

Freight is fairly well diversified, with manufactures and miscellaneous and l. c. l. representing 51% of freight revenue in 1940; products of mines 13%; agricul-

ural products 20%, the balance being derived from forest products and animals. Principal items carried are petroleum products, cement, fertilizer, bituminous coal, gravel, sand and stone, flour, cotton and citrus fruits. L. c. l. traffic is important.

Total funded debt consists of \$16,800,000 of the subject first mortgage 4s, 1978, and \$616,000 of serial equipment trust issues. Although the road covered its fixed charges in only five out of the last ten years, interest has been paid regularly. Beginning with 1933, a steady improvement in gross revenues and in earnings has been evident. While fixed charges were just about covered—1.09 times—in 1933, 1939 showed them earned 1.41 times, and in 1940 total interest requirements were covered 1.47 times.

As with most railroads, the year 1941 resulted in sizeable gains in gross and net railway operating income for Nashville, Chattanooga & St. Louis. For the 11 months through November, gross revenues were up 26.7% over the same 1940 period and income available for fixed charges registered an increase of 66%. Operating ratio was 72.1% compared with 79.3% for the comparable 11 months of 1940. While operating efficiency increased, maintenance continued at a good level, representing 26.4% of gross revenues. The following tabulation shows important income account items for the first 11 months of 1941 and 1940. Fixed charges were earned 2.16 times

	*Oper. Revenues	*Net Ry. Oper. Inc.	*Avail. for Chgs.	*Fixed Charges	Times Earned	1st 4s, 1978 Price Range
1941	\$19,500	\$3,154	\$2,275	\$1,544	2.12	72-62½
1940	15,633	2,069	2,198	1,495	1.47	70¾-64
1939	14,828	1,983	2,113	1,495	1.41	72½-64¾
1938	13,660	1,482	1,638	1,496	1.09	71-50
1937	14,299	840	1,028	1,500	0.69	98¾-70

\*In thousands. †Partly estimated.

At Nov. 30, 1941, the company's net current assets increased to \$9,512,000 from \$5,257,000 the year previous. Cash and special deposits totaled \$7,000,000 against \$3,130,000 in 1940. Total current assets were \$12,628,000 at the end of November, 1941, and current liabilities amounted to \$3,117,000, of which \$1,214,000 represented tax reserves. Current ratio was 4 to 1.

Higher wages and taxes will naturally apply to Nashville, Chattanooga and St. Louis as well as to other roads. However, gross should continue in the neighborhood of \$1,700,000 monthly and the possibility always exists of a freight rate increase. These bonds

compared with 1.32 times in the 1940 period. Bond interest alone, excluding charges for leased lines, was earned 4.51 times in the first 11 months of 1941.

	11 Months to Nov. 30, 1941	1940
Gross revenues	\$17,794	\$14,080
Total maintenance	4,776	4,227
Transportation expenses	6,612	5,548
Tax accruals	1,657	952
Net operating income	\$2,964	\$1,705
Balance for fixed charges	\$3,077	\$1,815
Fixed charges	1,421	1,372
Times earned	2.16	1.32

The following tabulation summarizes the operating record over the past five years, with December, 1941, results estimated:

	*Oper. Revenues	*Net Ry. Oper. Inc.	*Avail. for Chgs.	*Fixed Charges	Times Earned	1st 4s, 1978 Price Range
1941	\$19,500	\$3,154	\$2,275	\$1,544	2.12	72-62½
1940	15,633	2,069	2,198	1,495	1.47	70¾-64
1939	14,828	1,983	2,113	1,495	1.41	72½-64¾
1938	13,660	1,482	1,638	1,496	1.09	71-50
1937	14,299	840	1,028	1,500	0.69	98¾-70

represent the sole debt of the company aside from the small equipment issue. Net property, including road and equipment and improvements on leased lines, totaled \$45,600,000 at the end of 1940.

Although not having the extreme speculative appeal of many of the junior issues of marginal roads, these first mortgage bonds offer a liberal yield and should afford the purchaser a good opportunity for profit in a strong rail bond market. At the same time he is committed to the sold debt of a company with ample liquid resources and an expanding territory.

## The Securities Salesman's Corner

### A TRUE STORY THAT CARRIES A LESSON IN SALESMANSHIP!

Several days ago, the writer of this column had lunch with one of his clients. This man is a very able investor. Not alone has he kept his fortune intact but he has increased his principal and also the investment funds of his friends, during the past two decades. Having known that he was once a very successful broker on the New York Stock Exchange, we asked him how he built up his business. He turned to us with a smile and answered, "Well, the peculiar part of it all is that I don't think I ever solicited a single account. Our business seemed to come to us. I also believe that when we started in business I got a very lucky break."

"This was something that happened during the Northern Pacific corner. At the time I thought it was just about the worst thing that could happen to a young fellow starting out in business. Due to the malfeasance of another broker I was made responsible to one of my customers who had given me an order in Northern Pacific. In order to make good on the contract I had to cover in the market and it cost me \$15,000. After I had squared up with my customer, my firm had a cash balance of about \$82 in the bank, plus a seat on the New York Stock Exchange.

I continued to go ahead with my business as a "two dollar broker" on the floor of the Exchange. I tried to remain cheerful and I took the loss philosophically. Eventually the word got around that I was a pretty good fellow. I believe this attitude helped me acquire many new accounts and an ever increasing volume of business came to me.

"One day, several years later," he went on, "I received a telephone call from the secretary of one of the wealthiest individuals in the United States. This man is today a legendary figure among all who are familiar with the history of American industry. His secretary told me that his employer wished to see me. Of course I lost no time in getting over to his office. Seated behind a massive desk, sat this huge man

who looked me up and down but didn't ask me to be seated. He told me the reason he had sent for me was that he had heard I was a conscientious broker and that I had been handling some large orders for his friends in a capable manner. He then asked me if I would like to have some of his business. I turned to him and said, "Mr. X it may be wrong to say this, but your orders no doubt are very large. They are not for a hundred but for thousands of shares. I don't know whether I have sufficient capital to undertake the risk of assuming financial responsibility for their proper execution. Before I would receive your orders on the floor they would naturally go through several pair of hands and would be relayed over the telephone. In case there should be a mistake, the financial risk might be very great on my part. Of course, nothing would please me more than to have your business, but I cannot help but consider this angle before we do anything together."

"At this the great man threw back his head and laughed. Then he asked me to be seated." "Young fellow," he went on, "you are the first broker I ever met who had any sense. Of all the orders I have given to brokers, you are the first one who wasn't so hungry for business that he didn't lose sight of the fact that his own financial responsibility might be impaired through a mistake in the execution of an order. We arranged that I should come to his office every morning at 9 a.m. and personally pick up his written order for the day."

This account bought and sold hundreds of thousands of shares of stock a year through my friend. It seems that any salesman, no matter what business he might be in, could derive some valuable lessons from this man's story. He was not discouraged by a very bad break in his luck when he first began his business career. Instead his optimistic and cheerful attitude, despite an event that might have disheartened a less sturdy character, brought him new friends. He had courage and he was undaunted. Neither did he discuss his losses nor the injustice of another which had caused them. He likewise established his integrity. He made good on his contract, despite the fact that by doing so he depleted his entire cash resources.

When he met his large account, he was not outwardly excited nor did he appear over anxious to do business. The bitter lesson of several years before now came back to him and as a result paid for itself many times over. He won the confidence of the great financier by saying a few words that led him directly into an account that paid him back many times more than his original \$15,000 loss.

The experiences of our lives can either make us richer or they can leave us as poor as we were before we had them. It is the wise man who can learn from experience—so say the sagas of old. Here is a lesson in salesmanship for everyone—catch on!

## Dealers As Defense Bond Issuing Agents

(Continued from First Page) must heed the President's call. The securities industry of all nation responds to that call.

The securities industry has placed its facilities at the disposal of the Government and, as a result of conferences with the Treasury Department, a plan has been developed whereby our nation-wide securities distributing organizations are enlarging their contribution to the defense bond program.

An arrangement under which units of the securities industry may qualify as issuing agents for the Series E bonds will facilitate our contribution to this effort.

Our industry's concept of its opportunity may be expressed in very simple terms. The securities industry believes that these bonds do not have to be sold on a patriotic appeal. We believe they are a fine investment for the public, the small and large investor alike. The patriotic impulse is a fine foundation upon which to sell these securities, but we can rest our effort upon the solid fact that these bonds are prime investments that will yield a real return to their owners.

Altogether aside from considerations of investment quality our people have in this Defense Bond program a great privilege—an opportunity to invest—with safety and return—in the defense and future of their country and their homes.

### Florida Bond Outlook

The outlook for municipal bonds during the war years is good, and Florida municipal issues appear particularly attractive to those seeking safe tax exempt investments which may still be obtained at substantial discounts, according to a bulletin issued by Heinzelmenn & Ripley, 49 Exchange Place, New York City, which contains several attractive recommendations. Copies of this interesting bulletin may be had from Heinzelmenn & Ripley upon request.

## Dangers In Upward Price Movement Seen By Chairman Johnston Of Chemical Bank

Stating that "the inflation potential is greater now than at any time in the history of the nation," Percy H. Johnston, Chairman of the Chemical Bank & Trust Co. of New York in his annual report to the stockholders on Jan. 21 declared that "among the factors which make the situation dangerous are:

Our huge volume of bank deposits and its further increase through deficit financing;

Bank credit built on government debt;

The gold and silver purchasing policies of the government;

The continuation of the power of the Executive over money;

The gold prohibition law;

The rapid increase in wages and acceleration of the decline in the volume of consumer goods, coupled with the failure of the government to exercise effective control over prices.

In the absence of Chairman Johnston because of illness, his report was presented by the President of the bank, Frank K. Houston. In his report Mr. Johnston went on to say:

Inflation always has been the line of least political resistance as a means of financing war. It should be borne in mind that there is a limit to which the prices of food, clothing and rent can rise if the people still are to have sufficient money left to pay taxes and invest in defense bonds. If the present upward movement of prices is not held within reasonable bounds, it will undermine the morale of our people, seriously interfere with the speeding up of our war effort and will bring a disastrous collapse of the price structure in the post-war period. Congress is still considering a price-control measure, but any such law which fails to place a ceiling on the price of all farm products and on the wages of labor will be only partly effective in helping to prevent a crippling inflation.

In the course of his remarks Mr. Johnston stated "our entry into the war, following a year and a half of abnormal expenditures for the defense and lease-lend programs and forced increases in union wages for defense workers, has added materially to the danger of a serious inflation in this country." "The cost of living," he noted, "has advanced 12% since September, 1939 when the European war began, wholesale prices have risen about 25% and the prices of basic raw materials approximately 58%."

In emphasizing that "everything must make way for the war program" the Chairman warned that:

The long-outstanding problems of business and finance, the social and economic experiments of government, and the urge of labor to win still greater concessions from industry—all must be pushed into the background until the great task before us is finished. Victory is the one thing which counts now, for if we lose this fight, such material considerations as "free enterprise," the "closed shop," "social security" and "the American way of life" will have no meaning for us.

It was pointed out by Mr. Johnston that "like all wars, this one will bring prosperity to some classes, depression to others." "In the latter class," he said, "are thousands of small business enterprises which cannot secure the raw materials they need and which, so far, have been unable to convert their plants to war production." Continuing he said:

These small businesses are the very foundation of the American system of free enterprise. They are an essential part of the very economic liberties we are fighting to preserve. Keeping these little industries at work on essential civilian production or on war efforts is one of the big problems which government, in cooperation

with leaders of industry, must solve if the national income is to be maintained at present high levels.

While devoting their maximum efforts to war production now, both large and small private enterprises should be giving deep consideration to the problems of the post-war period, for at the end of this war the American system of free enterprise will be judged by its ability to absorb soldiers and sailors into industry and keep down unemployment.

Mr. Johnston described the year 1941 (the 118th of the bank's existence), "as a splendid year of growth and development in practically every department." "We became a billion dollar bank on March 14," he said, "when our total resources, for the first time, exceeded that figure." He further stated:

Deposits continued to rise throughout the year and by December 31st, they alone had reached \$1,014,109,864.03. For the year our deposits showed an average increase of \$129,793,000.

While passing these milestones through growth, we continued to adhere to our traditional conservative policy in the selection of investments and loans. We were able to employ these additional funds by increasing our average investment holdings approximately 53%. Our loans and discounts in 1941 averaged only about 10% more than they did in the previous year, but they increased substantially during the last quarter. They are continuing to increase as the defense construction and production program swings into full stride.

Notwithstanding the comparatively limited demand from our customers for borrowings, the low return for money and the small yield on investments, the net operating income was sufficient, after making provisions for taxes, reserves, losses, employee welfare (\$355,532.84), bonus to officers and employees (\$136,881.07) and the usual dividends, to add \$1,257,009.35 to the Undivided Profit Account.

Details of the year-end statement of the Chemical Bank & Trust were given in our Jan. 8 issue, page 133.

### Investment Trusts

(Continued from Page 319)

trial corporations should, under the tax legislation in prospect, show reasonably satisfactory earnings in relation to past years and in relation to the level of stock prices."

"Perspective," Issued by the Investment Management Department of Calvin Bullock:

"The course of prices on the stock market will probably be more responsive for some time ahead to the news of the fluctuating fortunes of war than to economic factors; and we must reconcile ourselves to the grim prospect of further bad news until such time as we have armed ourselves to the point of dealing effectively with the international bandits that have disturbed the peace of the world. We must recognize, too, that corporate earnings have now passed their wartime peak and that priorities and other controls as well as further steep increases in the rate of taxation mean a lower rate of earnings and dividends for

the duration. Nevertheless, we should not lose sight of the fact that prices of many representative common stocks are capitalizing current as well as 'normal' earnings extremely conservatively and are at levels where they should provide a satisfactory rate of income to the investor in the course of the war even after allowing for the impairment of earnings deriving from war-time controls.

"As confidence grows in our ultimate victory and in the preservation of our system of private enterprise after the war, we believe the market will appraise more rationally the income provided by representative common stocks, particularly in view of the investor's urgent and growing need for income under the conditions of a war environment and especially in the light of the abnormally low yields provided by high-grade bonds."

#### Investment Company Briefs

"How \$1,000 Gets the Investing Power of \$2,000," is the January, 1942, version of a perennially popular Affiliated Fund sales leaflet. As the leaflet explains

the leverage effect of the Fund's senior capital, the practical effect is that: "... For every \$1,000 invested in the common stock of the Fund, much more than that sum is available for the purchase of securities. On Jan. 2, 1942, this amount was \$2,195, of which \$1,451 was actually invested, and \$744 was being held for suitable investment opportunities." As of the close of the year more than 4,000,000 shares of Affiliated Fund were outstanding in the hands of approximately 12,700 investors.

In keeping with the trend toward franker discussion of investment administration, National Securities & Research Corp. has revealed portfolio eliminations purchases and reductions for First Mutual Trust Fund for the month of December, indicating briefly in each case the reason for the action. As of Jan. 2, 1942, Railroad Bonds represented 14.99% of the Fund's assets; Stocks represented 82.50%; and Cash represented 2.51%.

On Dec. 31, 1941, the latest Selections reports Selected Amer-

ican Shares, Inc., had 89.6% of its assets invested in common stocks, taken at market values. Based upon estimates of Standard & Poor's Corporation, it says, these selected stocks in the aggregate earned about 21% more in 1941 than in 1940. These stocks paid out only 53% of their estimated earnings in dividends; yet the dividends they did pay out were 7.9% of the aggregate year-end market value.

It's the "Lazy Dollars" in a security portfolio that hold back its performance. The net investment result is the good performance of the securities that gain the desired result less the unsatisfactory results from the securities (the "Lazy Dollars") that failed to give the desired performance. The new Security Selector of the Keystone Corporation of Boston tells how to put these "Lazy Dollars" to work in the proper series of Keystone Custodian Funds.

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

NEW ISSUE

January 21, 1942

\$80,000,000

## Alabama Power Company

### First Mortgage Bonds

3 1/2% Series due 1972

Dated January 1, 1942

Due January 1, 1972

Price 101 3/4% and accrued interest

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

The First Boston Corporation		Bonbright & Company	
Blyth & Co., Inc.	Harriman Ripley & Co. <small>Incorporated</small>	Smith, Barney & Co.	
Drexel & Co.	Goldman, Sachs & Co.	Kidder, Peabody & Co.	W. C. Langley & Co. Lazard Frères & Co.
Lehman Brothers	Stone & Webster and Blodgett <small>Incorporated</small>	Union Securities Corporation	Coffin & Burr <small>Incorporated</small>
Harris, Hall & Company <small>(Incorporated)</small>	F. S. Moseley & Co. <small>Incorporated</small>	E. H. Rollins & Sons <small>Incorporated</small>	Shields & Company White, Weld & Co.
Eastman, Dillon & Co.	Hemphill, Noyes & Co.	W. E. Hutton & Co.	Lee Higginson Corporation
Spencer Trask & Co.	Tucker, Anthony & Co.	A. C. Allyn and Company <small>Incorporated</small>	Central Republic Company <small>(Incorporated)</small>
Dick & Merle-Smith	Dominick & Dominick	Equitable Securities Corporation	Estabrook & Co.
Jackson & Curtis	Paine, Webber & Co.	R. W. Pressprich & Co.	L. F. Rothschild & Co.
The Wisconsin Company	Blair & Co., Inc.	Graham, Parsons & Co.	Hornblower & Weeks
Laurence M. Marks & Co.	Arthur Perry & Co. <small>Incorporated</small>	Ward, Sterne, Agee & Leach	Whiting, Weeks & Stubbs <small>Incorporated</small>
Bodell & Co., Inc.	Alex. Brown & Sons	E. W. Clark & Co.	The Milwaukee Company Putnam & Co.
Riter & Co.	The Robinson-Humphrey Company		Schoellkopf, Hutton & Pomeroy, Inc.
Stern, Wampler & Co. Inc.	Dean Witter & Co.	Baker, Watts & Co.	Bacon, Whipple & Co.
R. S. Dickson & Company <small>Incorporated</small>	First of Michigan Corporation		Granbery, Marache & Lord
Hayden, Miller and Company	Johnson, Lane, Space and Co., Inc.		Merrill, Turben & Co.
W. H. Newbold's Son & Co.	Newton, Abbe & Company	The Ohio Company	Stein Bros. & Boyce
Swiss American Corporation	Almstedt Brothers	Courts & Co.	R. L. Day & Co.
Folger, Nolan & Co., Inc.	Green, Ellis & Anderson	J. J. B. Hilliard & Son	Laird, Bissell & Meeds
Marx and Co.	Moore, Leonard & Lynch	Schwabacher & Co.	Chas. W. Scranton & Co.
Singer, Deane & Scribner	Starkweather & Co.	G. H. Walker & Co.	Wells-Dickey Company

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 317)

which is important. Yet for some reason we all look at it phlegmatically.

This brings me to another point: the much vaunted ability of the market to forecast coming events. In the old days, when there wasn't an SEC and when we and the world were at peace, the market did have this quality. Putting it another way; those with the means and the ability to act on certain information did make their knowledge felt in the action of certain securities. But that applied only in the days when one man could find out from another what developments were coming to a head, e.g., dividends, earnings, new factors, etc. It was all based on the theory that one peek was better than two finesses.

Today this no longer applies. You can see it in the action of stock after stock. A surprise earning, an unexpected dividend, all fall flat. The answer is that what information there is today becomes public knowledge to everyone at the same time. The only difference lies in the ability of one man to act and the other to wonder.

The big potential today is the war. In this case no one has the answer, because no one really knows. As news of defeats or victories become known (subject to the usual censorship) the market acts accordingly. Yet even victories are not greeted with any wild enthusiasm while defeats are recognized in the market by declines. There is a reason for this too.

**WHISPERINGS**

A security salesman we know casually, insists the following just happened to him. For weeks he had been trying to see a prospect but with little success. One day he finally was ushered in. "Young man," har-r-rumped the Great Man. "You ought to feel highly honored. Do you know that today I have refused to see six bond salesmen?" . . . The security dealer shifted from one foot to another. "I know," he finally replied. "I'm them."

If you've tried to get any government contracts, or know anybody who has, and have spent days, maybe weeks, in trying to see the proper people and then found out there was so much red tape that you gave up in disgust, we recommend you spend a dollar and buy a book. It's called "How Your Business Can Help Win the

We have been told so long and so often how strong certain countries, or fortifications were (Maginot Line, French army, etc., etc.) that to see them live up to widespread opinion is not surprising. It is only when they crumble that we become shocked.

From the domestic front we of course have new taxes to consider. I won't go into what they'll be or how they'll affect certain companies. When they become public, you will read plenty about them in other columns, what I am primarily concerned with, is the action of the market today and tomorrow.

Two weeks ago I was optimistic. Last week I changed. The change was due entirely to the action of the market itself, which in turn reflected the news. It didn't anticipate it. I don't know what the news will be tomorrow or next week, but I do know that the market as a unit is not acting as well as I should like it act. I therefore have no alternative but to tell you how I feel about things.

No one would cheer louder than I if the market would go up and prove me wrong, but that is a chance I have to take. That being the case, I repeat the advice of last week, that the stocks you still have be sold and the cash used for repurchase, when, and if, the outlook improves. For even if they do go up, I think you'll be able to buy them back cheaper.

W. F., St. Louis, Mo. Sorry cannot make personal replies. The advice given above applies to all securities, yours included. Thank you for your opinion of this column but I cannot answer questions on securities other than those advised here from time to time.

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.]

War." It's published by Simon & Schuster and the introduction is by Donald M. Nelson, the new chief. The book tells you who to see, what forms to fill out, and how you can get to the person you want.

The previous item reminds us of a story we heard some time ago. It seems a man was making his first visit to Washington and after trying to see the people he started out to see, gave up in disgust and decided instead to see how Congress looked when it's in session. He approached the proper building and seeing a guard asked him if the House was in session. "Yes," said the guard with a yawn, "but I wouldn't go in if I were you." The man inquired why. "Sounds like a damned kindergarden," replied the guard.

With the song, "There's a Long, Long Trail," the hit of World War I, regaining its popularity, we thought you might like to know that it was written, not for the troops of 1917, but rather to commemorate Napoleon's retreat from Moscow. The music was written by Alonzo Elliott, a Yale senior, a year before war broke out, and was first sung by him at a fraternity banquet. In 1914, Elliott was shopping for a piano and tested each instrument with his "Long, Long Trail." A dealer hearing it advised a music publisher to buy the song.

And while we are talking about how things started you might also like to know (if you don't know already) that the jinricksha was not invented by the Japs. It was actually invented in 1871 by the Reverend Jonathan Goble, an American Baptist Missionary. Desiring to give his sick wife gentle outdoor exercise, he showed a Japanese carpenter the picture of a baby carriage in Godey's "Lady's Book," and suggested the plan and form. If you want more details look it up in the Encyclopedia Americana.

We just came across something that brought us back to the days of 1929. Willard S. Gourse, trader for Benjamin Hill & Co., actually has 12 phones—count them, an even dozen—on his desk. Probably 10 for wrong numbers. One for quotes and the remaining one for orders.

Henry Edelmann of Henry Edelmann & Co., brings a brown paper bag to the office every day. Nothing mysterious. It's just his lunch. "Four years ago," explains Henry, "I stepped out to lunch. When I got back I found I missed a customer. Since then I always bring my lunch with me."

We just got a letter from John A. Kerwin, President of Kerwin, Frothingham & Co., St. Louis, Mo., which says, "Here is a true instance of what one of our men, Charles Lottman, told a customer today with a large account. He said the customer had complained about a number of issues . . . which had gone down . . . yesterday the customer said the securities were dogs. When Mr. Lottman talked to him he told him we might as well admit they were dogs . . . the important thing was (according to Mr. Lottman) that if you did have a dead dog would you leave it around the house or would you bury it . . . and the quicker it was buried the better it would be for all concerned. . . . To me this is a honey, a true instance that our kennels are filled to overflowing, if you don't mind the paraphrase."—We don't mind, Mr. Kerwin. We don't even get it.

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

"Johnny Eager" (MGM), Robert Taylor, Lana Turner, Edward Arnold, Van Heflin and others. Directed by Mervyn LeRoy.

An exciting, though slightly dated, yarn about life, love and philosophy among the racket boys who, supposed to be on parole are actually running the biggest rackets in town. Taylor as Johnny Eager, is the parolee who, according to the head of the parole board, is a hard working taxi driver, paying off his debt to society, going straight and reporting regularly. Actually, he's a big shot racketeer and dog track owner, a fact apparently known to everybody but the simple-minded head of the parole board. While on a social service junket, Lana Turner, only daughter of the incorruptible special prosecutor (Edward Arnold), visits the office of the parole board and runs into Taylor who is there to report. Her heart begins bumping at once. Later in the evening Taylor, while out putting what is called the muscle on a recalcitrant contributor runs into Miss Turner again and their heart bump turns into a flame. She begins by visiting his sumptuous apartment—a kind of glorified Grand Central Station—and things start popping. Her father learns of these meetings and orders Taylor to stop seeing his daughter—or else. But Taylor isn't to be told off so easily. Instead he manages to get Miss Turner involved in what she thinks is a murder so that her father not only is helpless but also agrees to assist him in opening the race track. Taylor, as the cold-blooded calculating racketeer, plays his part well. Miss Turner is as gorgeous as ever. The honors, however, go to Van Heflin, who describes himself as the "Boswell to Johnny Eager's Johnson." As the drunken philosopher Heflin gives a grand performance. All in all "Johnny Eager" is a good picture. It has enough shootings, fist fights and general excitement to please the male; enough love scenes and tears to satisfy the female, and enough good acting to please the critical.

"Joe Smith, American" (MGM); Robert Young, Marsha Hunt and others. Directed by Richard Thorpe. Based on the Cosmopolitan Magazine story by Paul Gallico.

A harrowing tale about foreign spies and how they try to get the secrets of the bomb sight from an average American workman who is installing them in American planes. It's a comparatively short picture as pictures go but it can't be called a movie that entertains. It's too grisly for that. The family life of the Smiths, husband, wife and small son, is sympathetically portrayed. But the scene—the big scene—where the father, the average American, is being slowly and methodically beaten up to make him talk, is almost too horrifying to watch. It definitely is not a picture for the kids.

**NEW YORK NITE LIFE**

One night last week the Cotillion Room of the Hotel Pierre celebrated something called "Pan American Night," at which, the press release said, "Antonio and Rosario, Spanish dancers, would be honored." The same release then went on to say that "Captain Alastair Mackintosh would act as host to . . . a delegation of notables from the Latin American social and diplomatic corps." Being impressed I set off to see it for myself. Well, the first thing I learned was that the host, Captain Mackintosh was in Florida, probably stretching a week-end into a seasonal stay. Never having met the gentleman I didn't know whether to be disappointed or not. However, the room, as gorgeous a place as there is in New York, was jammed with the lifted, pinky finger set. In one corner was Mrs. Cornelius Vanderbilt with the Strong de Cuevas, Marquis and Marquesa di Piedrablanca de Guana. The Marquesa is the granddaughter and heiress of the late John D. Rockefeller, Sr. At another table were the Byrons Foys. And so it went. Finally the entertainment began: Rosario and Antonio were as good as ever. However, the hit of the evening was Ella Logan, whose singing is the closest to Judy Garland's I have heard. Even Carmen Miranda, minus the vegetable hat, was present but all she did was to take a bow. Other "Latin American" notables were Danton Walker of the Daily News, Ware Lynch, drum thumper of the Pierre, and Malcolm Johnson of the New York Sun—and, of course, your reporter. So, buenos noches and make mine with soda. . . . A few weeks ago the Versailles on East 50th Street announced its new show. What with one thing and another I just got around to seeing it. Well, its quite a show. It has everything, including a tight wire rope dancer, one Harold Barnes. Its something of a shock to look up and see him dancing overhead. Its enough to make you swear off the stuff. The hit of the Versailles show is, of course, Billy De Wolfe. His satirical impressions of cocktail bar habits, or night club masters of ceremony are enough to make you double up with laughter. Even the songs, specially written for the show are catchy. And as for what the program describes as the "Ver-Sighs"—six lovely girls—well, they are eye stoppers. In the latest Versailles show, Nick Pronis and Arnold Rossfield have got themselves something. The Versailles Melange, which is the title of the present show consists of three acts. The first goes on at 9:30, the second at 12:30 and the last at 2 a.m. . . . Look, Nicky, how about meeting one of those Ver-Sighs. Nothing personal. I just want to discuss philosophy 'n stuff. . . .

**Accepts Expulsion**

ST. LOUIS, MO.—H. L. Ruppert & Co. has consented to the revocation of its registration with the SEC as a broker-dealer and to its expulsion from membership in the St. Louis Stock Exchange and the National Association of Securities Dealers, Inc. The Commission had charged that the firm had conducted business with no net capital employed therein and had owed substantial sums to various customers and banks.

In its answer H. L. Ruppert & Co. had stated that all obligations to customers had been met. The firm discontinued business as of Dec. 26.

**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, skillfully  
prepared.

Telephone PLaza 3-6910

# Calendar of New Security Flotations

## OFFERINGS

### 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)

Declarations and applications filed with SEC in regard to the sale of \$80,000,000 first mortgage bonds through competitive bidding permitted to become effective Dec. 30, 1941.

Effective 4:45 p.m. EST on Jan. 8, 1942 Bonds Awarded—Issue of \$80,000,000 1st mtg. bonds 3 1/2% series due 1972, awarded on Jan. 19, 1942 to syndicate headed by The First Boston Corp. and Bonbright & Co.

Offered Jan. 21, 1942 at 101 1/4 and int.

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 4% sinking fund debentures (\$4,125,000 principal amount due 1950, at 104 1/4; \$4,535,000 principal amount of the 1938 Issue at 102 1/4), requiring \$8,947,663. Balance of net proceeds will be added to working capital.

Registration Statement No. 2-4867. Form A2. (10-25-41)

Amendment Filed—Company has filed an amendment with the SEC to its registration statement disclosing that the bonds would bear interest at the rate of 3 1/2% per annum. The public offering price of the bonds and the preferred stock will be supplied by later amendment.

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

	Prin. amt.	No. of shs. of bonds of pref. stk.
W. E. Hutton & Co.	\$1,700,000	8,000
Goldman, Sachs & Co.	1,700,000	8,000
R. S. Dickson & Co.	127,000	600
Drexel & Co., Phila.	425,000	2,000
Field, Richards & Co., Cincinnati	85,000	400
First Boston Corp.	425,000	2,000
Harriman Ripley Co.	425,000	2,000
Hemphill, Noyes Co.	255,000	1,200
Hornblower & Weeks Johnson, Lane, Space & 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

Amendments filed Dec. 9, Dec. 27, 1941 and Jan. 13, 1942, to defer effective date

**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—Broadway, N. Y. C.  
Business—Public utility holding company.

Offering—Both issues will be publicly offered at prices to be supplied by amendment.

Proceeds—To redeem \$50,000,000 Deb. 5s 1952; \$4,750,000 Deb. 5s, due April 15, 1952; \$50,000,000 Deb. 5s, 1961; to purchase \$7,500,000 4% guaranteed serial notes due 1942-46 of Ohio Fuel Gas Co., a subsidiary, and \$3,750,000 guaranteed serial notes of United Fuel Gas Co., a subsidiary, from the holders thereof; and to make a \$3,402,090 capital contribution to Cinn., Newport & Covington Ry Co. to enable that Company to redeem its outstanding \$3,303,000 1st & Ref. 6s, 1947.  
Registration Statement No. 2-4736. Form A-2. (4-10-41)

Amendments filed Nov. 18, Dec. 6, Dec. 24, 1941 and Jan. 12, 1942, to defer effective date

**CORNELL-DUBILIER ELECTRIC CORP.**  
Cornell-Dubilier Electric Corp. filed a registration statement with the SEC covering \$1,500,000 convertible sinking fund debentures; 30,000 shares of 5% cumulative convertible preferred stock, \$50 par; and an unstated amount of common stock, \$1 par, the latter to be reserved for issuance upon conversion of the debentures or the preferred stock. Interest rate and maturity date of the debentures will be supplied by amendment.

Address—333 Hamilton Blvd., S. Plainfield, N. J.  
Business—Engaged in manufacture and sale of various types of capacitors, known also as fixed electrical condensers, devices for storing electrical energy between two or more conducting surfaces separated by a dielectric or non-conductor.

Offering—Company states that because of the present uncertainty of worldwide conditions, it is impossible to determine at this time whether it will be more advisable for the proposed financing to be effected by means of an offering of debentures or preferred stock. It is not expected that both the types of securities will be registered, but that later either the debentures, or the preferred stock, will be sold to the public, and the other type of security will be eliminated from registration. Public offering price will be supplied by amendment.

Proceeds will be used to pay \$400,000 bank loans, reimburse company's treasury for expenditures made and to be made for plant, machinery and equipment during past and current years, and for working capital.  
Registration Statement No. 2-4924. Form A2. (12-29-41)

Company has filed an amendment with the SEC to its Dec. 29, 1941 registration statement, in which amendment the company disclosed that it has chosen to issue \$1,500,000 of 10-year convertible sinking fund debentures, due Jan. 1, 1952, instead of the 30,000 shares of 5% cumulative convertible preferred stock, \$50 par value. Amended registration statement also covered a maximum of 175,000 shares of common stock, \$1 par value, to be reserved for issuance upon exercise of the conversion rights attached to the debentures. The debentures will first be offered for subscription, through rights, to common stockholders of record Jan. 23, 1942, pro rata, at a price to be supplied by amendment. The unsubscribed portion of the debentures

will be offered to the public, at a price to be supplied by amendment, by the following underwriters: Eastman, Dillon & Co.; Kidder, Peabody & Co.; McDonald-Coolidge & Co.; Merrill Lynch, Pierce, Fenner & Beane; Hornblower & Weeks; Jackson & Curtis. The expiration date of the subscription offer will be furnished by later amendment.

Amendment filed Jan. 16, 1942, to defer effective date

**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)

Effective 12:00 noon EST on Jan. 6, 1942

**HAMILTON WATCH CO.**

Hamilton Watch Co. filed registration statement with SEC for 39,382 shares 4 1/2% cumulative preferred stock, \$100 par

Address—Lancaster, Pa.

Business—Company manufactures and sells various models of high grade (17 to 23 jewel) pocket and wrist watches for men and wrist watches for women.

Underwriting and Offering—Company is making a conditional offer to holders of its 32,054 shares of outstanding 6% preferred stock of the privilege of exchanging such stock for 33,054 of the 39,382 shares of 4 1/2% preferred stock on basis of one share of 4 1/2% preferred stock, plus \$1.50 (equal to current quarterly dividend payable March 1, 1942, on one share outstanding 6% preferred stock), plus an unstated amount (difference between the public offering price of one share 4 1/2% preferred stock and \$105, the redemption price of the 6% preferred stock). Exchange offer expires Jan. 22, 1942. Any shares of 4 1/2% preferred not issued under the exchange offer, plus the 6,328 shares not reserved for such exchange offer, will be offered to the public, at a price to be supplied by amendment.

Harriman Ripley & Co., Inc., Philadelphia, is named principal underwriter; other underwriters will be supplied by amendment.

Proceeds will be used to redeem, on March 1, 1942, at \$105 per share, all outstanding 6% preferred stock; balance for expenditures in connection with construction and equipment of plant additions.  
Registration Statement No. 2-4926. Form S2 (12-30-41)

**HASTINGS MANUFACTURING CO.**

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

Address—Hastings, Mich.

Business—Manufactures and sells piston rings and expanders.

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

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 \$9.56 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)

Amendment filed Jan. 8, 1942 to defer effective date

**ILLINOIS COMMERCIAL TELEPHONE CO.**

Illinois Commercial Telephone Co. registered with SEC \$5,750,000 of first mortgage 3 1/2% 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 150 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 pfid. stk.
Bonbright & Co., Inc., New York	\$2,875,000	12,000
Paine, Webber & Co., New York	2,156,000	9,000
Mitchum, Tully & Co., Los Angeles	719,000	3,000

Offering—Bonds and preferred stock to be offered to the public at a price to be supplied by amendment to the registration statement.

Proceeds from sale of the bonds and preferred stock, together with \$105,000 received from sale of 7,000 additional shares common stock, will be used in part to retire following securities of company: \$5,750,000 First Mortgage Series A 3 1/2%

bonds, due June 1, 1970, at 105 1/2; 17,098 shares \$6 preferred stock, at \$110 per share; 1,108 shares \$6 preferred stock, owned by parent company, at latter's cost.

Balance of net proceeds will be used to purchase from General Telephone Corp the outstanding capital stocks of Central Illinois Telephone Co. and Illinois Standard Telephone Co., to make additions and betterments to company's plant and property, and for other corporate purposes.

Registration Statement No. 2-4866. Form A2. (10-24-41)

Amendments filed Nov. 26, Dec. 15, 1941 and Jan. 2, 1942 to defer effective date

**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)

Amendments to defer effective date filed Dec. 22, 1941 and Jan. 9, 1942

**IOWA SOUTHERN UTILITIES CO. OF DELAWARE**

Iowa Southern Utilities Co. of Del. has filed a registration statement with the SEC for \$10,000,000 first mortgage 3 1/2% bonds, due Dec. 1, 1971, and \$5,160,000 of 4 1/2% sinking fund debentures, due Dec. 1, 1971.

Address—Centerville, Ia.  
Business—Principal business of this public utility operating company is that of generating, distributing and selling electrical energy for light, heat and power, serving 134 communities at retail in 24 counties in the southern and southeastern parts of Iowa. Also, manufactures and sells artificial gas to several communities in that area, as well as steam heat.

Underwriters—W. C. Langley & Co., New York, and Halsey, Stuart & Co., Inc., Chicago, are named principal underwriters; the names of the other underwriters will be furnished by later amendment to the registration statement.

Offering—The bonds and debentures will be sold to the public, at prices to be supplied by amendment to the registration statement.

Proceeds, together with other funds of the company will be used to redeem the following issues of bonds of the company: \$10,000,000 first mortgage 4s, due May 1, 1970; \$2,660,000 general mortgage sinking fund 4 1/2s, due May 1, 1950; and \$2,500,000 of 6% series A debentures, due May 1, 1950, requiring an aggregate of \$15,854,700, exclusive of accrued interest on the bonds to be redeemed.

Registration Statement No. 2-4921. Form A2. (12-27-41)

Amendment filed Jan. 14, 1942 to defer effective date.

**MILLER TOOL & MFG. CO.**

Miller Tool & Manufacturing Co. has filed a registration statement with the SEC for 92,792 shares of common stock, \$1 par value.

Address—Detroit, Mich.  
Business—Company is engaged in the manufacture and sale of service tools for use by the automotive industry.

Underwriters—Baker, Simonds & Co., is named the principal underwriter.

Offering—24,875 shares of common stock will be sold to the public for the account of the company; the remaining 67,917 shares registered are already issued and outstanding, and will be sold to the public for the account of certain selling stockholders. The public offering price is \$4.20 per share.

Proceeds will be used for the purchase of machinery and equipment and for working capital.  
Registration Statement No. 2-4920. Form S2. (12-26-41 Cleveland)

Amendment filed Jan. 10, 1942 to defer effective date

**PANHANDLE EASTERN PIPE LINE CO.**

Panhandle Eastern Pipe Line Co. filed registration statement with SEC for \$10,000,000 first mortgage and first lien series "C" 3% bonds, due Jan. 1, 1962, and 150,000 shares cumulative preferred stock, \$100 par value. Dividend rate on the preferred stock will be supplied by amendment.

Address—1221 Baltimore Ave., Kansas City, Mo.

Business—Engaged in the production, purchase, transmission and sale of natural gas, major part of which is sold to gas transmission and gas distribution companies for resale.

Underwriting and Offering—Approximately 14,000 shares of the preferred stock will be offered for subscription to holders of 63,566 shares of its outstanding common stock who have not waived their preemptive rights to subscribe for the new preferred stock, at the rate of one share of the preferred for each 5 1/4 shares of

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.

### WEDNESDAY, JAN. 28

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

R. L. Swain Tobacco Co., Inc., filed a registration statement with the SEC for 5,000 shares Class A common stock, \$1 par value, and 60,000 shares Class B common stock, \$1 par value.

Address—Danville, Va.

Business—Company markets Panax Processed Pinehurst cigarettes, manufactured for company under its Panax Process by Axton-Fisher Tobacco Co., Inc. The Panax Process acts as a hygroscopic or moisture retaining agent. Panax is a demulcent—soothes the membranes of the throat, and is tasteless and odorless.

Underwriting and Offering—The shares will be offered to the public at a price of \$5 each for each class of stock, by John W. Yeaman, Martinsville, Va.

Proceeds will be used for plant additions, for purchase of additional equipment, and for working capital.  
Registration Statement No. 2-4928. Form A1 (1-9-42)

**PENNSYLVANIA ELECTRIC CO.**

Pennsylvania Electric Co. registered with SEC \$32,500,000 first mortgage bonds, due Jan. 1, 1972, and 34,000 shares Series A cumulative preferred stock, \$100 par. The interest rate on the bonds and the dividend rate on the preferred stock, will be supplied by amendment to the registration statement.

Address—222 Levergood St., Johnstown, Pa.

Business—This company, controlled by Trustees of Associated Gas & Electric Corp., is engaged chiefly in the production, purchase, transmission, distribution and sale of electricity for lighting, heating, industrial and general utility purposes, serving a territory in Western Pennsylvania extending from the Md.-Pa. State line northerly to Lake Erie.

Underwriting and Offering—The bonds and preferred stock will be sold by company under competitive bidding rule U-50 of SEC's Public Utility Holding Company Act. Names of underwriters and public offering prices will be supplied by amendment to registration statement. The invitations to bid for the securities specify that the company is to receive not less than 103 for the bonds and not less than \$100 per share for the preferred stock.

Proceeds will be used to redeem all of the outstanding funded debt of the company and Erie Lighting Co. and for property additions.

Registration Statement No. 2-4929. Form A2 (1-9-42)

### SUNDAY, FEB. 1

**TRUSTED ESTATES OF OREGON**

Trusted Estates of Oregon filed a registration statement with the SEC for a maximum of 500 Periodic Payment Plan Agreements.

Address—Portland, Ore.

Business—Company is an investment trust. Proceeds of payments made by investors on the Agreements, and dividends and earnings realized thereon, less authorized deductions, will be used by company to purchase shares of Selected American Shares, Inc., a registered investment company of the management open-end type. These shares will be deposited in the custody of the Title and Trust Co., pursuant to a Custody Agreement.

Underwriting and Offering—Periodic Payment Plan Agreements will be issued calling for the total payment of \$1,800, \$4,500, \$9,000, \$13,500, \$18,000 or multiples thereof by the purchasers and the reinvestment of dividends and earnings thereon. The total aggregate offering price of the units to be embraced in the agreements registered is \$900,000 plus reinvestment of dividends, the amount of which is undeterminable. The Agreements are sponsored by the depositor.

Proceeds will be used for investment purposes.  
Registration Statement No. 2-4930. Form C1 (1-13-42)

**TRUSTED ESTATES OF WASHINGTON**

Trusted Estates of Washington filed a registration statement with the SEC for a maximum of 667 Periodic Payment Plan Agreements.

Address—Seattle, Wash.

Business—This investment trust issued "agreements," under which the proceeds of payments made by the investors, and dividends and earnings realized thereon, less authorized deductions, will be used to purchase shares of Selected American Shares, Inc., a registered investment company of the management open-end type. These shares are and will be deposited in custody of the Seattle Trust & Savings Bank, Seattle, Wash., pursuant to a custody agreement.

Underwriting and Offering—The Periodic Payment Plan Agreements registered with the SEC call for the total payment of \$1,800, \$4,500, \$9,000, \$13,500, \$18,000 or multiples thereof by the purchasers, and the reinvestment of dividends and earnings thereon. The total aggregate offering price of the units to be embraced in the agreements registered with the SEC in this statement is \$1,200,000 plus reinvestment of dividends, the amount of which is undeterminable. The offering is sponsored by the depositor.

Proceeds will be used for investment purposes.  
Registration Statement No. 2-4931. Form C1 (1-15-41)

### TUESDAY, FEB. 3

**TRUSTED ESTATES OF WASHINGTON**

Trusted Estates of Washington filed a registration statement with the SEC for a maximum of 667 Periodic Payment Plan Agreements.

Address—Seattle, Wash.

Business—This investment trust issued "agreements," under which the proceeds of payments made by the investors, and dividends and earnings realized thereon, less authorized deductions, will be used to purchase shares of Selected American Shares, Inc., a registered investment company of the management open-end type. These shares are and will be deposited in custody of the Seattle Trust & Savings Bank, Seattle, Wash., pursuant to a custody agreement.

Underwriting and Offering—The Periodic Payment Plan Agreements registered with the SEC call for the total payment of \$1,800, \$4,500, \$9,000, \$13,500, \$18,000 or multiples thereof by the purchasers, and the reinvestment of dividends and earnings thereon. The total aggregate offering price of the units to be embraced in the agreements registered with the SEC in this statement is \$1,200,000 plus reinvestment of dividends, the amount of which is undeterminable. The offering is sponsored by the depositor.

Proceeds will be used for investment purposes.  
Registration Statement No. 2-4931. Form C1 (1-15-41)

**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,

common stock; the subscription price will be supplied by amendment. The remaining shares of preferred stock not required for such exchange offer, together with all of the bonds, will be sold by company under competitive bidding, pursuant to Rule U-50 of the SEC's Public Utility Holding Company Act of 1935. Names of underwriters and the public offering prices, will be supplied by amendment.

Proceeds will be applied to the redemption of all the company's outstanding class A preferred stock; to the purchase from Columbia Gas & Electric Corp. of all the outstanding securities (stock and debt) of Michigan Gas Transmission Corp. and Indiana Gas Distribution Co.; to purchase from Ohio Fuel Gas Co. of natural gas pipe lines in Indiana and Ohio; and the balance to pay part of the cost of authorized construction work.

Registration Statement No. 2-4919. Form A2. (12-24-41)  
Amendment filed Jan. 10, 1942 to defer effective date.

**PUBLIC SERVICE CO. OF INDIANA, INC.**  
Public Service Co. of Indiana, Inc., registered with SEC \$42,000,000 first mortgage series D 3 1/2% bonds, due Dec. 1, 1971.  
Address—110 N. Illinois St., Indianapolis, Ind.

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

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

Proceeds, plus other funds of company if necessary will be applied to redemption, within 40 days after issuance of the bonds, of the \$38,000,000 of Public Service Co. of Indiana first mortgage series A 4% bonds, due Sept. 1, 1939, at 106 1/2% and accrued interest; and \$4,000,000 of the net proceeds will be deposited with the trustee under the series D indenture and will be used in accordance with the provisions of the indenture.

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

**SCHENLEY DISTILLERS CORP.**  
Schenley Distillers Corp. filed a registration statement with the SEC for \$10,000,000 10-year sinking fund debentures, due Jan. 1, 1952, and \$17,500,000 15-year sinking fund debentures, due Jan. 1, 1957. Interest rates will be supplied by amendment to registration statement.

Address—350 Fifth Ave., New York City  
Business—Company and its subsidiaries are engaged generally in the distilling, blending, rectifying, producing, warehousing, bottling, buying, selling, exporting and importing alcoholic products for beverage purposes, principal business being production and sale of rye, bourbon and blended whiskeys in the United States.

Underwriting—Mellon Securities Corp., Pittsburgh, is named principal underwriter; names of others will be supplied by amendment.

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

Proceeds from sale of the debentures, together with the net proceeds of un-stated amount of short-term bank loans to be procured by company prior to or concurrently with the issue of the debentures, will be applied to payment of all the present bank loans of company. Amount of such bank loans outstanding on Aug. 31, 1941, was \$24,000,000.

Registration Statement No. 2-4925. Form A2. (12-30-41)  
Amendment filed Jan. 13, disclosing a coupon rate of 3 3/4% for the \$10,000,000 10-year sinking fund debentures, and a coupon rate of 4% for the \$17,500,000 15-year sinking fund debentures.

The amendment named the underwriters of the issues as follows: Mellon Securities Corp.; Alex Brown & Sons; A. C. Allyn & Co.; Bear, Stearns & Co.; Blair & Co.; Blyth & Co.; Bonbright & Co.; Central Republic Co.; Dean Witter & Co.; Dillon, Read & Co.; Eastman, Dillon & Co.; Emanuel & Co.; Estabrook & Co.; The First Boston Corp.; Hallgarten & Co.; Harris, Hall & Co.; Hayden, Miller & Co.; Hemphill, Noyes & Co.; J. J. B. Hilliard & Son; W. E. Hut-ton & Co.; Jackson & Curtis; Kidder, Peabody & Co.; Kuhn, Loeb & Co.; Lazard Freres & Co.; Lee Higginson Corp.; Carl H. Loeb, Rhoades & Co.; Laurence H. Marks & Co.; Merrill Lynch, Pierce, Fenner & Beane; Moore, Leonard & Lynch; F. S. Moseley & Co.; Paine, Webber & Co.; Parrish & Co.; E. H. Rollins & Sons; Ritter & Co.; Schwabacher & Co.; Shields & Co.; Singer, Deane & Scribner; Stein Brothers & Boyce; Stone & Webster and Blodgett; Stroud & Co.; Tucker, Anthony & Co.; Union Securities Corp.; Wertheim & Co.; and Whiting Weeks & Stubbs.

**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. Un-subscribed 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)  
Amendments filed Dec. 16, 1941 and Jan. 3, 1942 to defer effective date.

**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)

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

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

Address—6543 Penn Ave., Pittsburgh, Pa.

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

Underwriting—None.  
Offering—The 4,000 shares of common stock will be sold by the company direct to (exclusively) retail druggists, at \$50 per share.

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

Registration Statement No. 2-4818 Form A-2. (8-22-41)  
Effective—Oct 7, 1941 at 11 A. M., E.S.T.

**VIRGINIA 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)  
Amendments to defer effective date filed Dec. 26, 1941 and Jan. 10, 1942.

**WEST INDIES SUGAR CORP.**

West Indies Sugar Corp. filed a registration statement with the SEC for 453,691 shares of common stock, \$1 par.

Address—60 E. 42nd St., New York City

Business—Company, organized in 1932 pursuant to the plan of reorganization of Cuban Dominican Sugar Corp. and certain of its subsidiaries, is solely a holding company owning the securities of several operating subsidiaries engaged principally in the production of raw cane sugar and invert and blackstrap molasses in the Dominican Republic and Cuba.

Underwriters will be named by amendment.

Offering—The shares registered are already outstanding, and are owned by City Company of New York, Inc., in Dis-solution, to the extent of 436,691 shares; National City Bank of New York, parent of the former company, is the holder of the remaining 17,000 shares registered. The aggregate of the shares registered represents 47.7% of the outstanding common stock of the company, and will be offered to the public, at a price to be supplied by amendment.

Proceeds will be received by the selling stockholders.

Registration Statement No. 2-4923. Form A2. (12-29-41)

(This List Is Incomplete Today)

## \$80,000,000 Alabama Power Issue Offered

The \$80,000,000 issue of Alabama Power Co. 3 1/2% first mortgage bonds, awarded Monday to an underwriting group headed by The First Boston Corp. and Bonbright & Co., was offered to the public Jan. 21. The bonds, which are due Jan. 1, 1972, are priced at 101 3/4%, exclusive of accrued interest. The offering represents the first large public utility bond issue to reach the market this year.

Upon completion of the financing, the funded debt of Alabama Power Co. will consist of \$80,000,000 of 3 1/2% first mortgage bonds, plus \$12,000,000 of 2 7/8% bank loans which will be payable in 16 equal semi-annual installments, with maturities ranging from six months to eight years.

As a result of capital adjustments which are being made in connection with the financing, including an additional investment by the Commonwealth & Southern Corp., the parent company, in the common stock of Alabama Power Co. through the surrender for cancellation of certain shares of its preferred stock, the out-standing capital stock of the company will have an aggregate stated value of \$56,350,100. This will consist of 25,845 shares of \$5 preferred stock, aggregating \$2,584,500; 170,456 shares of \$6 preferred stock, aggregating \$1,022,736; and 3,775,000 shares of common stock, aggregating \$20,762,500.

**Corn Exchange National Bank and Trust Co. Of Philadelphia Earnings**  
The Corn Exchange National Bank and Trust Co., Philadelphia, according to David E. Williams, President, showed 1941 earnings of \$1,447,369 after expenses and reserves for taxes and depreciation, of which \$927,481 was from current operations and the balance from items of a nonrecurring nature. This compares with the year ending Dec. 31, 1940, in which total earnings were \$1,525,368 after expenses and reserves for taxes and depreciation, of which \$843,969 was from current operations and the balance from items of nonrecurring nature. This comparison shows an increase in 1941 of \$83,512 in current operating earnings but a decrease of \$161,511 in items of a nonrecurring nature.

After appropriation to reserve and other charges as well as increase in surplus and contingent reserve accounts during 1941 the bank's capital position now stands as follows:

Capital	\$4,550,000
Surplus	7,000,000
Undivided Profits	2,329,035
Contingent Reserve	1,032,987

Or total capital funds of \$14,912,022.

The Board of Directors elected Mark Willcox, Vice-President, Beneficial Saving Fund, to take place of George W. B. Roberts, deceased.

**Bond Market Outlook**  
R. H. Johnson & Co., 64 Wall Street, New York City, have issued their "Outlook for The Bond Market in 1942" which includes data on 17 low-priced bond issues with attractive income and profit possibilities.

**Interested In Sugar?**  
An analysis of Utah-Idaho Sugar, prepared by Edward L. Burton & Co., 160 South Main Street, Salt Lake City, Utah, has just come off the press. The outlook for the stock is most promising according to the Burton Company, which will send copies of the analysis upon request.

**Remember Phila. Party**  
Friday, Jan. 23, should be ringed in red on your calendar—for the eighteenth annual dinner of the Investment Traders Association of Philadelphia will be held at 6:30 p.m. at the Crystal Ballroom of the Benjamin Franklin Hotel.

**Will Form Ginther & Co.**  
CLEVELAND, OHIO—Nelson D. Ginther will form Ginther and Co. with offices in the Union Commerce Building, to act as dealers in municipal bonds and general market securities, about February 1. The new firm will succeed Fangbner, Ginther & Co.

**Wolf d'Usseaux Will Join Northrop Aviation Co.**  
Wolf d'Usseaux, in charge of the industrial stock department of Blair F. Claybaugh Co., 72 Wall Street, New York City, will leave for Los Angeles on Jan. 31 to take a defense position with the Northrop Aviation Co.

**Reilly Atkinson, Jr. Now H. P. Pratt Partner**  
SEATTLE, WASH.—H. P. Pratt & Company, Hoge Building, announce that Reilly Atkinson, Jr., has been admitted to general partnership in the firm. Mr. Atkinson has been associated with the H. P. Pratt Company for some time as statistician.

## Now Borton & Borton

CLEVELAND, OHIO—Following the retirement from the firm of Richard Kay, the firm name of Borton, Kay & Company, members of the Cleveland Stock Exchange, has been changed to Borton & Borton, Inc. Offices will be continued in the Union Commerce Building.

Officers of the new organization will be S. H. Horwitz, Chairman of the Board; T. Ernest Borton, the Exchange member, President; R. E. Borton, Vice-President, and Elliot B. Lemon, Secretary and Treasurer. D. M. Sheehan, Jr. will be in charge of the sales department.

## Clifford B. Ewart With Trust Funds Of Boston

(Special to The Financial Chronicle)  
BOSTON, MASS.—Clifford B. Ewart has become associated with Trust Funds, Inc., 89 Broad Street, sponsors and distributors of Commonwealth Fund of Massachusetts.

## Adams With Geo. Grant

(Special to The Financial Chronicle)  
OAKLAND, CALIF.—R. G. Adams has become associated with Geo. H. Grant & Co., Central Bank Building. Mr. Adams was previously with Walston & Co. and prior thereto was manager of the investment department of William Raber & Co. and was with Dean Witter & Co.

## "Let's Be Realists"

H. S. Edwards & Co., Union Bank Building, Pittsburgh, Pa. are distributing a most interesting brochure entitled "Let's Be Realists," discussing the attractive possibilities of investments in sound securities, and containing analyses of the situations of stocks in the Pittsburgh district which they feel will benefit by the war. "Today, and for the duration of the war," H. S. Edwards & Co. states, "is an opportunity for the wealthy men and women of this country to invest their money in good, sound securities which, it is reasonable to believe, over a period of time will show profits. These profits, if taken as they occur through the period of the next few years, will enable the Government to get taxes to foot the bill of this World War II..." and investors will have excess funds to invest in government bonds.

Copies of the booklet may be had upon request.

## Jackley Heads Za-Ga-Zig

DES MOINES, IOWA—Winfield C. Jackley, President of Jackley & Company, Equitable Building, was named potentate of the Za-Ga-Zig Shrine at its annual meeting. Mr. Jackley will also serve as one of the representatives from the temple to the imperial council sessions. Frank R. Warden, Vice-President and Manager of the Band Department of the Central National Bank & Trust Co., 312 Fifth Avenue, was elected Treasurer.

## Interested In Sugar?

An analysis of Utah-Idaho Sugar, prepared by Edward L. Burton & Co., 160 South Main Street, Salt Lake City, Utah, has just come off the press. The outlook for the stock is most promising according to the Burton Company, which will send copies of the analysis upon request.

**Remember Phila. Party**  
Friday, Jan. 23, should be ringed in red on your calendar—for the eighteenth annual dinner of the Investment Traders Association of Philadelphia will be held at 6:30 p.m. at the Crystal Ballroom of the Benjamin Franklin Hotel.

**Will Form Ginther & Co.**  
CLEVELAND, OHIO—Nelson D. Ginther will form Ginther and Co. with offices in the Union Commerce Building, to act as dealers in municipal bonds and general market securities, about February 1. The new firm will succeed Fangbner, Ginther & Co.

## Ganson Purcell Made Chairman Of SEC

The SEC announced on Jan. 20 that Ganson Purcell has been elected Chairman of the Commission to succeed Edward C. Eicher, whose nomination as Chief Justice of the District Court of the United States for the District of Columbia was approved by the Senate on Jan. 20.

Chairman Purcell was appointed a member of the Commission by President Roosevelt on June 11, 1941, for the term ending in June, 1942. He first joined the Commission in September, 1934, as an attorney on the staff of the general counsel, and in 1936 became Assistant Director of the Trading and Exchange Division, and a year later became Director of that Division.

Robert H. O'Brien, Director of the SEC Utility Division, is regarded as likely to fill the vacancy on the Commission caused by Mr. Eicher's appointment to the bench.

Another vacancy on the Commission appears in prospect since Robert E. Healy has submitted his resignation to President Roosevelt, but the President has not yet accepted it. Mr. Healy, a Republican, is the only original member still with the Commission. He was appointed when the SEC was established in 1934.

## Wm. B. Robbins Now With E. W. Glucas & Co.

E. W. Glucas & Co., 70 Pine Street, New York City, members of New York Stock Exchange, announce that William Bradford Robbins has become a member of their staff. Mr. Robbins was formerly an officer of Fitzgerald & Co., Inc. and prior thereto of D. M. S. Hegarty & Co.

## Smith, Burris Co. Adds T. Alexander & C. Smith

CHICAGO, ILL.—Tracy Alexander and Burton Cedric Smith have become associated with Smith, Burris & Co., 120 South La Salle Street. Mr. Alexander, who has been previously associated with various investment banking houses in Chicago, will represent the firm in wholesale activities in the Middle West. Mr. Smith is a son of Cedric H. Smith, President.

## Grover C. Hooker With Staff Of Bennett & Co.

(Special to The Financial Chronicle)  
HOLLYWOOD CALIF.—Grover C. Hooker has become associated with Bennett & Co., Equitable Building. Mr. Hooker was formerly a partner in Grover Cleveland Hooker Co. and in the past was with Protected Investors of America.

## Write For Circular

Comparisons of the published earnings of important ordnance companies, with latest available information on Auto-Ordnance Corporation (Tommy Gun) are contained in an interesting circular issued by Clokey & Miller, 52 Broadway, New York City. Copies of the circular may be had upon request from Clokey & Miller.

## Remember Phila. Party

Friday, Jan. 23, should be ringed in red on your calendar—for the eighteenth annual dinner of the Investment Traders Association of Philadelphia will be held at 6:30 p.m. at the Crystal Ballroom of the Benjamin Franklin Hotel.

## Will Form Ginther & Co.

CLEVELAND, OHIO—Nelson D. Ginther will form Ginther and Co. with offices in the Union Commerce Building, to act as dealers in municipal bonds and general market securities, about February 1. The new firm will succeed Fangbner, Ginther & Co.

**Triumph Explosives Show Interesting Progress**

Comparative sales and profits figures of Triumph Explosives, Inc., for the fiscal year ended July 31, 1941, and the five months ended Dec. 31, 1941, indicate the progress that is being made by the company, according to Duryea & Co., 65 Broadway, New York City, members of the New York Stock Exchange.

	Fiscal Year Ended July 31, '41	Five Mos. Ended Dec. 31, '41
Net sales	\$3,081,443	\$2,896,219
Net profits, including dividends received & before provision for income taxes	342,239	*555,968

\*The above figures for the five months ended Dec. 31, 1941, are unaudited and uncertified and are not based on physical inventory, therefore profit figure is estimated.

The company as of Dec. 27, 1941, has \$38,042,210 of unfilled orders, which includes U. S. Navy contracts totaling \$25,648,920, to be completed over a period of two years in new plant being constructed by the Government, the Duryea bulletin states, adding that exercise of stock purchase warrants and options prior to their expiration on Dec. 15, 1941, has resulted in the company reporting 494,722 shares of common stock outstanding as of Dec. 31, 1941. The company has no preferred stock or bonds outstanding.

The regular quarterly dividend of five cents per share is payable Feb. 1, 1942, to stockholders of record Jan. 10, 1942.

**John Anglim Will Be W. E. Hutton Partner**

John J. Anglim will be admitted to partnership in W. E. Hutton & Co., 14 Wall Street, New York City, members of the New York Stock Exchange and other leading national exchanges. It is proposed that Mr. Anglim act as alternate on the floor of the New York Stock Exchange for William E. Hutton under section 15, article IX, which will be considered by the Exchange Governors on Jan. 29.

**Wasserman To Admit Alexander Berliner**

Alexander L. Berliner will become a partner in Wasserman & Co., 40 Wall Street, New York City, members of the New York Stock Exchange, on Jan. 29. Mr. Berliner was formerly a partner in Berliner & Co. and in the past was a partner in Loeb, Alsberg & Berliner.

**New Director Of Ass'n Of Stock Exchange Firms**

James F. Burns, Jr., President of the Association of Stock Exchange Firms, announced on Jan. 17 that Harold P. Goodbody, of Goodbody & Co., has been elected a Director of the Association of Stock Exchange Firms to fill the vacancy created by the recent retirement of Glenn G. Munn, of Paine, Webber & Co.

**E. O. Thorwaldson Joins Empire Securities Corp.**

(Special to The Financial Chronicle) FRESNO, CALIF. — Ellis O. Thorwaldson has become associated with Empire Securities Corporation, whose main office is located at 412 West Sixth Street, Los Angeles, Calif. Mr. Thorwaldson was formerly with Marshall, Sanders, Inc., and Amerax Corporation; in the past he was Fresno manager for Hannaford & Talbot and Donnellan & Co.

**Dominick At 14 Wall St.**

Dominick & Dominick, members of the New York Stock Exchange and other leading exchanges, announce the removal of their offices to 14 Wall Street, New York City.

**NYSE Firms Are Urged To Adopt Payroll Plan In Re Defense Bonds**

Emil Schram, President of the New York Stock Exchange, on Jan. 19 sent a letter to member firms, asking them to advise the Exchange whether they have already established a payroll allotment plan for the purchase of Defense Savings Bonds and, if not, are they willing to do so as soon as possible. Pointing out that the Stock Exchange, as well as many member firms, has introduced this payroll allotment plan, Mr. Schram said that he was desirous of reporting that 100% of the Exchange's member firms have adopted the plan. He further said that the payroll allotment plan provided the "most systematic method by which the workers and salaried people of America can invest in a share of their own Government on the installment or budget plan." His letter added:

The New York Stock Exchange has, on behalf of its members, member firms, staff and organization, pledged wholehearted loyalty, support and cooperation to the President of the United States and our Government. I am earnestly desirous of being able to report that 100% of our member firms have established payroll allotment plans within their respective organizations.

**J. B. Edwards Joins Staff Of Lester Co.**

(Special to The Financial Chronicle) LOS ANGELES, CALIF. — James B. Edwards and Samuel M. Warmbath have become affiliated with Lester & Co., 621 South Spring Street, members of the Los Angeles Stock Exchange. Mr. Edwards was formerly manager of the local branch of Barbour Smith & Co., with which firm Mr. Warmbath was also associated. In the past Mr. Edwards was an individual floor broker on the Los Angeles Stock Exchange and was an officer of Rutland, Edwards & Co.

**Partridge, Williamson Join Pacific Company**

(Special to The Financial Chronicle) LOS ANGELES, CALIF. — Wiley E. Williamson and Wallace S. Partridge have become associated with the Pacific Company of California, 623 South Hope Street, members of the Los Angeles Stock Exchange. Mr. Williamson was formerly local manager for Mason Bros. Mr. Partridge for many years was with Mitchum, Tully & Co.

**Goodwin Beach Joins Brainard, Judd & Co.**

(Special to The Financial Chronicle) HARTFORD, CONN. — Goodwin Beach, formerly proprietor of Goodwin Beach & Company, which has been dissolved, has become affiliated with Brainard, Judd & Company, 75 Pearl Street, whose staff the personnel of Goodwin Beach & Company is also joining.

**Clarence Nelson With Baker, Weeks, Harden**

Clarence Nelson has joined the trading department of Baker, Weeks & Harden, 52 Wall Street, New York City, members of the New York Stock Exchange and other leading national exchanges. Mr. Nelson was formerly in charge of the trading department of Kean, Taylor & Co., for many years.

**Wall Street Cashiers Get 1942 Nominations**

George Steinrich of Bayles, Softye & Co., chairman of the nominating committee of The Cashiers Association of Wall Street, Inc., announces that his committee has submitted the following slate for officers, directors and nominating committee for 1942:

Officers: Thomas B. MacDonald, Blyth & Co., Inc., President; Robert T. Craig, A. C. Allyn & Co., Inc., First Vice President; Ralph Jones, E. H. Rollins & Sons, Inc., Second Vice President; Morgan Gibbons, R. E. Swart & Co., Inc., Secretary, and Marvin W. Waldbillig, Halsey Stuart & Co., Inc., Treasurer.

Directors: Fred W. Q. Birtwell, Stone & Webster and Blodget; Joseph Costa, L. F. Rothschild & Co.; Leo P. Deignan, White, Weld & Co.; M. Leslie Denning, A. G. Becker & Co., Inc.; John Grinwis, Schoellkopf, Hutton & Pomeroy; Joseph Hughes, Blair & Co., Inc., and Thomas P. Keely, Green, Ellis & Anderson.

Nominating Committee for 1942: William S. Vaack, Chairman, Manufacturers Trust Company; Alvin H. Turton, Frederic H. Hatch & Co., Inc., and Rudolph Lang, Smith, Barney & Co.

The annual meeting and dinner of the association will be held on Wednesday, Jan. 28, 1942 at the Hotel Belvedere at 6:30 p.m. Entertainment will follow the dinner.

**Results Of Treasury Bill Offering**

Secretary of the Treasury Morgenthau announced on Jan. 19 that the tenders for \$150,000,000 or thereabouts, of 91-day Treasury bills, to be dated Jan. 21 and to mature April 22, 1942, which were offered on Jan. 16, were opened at the Federal Reserve Banks on Jan. 19. The following details of this issue are revealed:

Total applied for — \$351,585,000  
Total accepted — 150,330,000  
Range for accepted bids (excepting one tender of \$200,000):  
High — 99.930.  
Low — 99.942. Equivalent rate approximately 0.229%.

Average Price — 99.930. Equivalent rate approximately 0.196%.

There was a maturity of a similar issue of bills on Jan. 21 in amount of \$150,185,000.

With this issue of bills, dated Jan. 21, the Treasury ordered that qualified depositories return to the old practice of paying for the bills in cash or other immediate funds. Since last November (bill issue dated Nov. 19) the Treasury had permitted banks to pay for bills by credit through the War Loan Deposit Account.

**NASD Gives Opinion As To "Trade Date"**

The National Uniform Practice Committee of the National Association of Securities Dealers, Inc., announces:

The Committee has been asked to determine the correct "trade date" in a transaction of the following type:

A dealer in an Eastern city leaves a bid or offering with a dealer in a Western city good until the close of the latter's business day. The Western dealer accepts the bid or offering on that day but, due to the difference in time between the two localities, his notice of acceptance is received by the Eastern dealer on the following day.

In the opinion of the Committee the correct trade date for a transaction of this type is the day on which the Western dealer accepts the bid or offer, even though the acceptance may not reach the Eastern dealer until the following day.

**SEC Applications For Broker Dealer Registry**

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

Dec. 2, 1941—E. G. Olwell & Co., 115 Broadway, New York, N. Y., Janet Laidlaw Flahive admitted as a general partner with Eugene F. Flahive and Evans Gerard Olwell withdrawn as a general partner.

Dec. 4, 1941—The Ewald Company, 1725 Compton Road, Mt. Healthy, Ohio, Charles J. Ewald and Victor H. Ewald as partners.

Dec. 5, 1941—M. E. Tobin Company, 842 Bushwick Avenue, Brooklyn, N. Y., Maxwell E. Tobin, sole proprietor; Lee Clark Vinson, 2950 West 14th Street, Cleveland, Ohio, a sole proprietorship.

Dec. 6, 1941—Russell T. Polk, 1395 Goodbar Avenue, Memphis, Tenn., a sole proprietorship.

Dec. 10, 1941—James Peter Anderson, 649 East Blackwell, Blackwell, Okla., a sole proprietorship; Arthur E. Nelson & Co., Paulsen Building, Spokane, Wash., Arthur E. Nelson, formerly President, now sole proprietor, Ross R. Smith having withdrawn as Vice-President; Herbert S. Hale, Adams Street, Oyster Bay, N. Y., a sole proprietorship; Merton J. Stickel, 26 Ingram Street, Forest Hills, New York, N. Y., a sole proprietorship.

Dec. 13, 1941—B. C. Christopher & Co., 200 Board of Trade Building, Kansas City, Mo., Stanley Christopher, Sr., withdrawn as general partner, B. C. Christopher, Jr., James K. Christopher, Lewis C. Herwig & Hearne Christopher continuing as partners; Stanley Augustus Sittler, 2206 Penn Avenue, West Lawn, Pa., a sole proprietorship.

Dec. 15, 1941—R. B. Fox, 5417 Ross Avenue, Dallas, Tex., Richard Benjamin Fox, sole proprietor; Moeller & Shaw, Inc., 1704 Penobscot Building, Detroit, Mich., Julius H. Moeller, John C. Shaw, Sarah E. Moeller, and George F. Mehling, officers; Moore & Hill Co., 804 17th Street, Washington, D. C., William A. Hill, sole proprietor; Wilbur Morse, 6809 Emlen Street, Pelham Court, Philadelphia, Pa., a sole proprietorship; Vernie Petroleum Co., 334 Court Arcade Building, Tulsa, Okla., C. M. Sheldon, O. H. Sheldon, M. H. Sheldon, and W. W. Sheldon, officers.

**Loewenstein With Broy Co.**

(Special to The Financial Chronicle) SAN FRANCISCO, CALIF. — Matthew J. Loewenstein has become affiliated with The Broy Company, 381 Bush Street, members of the San Francisco Mining Exchange. Mr. Loewenstein was formerly manager of the unlisted department of Lewis & Broy.

**Hughes With Bayly**

(Special to The Financial Chronicle) LONG BEACH, CALIF. — Charles F. Hughes, formerly local manager for Battelle, Dwyer & Co., has become associated with Bayly Brothers, 132 Pine Ave.

**JOTTINGS**

(Continued from Page 316)

The Navy's lack of alertness was not its own choice. Certainly there is unpublicized buck-passing between the Navy and the State Department already. Guess is that maybe the "trouble" was in Washington, which might have said, "Don't go alarming the Japs with maneuvers and such right now; maybe we can stall them off a while till we get stronger." Was that wisdom, appeasement, or both?

They say Judge Healey can hardly avoid resigning now, due to the many news stories

that he would. It seems strange if he hoped for the chairmanship. He deserved it, being much the longest on the Commission, but he had balked the White House once or twice and been passed over once. That leaves Pike, the senior, with only 1 1/2 years service. He probably wouldn't take the chairmanship if it was offered, for several reasons. Ted Sheridan's resignation was natural; the job of chairman's assistant accumulates grudges. If Healey goes the Commission may get a weak Republican. Before Philadelphia, some SEC people wanted to go to Richmond, because it is so obviously out of the way that after the war the Commission would be more likely to be brought back.

All tax stories now and until Henry Morgenthau appears before the Ways and Means are either (1) newswriters' guesses, or (2) trial balloons by officials or Congressmen.

Final bill probably won't be passed and signed until June 1.

On 1941 incomes there will probably be no more grief or relief.

Guesses on revenues are confused by (1) the overlapping of fiscal and calendar years (remember how the 1941 Revenue Act to raise "at the rate of" \$3,500,000,000 was expected to produce only around \$2,000,000,000 in the fiscal year 1941-42 when finally passed in September); (2) rationing, which may cut down excise and sales tax revenues; and (3) increases in the taxable part of the "national income" so that any guess as to the revenue from any proposed schedule must carry a date; current tax rates schedules, for instance, were estimated last June to yield around \$12 billion, but are now estimated to produce \$18 billion in 1942-43 and your jotter would put the figure considerably above that.

Incidentally there's a crying demand for some big alimony-payer to hire a good lawyer to present a readable and succinct plea to Ways and Means this spring and a legally tight draft of an amendment to shift the tax on alimony to the ex-wife. Or several sufferers might pool their funds. Ways and Means members appear to be taking the easy view of alimony-payers, that "they made their bed, let them lie in it" or words to that effect.

Ament the Rio conference, the whole inter-American economic picture has been almost revolutionized in the last year. The trade balance which favored us now favors South America. Their plea was for U. S. markets but now our plea is for S. A. commodities. . . . They put protective tariffs up against our manufactured goods; now they want more than we can spare. . . . They wanted credits, now they have rising trade balances and all the political loans they can use. . . . The old problem was tariffs, both ways. Now the bone of contention is prices—how high can they force prices by bargaining on our necessity, as in Cuban sugar, Brazilian coffee, Argentine wool, Chilean copper. . . .

Miscellaneous. . . . Washington is full of jobs, both in and out of the services, which Wall Streeters could fill easily. But the salary pull-down is awful. . . . No matter what they say, advertising men, networks, magazines, and newspapers are worried stiff over future advertising. The \$900,000-a-year Ford Hour, for instance has just been dropped. . . . New York newspapers are cutting staffs, or not replacing those who leave. . . .

## BIDS MADE ON BONDS WITH

## COUPONS MISSING

OR

## MUTILATED

Inquiries Invited

**S. H. JUNGER CO.**  
40 Exchange Pl., New York  
Phone DIgby 4-4832 Teletype N. Y. 1-1779

## Reid Named President Of Detroit Exchange

DETROIT, MICH.—Andrew C. Reid, partner in William C. Roney & Co., was elected President of the Detroit Stock Exchange for 1942, succeeding Paul T. Bolinger. Hal H. Smith, Jr., partner in Smith, Hague & Co., was named Vice-President, and Sidney E. Ferriss, Ferriss, Wagner & Miller, Treasurer. Milton A. Manley, M. A. Manley & Co., and Charles A. Parcels, Charles A. Parcels & Co., were elected governors for a three-year term. Clark C. Whickey will continue as Executive Vice-President.

## Blewer and LaBarge Receive Promotions

ST. LOUIS, MO.—Mercantile-Commerce Bank and Trust Company, Locust-Eighth-St. Charles, announces appointments in its bond department of Clarence F. Blewer as assistant manager and Louis G. LaBarge as assistant sales manager. Mr. Blewer has been with the bank since 1935, following a previous connection with Harris, Forbes & Co.; Mr. LaBarge's association with the bank dates from 1920.

## Neuwoehner & Grep With Murdoch, Dearth

(Special to The Financial Chronicle)  
ST. LOUIS, MO.—Murdoch, Dearth & White, Boatmen's Bank Building, announce that Raymond Grep and Hiram W. Neuwoehner, formerly partners in the dissolved firm of Neuwoehner, Grep & Co., have become associated with them. Also with Murdoch, Dearth & White is Leonard Betz who was for a number of years connected with the Neuwoehner, Grep firm.

## Henry Keenan To Be E. A. Viner Partner

Henry C. Keenan, member of the New York Stock Exchange, will be admitted to partnership in Edward A. Viner & Co., 149 Broadway, New York City, on Feb. 2. Mr. Keenan has been an individual floor broker in New York for many years. His admission to Edward A. Viner & Co. will give the firm a New York Stock Exchange membership in addition to the Curb membership held by Edward A. Viner.

## REMEMBER . . .

**IT** is important to you, that our up-to-the-minute facilities with their nation-wide coverage,  
**ARE** entirely at your disposal in making accurate and firm trading markets in

### OVER-THE-COUNTER SECURITIES

(Actual Trading Markets, Always)

## Kobbé, Gearhart & Company

INCORPORATED  
Members New York Security Dealers Association  
45 NASSAU STREET, NEW YORK  
TELEPHONE PHILADELPHIA TELEPHONE BELL TELETYPE  
RECTOR 2-3600 ENTERPRISE 6015 NEW YORK 1-576  
HARTFORD TELEPHONE BOSTON TELEPHONE  
ENTERPRISE 6425 ENTERPRISE 1250

## Our Reporter On "Governments"

The big question—in fact, the crucial question in the U. S. Government mart today—is how valuable and how "permanent" may the tax-exemption privilege on outstanding issues of Treasury securities be considered. . . . Next to that major subject, most other topics appear insignificant. . . . For we know the Government market is holding up well. . . . We know the Treasury and Federal Reserve System will rush to its support should such support become necessary. . . .

The questions, then, revolve around what issues and what maturities to buy and hold rather than around primary buying and selling policies. . . . And that's where the question of tax-exemption comes in to plague all present and potential investors in Federal, State and municipal securities. . . .

Last week, we saw the rather peculiar phenomenon of a strong market for taxables and a sloppy market for tax-exempts. . . . Peculiar, that is, considering the tax prospects and the day-to-day news on the financing of the war. . . .

The reason for this action, though, was a large selling order by one big institution. . . . The selling of tax-exempts and buying of taxables was much more restricted than the price records might indicate at first glance. . . . This is important, for it suggests that faith in the continuance of the exemption privilege is more widespread than a superficial examination might imply. . . .

There haven't been many buyers for high-premium tax-exempt bonds lately—particularly since the issuance of the 2s of 1951-49 on the January refunding. . . . There has been a considerable amount of switching in the Government mart due to:

(1) The inclination of some institutional holders to sell their new 2s of 1951-49 because they don't want issues of that long maturity and to purchase short-term notes. . . .

(2) The inclination of other institutional holders to sell their longer-term outstanding bonds and to buy the 2s of 1951-49 because they prefer that maturity range. . . .

You always see a mixed-up market right after a major cash borrowing or refunding. . . . This time has been no exception. . . . And with the doubts about tax-exemption adding to the confusion, there is nothing surprising in the slight unsettlement witnessed lately. . . .

### How Long?

No one can guess with any amount of confidence as to the value or permanence of tax-exemption on outstanding issues. . . . (We're not even mentioning future issues. Governments, of course, are taxable. States and municipals aren't, as yet, but while a postponement of the removal of the privilege seems highly likely and the odds are the Ways and Means Committee will shelve the entire subject for a while, the probability is future issues of States and municipals will be taxed before 1942 is out. That, too, is a guess, though.) . . .

What we're concerned with, however, is the status of outstanding securities. . . . And on this, these points seem pertinent.

(1) There is, and will be, terrific political opposition to any "obvious" move to eliminate the tax-exemption privilege because any move of this type would strike at the foundations of contract

## Autocar Corp.

Aetna Standard

Auto Ordnance Corp.

Botany Worsted Mills

Struthers Wells-Titusville

Wickwire Spencer Steel

## 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

Merck & Co., Inc.  
(common & preferred)  
Brown & Sharpe  
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

## Beckman To Be Partner

Frederic W. Beckman will be admitted as a limited partner on Jan. 29 by Cohu & Torrey, 1 Wall Street, New York City, members of the New York Stock Exchange.

law and constitute a breach of promise on the part of the Government. . . .

(2) A subtle move to eliminate the privilege by lowering the normal corporate tax and boosting the surtax to tremendous levels wouldn't make much sense because the normal corporate tax is directed at more than banks. . . . It's directed at corporations, remember—and lowering the normal tax just to get at holders of tax-exempts would seem a move of last resort rather than an immediate possibility. . . .

(3) There's lots to be done with taxes before the Treasury need get around to this subject. . . . A general sales tax, for instance, surely would come first. . . . And every authority in Washington knows this is a delicate subject. . . .

What we've listed here are some of the less obvious points bearing on this question. . . . The primary objections to removing the tax-exempt privilege on outstanding issues you know as well as you know the name of your own institution. . . .

Once these are digested, the probability of near-term action destroying the tax-exemption privilege seems unlikely. . . .

You can carry this on from here—into matters of your own policy and switching maneuvers. . . .

### At "2½%"

A hint from the President. . . .

In his budget message, President Roosevelt set aside \$2,500,000,000 for debt service. . . . Figuring the debt at \$100,000,000,000 to \$120,000,000,000 by the middle of next year, or the end of the 1943 fiscal year, that would suggest a rate of borrowing of between 2.3 and 2.5%. . . .

Now when the President sets a figure of this nature, we can be sure he has been well informed on the probabilities of achieving the goal. . . .

So let's dispense with the arguments and look forward to war financing on a 2½% basis for long-term bonds. . . . (A prediction made in this column frequently in the past.) . . . Let's expect that prediction can be carried out unless events even now beyond our comprehension occur. . . .

### What does 2½% mean to the market?

Well, the 2½s of 1972-67 are at 100½ today. . . . The mid-60 maturities yield from 2.04 to 2.27%. . . .

So, that means a market continuing around this price level. . . .

As for the short-term market, that may tighten a little, but it can't tighten much without affecting the long-term market. . . . And if the Government decides not to permit the long-term market to be affected—well, you finish the sentence. . . .

### New Financing

No news out on the next cash borrowing, of course. . . . And none expected for at least another two to three weeks. . . .

Chances are, though, the Treasury will raise some extra funds through the open market in February. . . . Either through raising the bill sale total or through issuing another block of long-term bonds. . . . Increased bill total seems more probable at this moment. . . . If so, next big cash borrowing will be held off until March. . . . Before tax collections, though. . . .

Don't forget the Treasury will be getting back millions of dollars of the tax-anticipation notes it sold last fall. . . . It won't be getting nearly as much new cash from tax collections as the printed figures on collections will suggest. . . .

Borrowing will be essential—make no mistake about that. . . . Just a question of which week. . . .

### Inside the Market

The new 2s are considered highly attractive bonds by dealers, despite banks' first disappointment over maturity. . . . Many of them had wanted shorter stuff. . . . But in 1951 maturity is short—only nine years—and the rate is good for this range. . . . Lots of switching possibilities indicated. . . .

Trading is thin these days. . . . Dealers aren't taking positions as they once did. . . . When orders come in to houses, they ask buyers to wait while they pick up bonds to fulfill demand. . . . They don't have bonds in position—one major reason for thin market recently. . . .

Staggering maturities with ½ to ¾ in 10-year maturity range and balance in long-term stuff suggested by one dealer, who agrees income is more important than maturity these days. . . .

Treasury has ruled subscriptions on weekly bill offerings must be paid for in cash or in other immediately available funds for first time since November. . . . Until now, banks have been able to pay for bills by using book credit system. . . . Explanation is growing Treasury expenditures and Secretary Morgenthau's natural desire to have cash on hand. . . .

Eagle Lock Co.

R. Hoe & Co.  
COMMON

Deep Rock Oil

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

## Republic of Colombia

GOVERNMENTAL · DEPARTMENTAL · MUNICIPAL

## FULLER, CRUTTENDEN & COMPANY

Members Chicago Stock Exchange

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