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The COMMERCIAL and FINANCIAL CHRONICLE

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Block Of J. P. Morgan Co. Capital Stock Offered To Public At $206 Per Share

For the first time in its 81 year history partial ownership of the bank of J. P. Morgan & Co., Inc. passed into the hands of the public with the offering on Feb. 3 of a block of 16,500 shares of capital stock. The stock was offered by Smith, Barney & Co., New York, at $206 per share and represents approximately 8¼% of the outstanding shares.

The primary, and, in fact, only, purpose for sale of these shares, according to the announcement made by Smith, Barney & Co., and later substantiated by Thomas W. Lamont, Vice Chairman of the Board and Chairman of the Executive Committee of J. P. Morgan & Co., Inc., is to further broaden the ownership of the company. It also is desirous that a published market value be quoted on the shares of the company, a virtual impossibility when the stock is held, as previously, by a relatively small number of persons.

Although the identity of the sellers of the stock was not revealed either by the purchasing bankers or by Morgan officials, Mr. Lamont did disclose that most of all of the large stockholders contributed to the total. He also estimated that there were, previously to this sale, probably between eighty and ninety holders of the company's capital stock, mostly all of whom are either identified with the company or are members of the families of former partners of the private banking firm of J. P. Morgan & Co.

A prospectus issued by Smith, Barney & Co. affords the following:

J. P. Morgan & Co. Inc. began business on April 1, 1940, having been incorporated in the State of New York to take over the business conducted by the former private banking firm of J. P. Morgan & Co. The incorporated institution has continued to conduct its affairs generally in the same manner as they had been conducted for many years by the private banking firm. Certain activities have been altered, however, and others have been expanded or developed.

The company operates under the banking laws of the State of New York and under the supervision of the Banking Department of that State. In addition to transacting a general banking business the company renders numerous corporate and personal trust and agency services and an investment advisory service to its clients. It owns a substantial stock interest in Morgan Grenfell & Co., Limited, London, which conducts a private banking business. This stock is carried on the books of the company at $3,886,000 which, on the basis of the latest available balance sheet, is approximately $1,000,000 below the book value thereof at current exchange valuations.

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Our Reporter On "Governments"

The first cash borrowing of the war, the first new money operation of 1942 should be announced next week. . . . For sale either slightly before or around the 15th of the month. . . . Which is exactly as expected—and which should cause no surprise at all. . . . At the rate of Treasury spending these days, financings every other month must be taken for granted until Secretary Morgenthau submits to a trial of the "tap" method of financing or decides to use his new power to sell Government securities direct to the 12 Federal Reserve Banks. . . .

The total? No one even tries to guess at details of a flotation these days, but it seems logical that it should be around the $1,000,000,000 mark. . . . Borrowing less scarcely would seem worth while. . . .

The terms? An even more futile guessing game. . . . But either a short-term bond or a note or an addition to one of the outstanding taxable 2s (the 2s of 1951-49, outstanding in the amount of $1,014,000,000 and selling at 101.2, or the 2s of 1955-51, outstanding in the amount of $533,000,000 and selling at 100.21 at this writing). . . .

Short-terms, because Morgenthau recognizes a longer time is needed to make sure the long-term issues are well distributed and in the hands of permanent holders. . . . An additional issue because the list already is becoming unwieldy and Morgenthau would be wise to avoid increasing the confusion by broadening the list unnecessarily. . . .

Those are the best forecasts at the moment. . . . Not too definite but they do provide guides to your policy while waiting for the financing. . . . Unless the predictions go completely wrong, expect the long-term section to have a breathing spell, the short-term bond list to be under technical pressure for a while. . . . You can carry on with decisions according to your own particular position from there. . . .

The cash balance, incidentally, is down to the $2,100,000,000 mark, despite record sales of $767,000,000 defense bonds through Jan. 23. . . .

The market's action is unattractive. . . . Prices react on any news at all, seem to want to go down more than up. . . . For instance, the weakness following announcement of the February financing had no real stimulant outside of general nervousness. . . .

And as for the taxable-tax-exempt gyrations—well there's money to be made here:

How To Do It

To explain that sentence—and it needs explanation, admittedly—here's what to do:

(1) "Copper" the crowd. . . . Don't sell tax-exempts because the "crowd" is selling them. . . . Buy them on any weakness instead. . . .

(2) Buy taxables when they're going off in relation to tax-exempts. . . .

(3) Follow your own judgment on the possibility of near-term action to tax outstanding tax-exempts. . . . Do you honestly think Morgenthau is going to succeed in accomplishing this obvious circumvention of the constitutional principle of contract inviolability? . . . Do you really expect he'll lower the normal income tax just to

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OUR REPORTER'S REPORT

Strict adherence to the sound fundamentals of investment was urged on trust officers of banks and others who are charged with directing the flow of the public's funds into securities.

Speaking before the trust division of the American Bankers' Association here earlier in the week, Richard G. Stockton, head of the section, and Vice-President of the Wachovia Bank & Trust Co., of Winston-Salem, N. C., advised "steer clear of 'will-of-the-wisp war time babies'."

He warned handlers of trust funds that during current war conditions "temptations will constantly arise to switch investments solely on the theory that dislocations and displacements will have an unfavorable effect upon such holdings."

He added, however, that "trustees should remain firm in their determination to place the financial welfare of their beneficiaries in the hands of companies which maintain the highest efficiency in management."

Trust men were admonished that such temptations would present one of the most difficult problems facing them during the war period and the post-war period.

Admitting that events of the last 20 years may have raised in many minds the question of whether or not the institution of private property could survive, Mr. Stockton asserted that "in the long run, astute private enterprise can surpass any form

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Dickinson & Chapman With Blair, Bonner

CHICAGO, ILL.—Blair, Bonner & Company, 135 South La Salle Street, announce that Phil. S. Dickinson and John A. Chapman, formerly of Knight, Dickinson & Co., Chicago, have become associated with them as of Feb. 2, 1942.

Both Mr. Dickinson and Mr. Chapman have been active in the investment banking business in Chicago for many years. Mr. Dickinson began 28 years ago, in 1914, with Charles S. Kidder & Co. Except for a period of war service 1917-18, he was continuously with them until 1920, when he assisted in organization of William L. Ross & Co., Chicago, of which he was Vice-President. In May, 1930, this firm consolidated with Nichols, Terry & Co. to form Nichols, Terry & Dickinson, Inc., of which Mr. Dickinson was First Vice-President and later President. This latter firm in 1940 consolidated with Bartlett, Knight & Co. to form Knight, Dickinson & Co., of which Mr. Dickinson was Vice President.

Mr. Chapman began in the investment business in 1917 with Wm. A. Read & Co. In 1922 he helped organize and became President of Chapman, Grannis & Co., Chicago, continuing in that capacity until 1930, when he became Vice-President of Bartlett, Knight & Co. Since May, 1940, when that firm entered into a consolidation to form Knight, Dickinson & Co., Mr. Chapman has been Vice-President of the latter company. He is a director of International Harvester Co.

Kuhn, Loeb Celebrates 75 Years In Wall St.

Kuhn, Loeb & Co., 52 William Street, New York City, members of the New York Stock Exchange, are celebrating the seventy-fifth anniversary of the entrance of their firm into the general investment and banking business on Feb. 1, 1867. In the three-quarters of a century that have passed since then the firm has risen to be one of the nation's most influential banking institutions and underwriting houses.

Founded by Abraham Kuhn, Solomon Loeb and Samuel Wolff, the firm today numbers among its eleven present partners two great-grandsons of Solomon Loeb. Present partners are: George W. Bovenizer, Lewis L. Strauss, Sir William Wiseman, John M. Schiff, Gilbert W. Kahn, Frederick M. Warburg, Benjamin J. Buttenwieser, Elisha Walker, Hugh Knowlton, Percy M. Stewart & Robert F. Brown.

The present war has already affected the official personnel of the firm, Mr. Strauss already being on leave of absence for service as a commander in the Navy and Mr. Schiff as a lieutenant. Mr. Buttenwieser expects to be called for naval service at any time and Mr. Warburg, it is understood, is also making preparations to enter the service soon.

Howard Phillips Joins Richard J. Buck & Co.

Howard E. Phillips has become associated with Richard J. Buck & Co., 39 Broadway, New York City, members of the New York Stock and Curb Exchanges, as manager of the trading department. Mr. Phillips was formerly with Van Tuyl & Abbe and prior thereto was manager of the trading department for Robinson, Miller & Co., Inc. for several years. In the past he was a partner in Phillips & Golde, and was manager of the unlisted department for Emanuel & Co.


Howard E. Phillips

Chas. Sill Elected Nelson Douglass V.-P.

LOS ANGELES, CALIF.—Nelson Douglass & Co., 510 South Spring Street, have announced the association with their organization of ten men all formerly connected with M. H. Lewis & Company.

Heading the group is Charles F. Sill who has been elected a Vice-President of Nelson Douglass & Co. Mr. Sill brings to his new post 18 years' experience in the investment business; since 1934 he had been associated with M. H. Lewis & Company in an executive capacity and as a member of the firm's board of directors.

Others joining the Nelson Douglass organization are Fred W. Dornberger, H. G. Grapperhaus, Harry B. Hein, George Hoffman, Harry B. McDowell, Bernard S. Metty, Harry C. Oaks, Willard R. Steckbauer, and Harry F. Worthington. All have been associated with M. H. Lewis & Company for many years and are well known throughout Southern California investment circles.

M. Winkler To Lecture On Internat'l Finance

Max Winkler, authority on International Economics and Finance and former Economic Adviser to the U. S. Senate Committee on Banking and Currency, will conduct courses on Latin America, Foreign Exchange and International Business Relations, in the Evening Session of the College of the City of New York at 23rd Street and Lexington Avenue, on Tuesdays, Thursdays and Fridays. Registration is open until Feb. 6. Those wishing to register must appear in person at the College Auditorium between 7 and 8 p.m.

Mr. Winkler is a partner in Bernard, Winkler & Co., 11 Wall Street, New York City, members of the New York Stock Exchange.

Poor & McOwen With Merrill Lynch In Cinti.

(Special to The Financial Chronicle)

CINCINNATI, OHIO — William Cowan McOwen and Henry E. Poor have become associated with Merrill Lynch, Pierce, Fenner & Beane, Union Trust Company Building. Mr. Poor was formerly local manager for the First Cleveland Corporation and was manager of the bond department of the local office of Granberry & Co. Mr. McOwen was also formerly with the First Cleveland Corporation; in the past he was with Edward Brockhaus & Co.

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Long Elects Hoagland Central States V.-P.

Hugh W. Long and Company, Incorporated, 15 Exchange Place, Jersey City, national distributors of Fundamental Investors, Inc., Investors Fund C, Inc., Manhattan Bond Fund, Inc., and New York Stocks, Inc., have announced the election of Arthur M. Hoagland as Central States Vice-President.

Arthur M. Hoagland

Mr. Hoagland's business career started in the commercial banking field with the Liberty National Bank now the New York Trust Company. He has been identified with several prominent firms in various parts of the country, specializing chiefly in the distribution of industrial and municipal securities. In this period he was southern manager for Bancamerica-Blair Corp., supervising a number of branches in southern cities from headquarters in Atlanta. He has also been Director of Finance for the State of Georgia and a Public Works Administrator for the Government.

Mr. Hoagland has been identified with the Long Company since its inception and is now in charge of its distribution in all or in part of the States of Georgia, Indiana, Kentucky, Pennsylvania, Tennessee, Virginia, and West Virginia, and makes his office in the Union Trust Building, Cincinnati.

Don Craft Now With Goodbody & Company

(Special to The Financial Chronicle)

CLEVELAND, OHIO—Don M. Craft has become associated with Goodbody & Co., National City Bank Building. Mr. Craft was previously with Blyth & Co., and prior thereto was a partner in Paine, Webber & Co.

C. Marks Co. For Defense

Carl Marks, President of Carl Marks & Co., Inc., 50 Broad St., New York City, dealers in foreign securities, announced that the employees of the firm, numbering 36, have donated $780 to the Red Cross Fund and have purchased $20,000 of U. S. Defense Bonds.

P. A. Benson 25 Yrs. With Dime Savings

Philip A. Benson, President of the Dimes Savings Bank of Brooklyn, observed the twenty-fifth year of his connection with that institution on Feb. 1. Mr. Benson entered the service of the Dime Savings Bank on Feb. 1, 1917, as Assistant Secretary. Two years later, he was elected Secretary of the bank, and in 1921 was chosen a member of the board of trustees. Thereafter he became Treasurer and three years later, in January, 1932, was made President of the bank.

Philip A. Benson

In 1938 Mr. Benson was elected President of the American Bankers' Association. During Mr. Benson's 25 years with the bank, he has seen it expand steadily, its assets having grown from $52,000,000 in 1917 to over $242,000,000 at the present time. At the beginning of the year there were over 205,000 depositors, as compared with 107,000 in 1917. During this period two branches of the Dime Savings Bank were established in Brooklyn.

Facts And Figures

Hoit, Rose & Troster, 74 Trinity Place, New York City, have just issued a statistical supplement to their recent "Facts and Figures," giving detailed information on year-end bank statistics. Copies of this interesting supplement may be had from Hoit, Rose & Troster upon request.

Wyeth Co., Coast Firm, Opens N. Y. Branch

Wyeth & Co., formerly Wyeth, Hass & Co., members of the Los Angeles Stock Exchange, have opened a New York branch office at 40 Wall Street, with a direct private wire to their Los Angeles office.

Oliver B. Scott, manager of the firm's trading department, has been in New York several weeks and will probably remain until March to coordinate operations. The firm's trading personnel has long been identified as a primary market in a number of Pacific Coast issues, and it is intended that these markets, together with facilities for the handling of inquiries, in issues listed on the Los Angeles Stock Exchange, will be available to New York dealers.

A large retail organization represents Wyeth & Co. through branch offices in the Southern California area, and in addition, the firm has developed a large wholesale business among Coast dealers. For these reasons, Wyeth & Co. is greatly interested in obtaining block offerings of securities for retail and wholesale distribution on the Pacific Coast.

H. F. Snyder Opens

(Special to The Financial Chronicle)

MONTPELIER, IND. — Harry Franklin Snyder is engaging in a general securities business from offices at 266 South Jefferson Street.

MacCormack & Walker With Fewel, Marache

(Special to The Financial Chronicle)

LOS ANGELES, CALIF. — William R. MacCormack and C. Ed. Walker have become affiliated with Fewel, Marache & Co., 453 South Spring Street, members of the Los Angeles Stock Exchange. Mr. MacCormack was previously with Merrill Lynch, Pierce, Fenner & Beane, Banks, Huntley & Co., and in the past was an officer of M. H. Lewis & Co. Mr. Walker was formerly with M. H. Lewis & Co. and R. C. Wade & Co.

Edgar Phillips Joins Schwabacher Co. Staff

(Special to The Financial Chronicle)

LOS ANGELES, CALIF. — Edgar M. Phillips has become associated with Schwabacher & Co., 515 West Sixth Street. Mr. Phillips was formerly an officer of M. H. Lewis & Company with which he had been connected for many years.

Taxes & Treasury Bonds

Turner, Knight & Sholten, 14 Wall Street, New York City, have available for distribution a circular on the "Effect of Higher Corporation Taxes on Treasury Bond Prices." Copies may be obtained from the firm upon request.

Johnson Leaves NYSE For RFC "For Duration"

Emil Schram, President of the New York Stock Exchange, has announced that H. Clay Johnson who, since Nov. 1, 1941, has been on his staff as Special Assistant, has been granted a leave of absence to return to the Reconstruction Finance Corporation in Washington, with which he was formerly connected.

Mr. Johnson's services were requested by the Reconstruction Finance Corporation for the duration of the emergency.

S. E. Firms Name Com. For Customers' Brokers

James F. Burns, Jr., President of the Association of Stock Exchange Firms, announced the appointment of a Customers' Brokers Committee, consisting of representatives of the Association of Stock Exchange Firms and the Association of Customers' Brokers.

Thomas W. Phelps of Francis I. du Pont & Co. and Chisholm & Chapman, and a Governor of the ASEF, is Chairman of the new Committee. Thomas B. Meek, President of the Customers' Brokers Association is Vice-Chairman. Other members of the Committee are Lawrence McK. Miller of E. F. Hutton & Co., representing the ASEF, and the following customers' brokers: Allyn C. Donaldson, with Francis I. du Pont & Co. and Chisholm & Chapman; Louis C. Reynolds, with Harris, Upham & Co.; Robert J. Davidson, with Fahnestock & Co., and John Hevey, with Newman Bros. & Worms, who has been elected Secretary of the Committee.

Mr. Burns said that the Committee had been selected in cooperation with the Customers' Brokers Association, and will act as liason between the two organizations. Members of Customers' Brokers Associations in other cities will be appointed to the Committee later.

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)
CHICAGO, ILL. — **George E. Wright** has become associated with **Lowell Niebuhr & Co., Inc.**, 120 South La Salle St. Mr. Wright was formerly with David A. Noyes & Co., and prior thereto with Sadler & Co. and Paine, Webber & Co.

(Special to The Financial Chronicle)
CHICAGO, ILL.—**Clarence L. Rice** is now with **Patterson, Copeland & Kendall, Inc.**, 231 South La Salle St. Mr. Rice was previously with McGraw & Co. for many years.

(Special to The Financial Chronicle)
CHICAGO, ILL.—**Logan Shillinglaw** has become affiliated with **Shillinglaw, Crowder & Co., Inc.**, 120 South La Salle St. Mr. Shillinglaw was formerly with Blair, Bonner & Co., and Bancamerica-Blair Corporation.

(Special to The Financial Chronicle)
DAYTON, O.—**Jesse R. Bowman** has been added to the staff of **Dayton Bond Corp.**, Third National Bank Building. Mr. Bowman was formerly with Slayton & Co. in St. Louis, Mo., and was an officer of Mutual Management Co. of Jersey City, N. J.

(Special to The Financial Chronicle)
DETROIT, MICH. — **Philip H. Smith**, formerly with Alison & Co., is now connected with **Baker, Weeks & Harden**, Penobscot Building.

(Special to The Financial Chronicle)
HOLLYWOOD, CALIF.—**Cecil A. Jones** has become associated with **Franklin Wulff & Co., Inc.**, 6331 Hollywood Boulevard.

(Special to The Financial Chronicle)
JACKSONVILLE, FLA. — **Jack Lewis Baker** is now with **Guaranty Underwriters, Inc.**, 310 West Adams St.

(Special to The Financial Chronicle)
JOPLIN, MO. — **Charles Perry Freeman** has joined the staff of **Wise & Smoot, Inc.**, Fourth and Joplin Streets.

(Special to The Financial Chronicle)
LOS ANGELES, CALIF.—**Royal L. Barrows** is now with **Floyd A. Allen & Co., Inc.**, 650 South Grand Ave.

(Special to The Financial Chronicle)
LOS ANGELES, CALIF.—**Harold D. Van Cott** has become affiliated with **Conrad, Bruce & Co.**, 530 West Sixth St.

Chicago Bond Traders Induct New Officers

CHICAGO, Ill.—Attendance of 325 members and guests at the 17th annual winter dinner of the Bond Traders Club of Chicago held Tuesday, Feb. 3rd, in the grand ballroom of the Palmer House welcomed the new officers of the club as they were presented by Thompson M. Wakeley, retiring President, who served as master of ceremonies.

Henri P. Pulver

The new officers for 1942-3 are Henri P. Pulver, Goodbody & Co., President; Frederick J. Cook, Clement, Curtis & Co., Vice-President; Francis C. Woolard, Kneeland & Co., Secretary, and Jerry Marquardt, Fuller, Cruttenden & Co., Treasurer.

Among the fifty out of town guests on hand was Herbert Blizzard of Philadelphia, President of the National Security Traders' Association. About 40 of those in attendance left Wednesday for the annual dinners in Kansas City and St. Louis.

Frederick J. Cook

Francis C. Woolard

Jerome Marquardt

Harris & Rotch To Be With Townsend Dabney

(Special to The Financial Chronicle)
BOSTON, MASS.—Jose C. Harris and Charles M. Rotch, formerly partners in F. L. Dabney & Co., will be associated with the new firm of Townsend, Dabney & Tyson, 30 State Street, members of the New York and Boston Stock Exchanges, which was formed by a consolidation of F. L. Dabney & Co. and Townsend, Anthony & Tyson.

Tomorrow's Markets Walter Whyte Says——

Despite bad war news and unsettled domestic picture, market now points up. Rail equipments act well. Two suggestions below.

By WALTER WHYTE

For whatever reason last week's market showed lower prices, as did the market of the week before and the week before that, for the same unexplainable reason, the current market action indicates a turn for the better.

* * *

I use the word "unexplainable" because there is really very little in the current news to warrant any wild-eyed optimism. On the domestic front the question of taxes is still to be answered. On the war fronts of the world, particularly in the Pacific, the news is certainly nothing, if not bad.

* * *

Last week, in advising that the stock market looked lower, I held out the possibility that bad news might be the motivating factor for a new decline. Well, the news did come but the market did not go down.

* * *

Certainly the besieging of Singapore can't be called good news. Of course, there are large headlines announcing that American Marines have joined Gen. MacArthur's forces in Bataan Peninsula, a condition that to some people seems to offset the Singapore news. But to counter that there is the Jap attack on Surabaya, which, in case you

don't know, is the Number One base in the Far East since the siege of Singapore. God knows I know little of military strategy, still even I know, that a heroic defense of Manila Bay is small compared to the possible loss of Singapore and Surabaya.

* * *

Yet, either the market has taken all this into account and has decided that it wasn't the bad thing it appears or something is in the wind that promises to change the picture. For the market is not acting badly.

* * *

Leaving the war alone and going back to the market, you will see that in the last few weeks prices have had three distinct movements. The first occurred during the week of Jan. 17th from which they rallied about two points. The second reaction came during the week of Jan. 24th when prices again approached their previous low points. The next one came during the last few days when prices again backed off. This time the reaction was only a point or so.

* * *

Stock movements usually come in waves of three or at most four. Usually between the third and fourth wave something comes in that either aggravates the pessimistic picture or changes it to one of optimism.

* * *

Well, the third down movement came, but instead of breaking through as last week's action indicated, they stopped and turned up again.

* * *

The whole picture, going back to the lows of December and including the lows of last month, is now a little clearer. The market has finally recognized a base at which either selling dries up or buying comes in. Whichever one is the case, the outlook now is for higher prices. Of course, the same base that I mentioned above, also represents what must be called a critical level as well, and buyers would do well to keep that in mind. For if for some reason this base is broken, stocks should be sold.

* * *

Bringing all this down to individual issues, it might be interesting to see that the rail equipments are doing as well, if not better, than almost any

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RAILROAD SECURITIES

Alleghany Corporation, in its controversy with the Stedman Committee over the terms of the ICC approved plan of reorganization for Missouri Pacific, met an apathetic public last week when it came forward with an outline for an alternative plan. Few students of railroad reorganization procedure could conceive of the Commission giving serious consideration to any such capitalization as was visualized in the Alleghany letter. In fact, it has been fairly generally held that the Missouri Pacific plan was, if anything, too liberal in the first place and that if the Commission had another chance at it the scale-down would be even more drastic.

The essence of the alternative plan is the elimination of preferred stocks and the substitution therefor of additional contingent interest bearing bonds. Fixed charges would be increased only moderately (about $500,000) but contingent interest would amount to $12,886,682, compared with $5,330,340 under the approved plan. This new contingent interest would even be $1,781,292 greater than combined contingent interest and preferred and prior preferred dividends under the Commission proposal. The reason for the proposed revision is to eliminate oppressive and discriminatory taxes which will presumably be levied on reorganized railroads if the Internal Revenue Bureau is upheld in its present interpretation of the tax laws, and no remedial legislation is forthcoming. It is claimed that the conversion of the preferred stocks into contingent interest bearing debt would save roundly $7,000,000 in taxes on the basis of 1941 earnings, and taking the worst possible interpretation of the tax laws in figuring the potential liability under the ICC plan.

In justifying the creation of the larger face amount of contingent debt, the Alleghany letter states "One objection to income bonds has centered on the necessity of taking care of the principal on maturity. Since the maturity dates provided for the income bonds even in the 'Stedman Plan' are 65 and 75 years from issuance, this is indeed a remote contingency to consider." The Commission would not likely take such a detached attitude towards the future, particularly as it has consistently expressed its intention that new capitalizations shall be so set up as to afford reasonable assurance that the new company will be able to meet its obligations when due, and provide for future capital needs.

It is further pointed out in the letter that the saving represented by the difference between a 4% interest rate on the proposed additional bonds and the 5% rate on the preferred that would be eliminated would, if earned and used for debt reduction, be sufficient to retire practically the entire principal by maturity. However, total fixed and contingent charges under the alternative plan would amount to $24,782,121 and there is certainly no evidence that the properties could realize such earnings except in boom times. Average earnings during the ten years 1931-1940 would have been little more than half the aggregate requirement; and only in 1931 would the full fixed and contingent charges have been earned. Granted that the proposed debt could have been supported by the 1941 earnings, the margin of earnings even in that boom period would have been less than $2,000,000. This would not even have made up for the deficiency in income bond interest, which presumably would be cumulative, of the preceding year much less provide funds for additional debt retirement. It is also pertinent to note that operating officers of the company have themselves ascribed 90% of the 1941 traffic gain directly to the war effort.

In support of their plan, Alleghany Corporation also cites the Chandler Act readjustment effected by Baltimore & Ohio a few years ago. It is claimed that total fixed and contingent charges of Baltimore & Ohio bear almost exactly the same ratio to gross

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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—36⅝, low—14¾, last—35¼.

Pflugfelder, Bampton & Rust have deleted from the list of securities from which the averages are compiled Erie General 4s of 1996, and Norfolk & Southern Railroad first and refunding 5s of 1961, and have added Kansas City, Ft. Scott & Memphis refunding 4s of 1936, and Wisconsin Central Railway first general 4s of 1949.

Boston & Maine Outlook

Clark, Kohl & Eyman, 55 Liberty Street, New York City, have prepared an analysis of the outlook for the Boston & Maine Railroad in the year 1942. Copies of this analysis may be obtained from the firm upon request.

Bank and Insurance Stocks

This Week — Insurance Stocks

Preliminary insurance company reports covering 1941 operations indicate billion-dollar premium volume for both the fire and casualty companies.

Fire companies in 1940 reported aggregate premium volume of $917,000,000, a 15% gain over 1939 and the highest since the 1929 peak of $1,009,000,000. For 1941, preliminary reports of four major companies indicate total premium volume of $78,600,000, compared to $66,800,000 in 1940, an 18% gain. Individual increases range from 14% to 19%. Assuming another 15% increase for 1941, aggregate premium volume of the fire companies would total $1,054,000,000, which would top the 1929 peak.

Casualty companies in 1940 wrote $869,600,000 in net premiums, a 6% gain over 1939 and topping the 1929 high of $865,600,000. For 1941, six leading companies indicate total premium volume of $151,800,000, compared to 1940 total of $130,900,000, a gain of 16%. Individual increases range from 14% to 20% for five of the reporting companies, the other company pulling down the average with a 4% gain. Assuming a 15% increase for 1941, aggregate premium volume of casualty companies would total about $1,000,000,000, representing another new high in the history of the business.

The combined ten fire and casualty companies show an increase of $32,000,000 in premium volume for 1941. Such large expansion for a single year has a three-fold effect: (1) The expense of writing this increased business must be met, which comes out of underwriting account (surplus); (2) because of the "term" policies issued, larger unearned premium reserves must be set up, and underwriting profits on the "statutory" (earned) basis are therefore lower; (3) total assets, however, are larger because of the increase in fiduciary liabilities, mainly unearned premiums.

Stockholders, therefore, should not expect this substantial increase in premium volume to be immediately reflected in larger underwriting profits. The books at the close of 1941 reflect the payment of expenses to write this larger business, but under the law can reflect the increased premium income in underwriting account only as the premiums paid in advance are fully earned. For the coming year, however, a large part of this unearned premium expansion will become fully earned and be posted as credit to underwriting account.

Although total volume is up sharply, the impact of war has accentuated the profit differences in particular types of volume. For example, one of the major casualty companies comments that its automobile lines, after several years of profitable operation, turned unprofitable during 1941. Curtailment of production and sale of automobiles and tires will materially affect premium income in automobile insurance, comments another major company.

On the other hand, even automobile lines have had favorable factors. Bodily injury and property damage casualty volume in New York has jumped sharply, with the New York Safety Responsibility Law now in effect. Best's estimates that 60% of private passenger automobiles in New York State are now insured, and business is continuing to increase. This compares with estimated 30% coverage a year ago.

Furthermore, although 1941 loss experience will not be available for rate changes until late in 1942, the Board rates for automobile liability and property damage have been raised reasonably in unfavorable loss territories. This involved composite increases of 3.5% for private passenger cars in 34 States and 1.8% for commercial cars in 18 States. Presumably, the 1941 loss experience would justify further reasonable revisions.

Shrinkage in such classes of business as automobile liability and property damage and personal accident volume in wartime would be offset by further gains in lines such as workmen's compensation. Increased industrial employment and rise in payrolls, with continued emphasis on safety, will mean larger volume in this line and continued satisfactory underwriting, despite the trend toward higher losses created by increased exposure to industrial accidents.

Other shifts in volume include that from automobile to increased fire and ocean marine in the fire field; and from private construction to Government projects in the fidelity and surety field.

In the conversion of production from civilian to war output, these shifts in volume are inevitable and present problems for the underwriter. The need for insurance protection, however, will continue, whether it is civilian production or military output. Aggressive companies therefore will make up in defense lines what reduction they incur in civilian lines of insurance.

In making such conversion to defense business, insurance companies should not experience the sacrifices in rates that some industrial companies incur in shifting from civilian to Government business. It is highly important, especially amid the uncertainties of wartime, that nothing should disturb the ploughing back of reasonable underwriting profits, based on adequate rates, in order to keep policyholders' surplus of insurance companies at a strong level in relation to mounting underwritten risks.

Uncertainties in the stock and bond markets; low money rates; and probable reductions in corporate dividends caused by higher taxes, indicate that investment earnings will not be able to contribute their usual help to growth in surplus. Underwriting earnings, consequently, have to carry an increased burden of contributing to growth in surplus in wartime. To reduce underwriting earnings by artificial tampering with rate structures or imposing inordinately heavy taxes would therefore be a distinct disservice to both policyholders and stockholders by impairing safety and soundness.

This especially applies in view of the increase in aggregate losses, a normal development as premium volume expands in wartime. Expenses are rising, too, and although expense ratios are steady or lower in relation to the sharper upturn in premium volume, the rising expenses have an immediate effect on surplus as "term" business expands. It is to be hoped that regulatory and taxing authorities will bear these considerations in mind.

W. Lewis Now Partner

Scudder, Stevens & Clark, investment counsel, announce that Winslow Lewis, associated with the firm for the past twelve years, has been admitted as a General Partner resident in Philadelphia.

Mr. Lewis entered business with Brooke, Stokes & Company, investment bankers; and later was connected with Fisher and Company, railroad research organization, before joining Scudder, Stevens & Clark in 1929.

Allen For Victory 100%

Members and employees of Allen & Company, 30 Broad Street, New York City, have adopted, 100%, a plan for weekly salary allotments for the purchase of U. S. Defense Savings Bonds and Stamps.

NY Fin. Advertisers Elect 1942 Officers

Merrill Anderson of Merrill Anderson & Co., was elected president of the New York Financial Advertisers at the annual meeting succeeding Dudley L. Parsons of The New York Trust Company.

William T. Wilson of the American Bankers Association was named first Vice President to succeed Mr. Anderson, while Harold Whittaker takes Mr. Wilson's place as Second Vice President. William Huckel of The Chase National Bank was elected Secretary and George Kirby of the Greenpoint Savings Bank was elected Treasurer.

The board of directors for the ensuing year is composed of Mr. Parsons, the retiring President; James Rascovar of Albert Frank-Guenther Law, Inc.; Roland Palmedo of Lehman Brothers; Charles Seeman of the Brooklyn Savings Bank; George Dock, Jr., of Doremus & Co.; Joseph Bame of Commercial National Bank; Richard Meyer of The Wall Street Journal; Bradford Warner of Fortune Magazine; Harold Choate of Business Week; and William D. Murry of Hudson Advertising Agency.

The slate of new officers and directors was presented to the meeting by a nominating committee headed by James De Long of the Saturday Evening Post.

Victor Cullin of the Mississippi Valley Trust Co. of St. Louis, Mo., President of the Financial Advertisers Association, summarized the national association's wartime plans. Pres. Reed, Executive Vice-President of the association, and other out-of-town members were also present.

C. Lake & H. Hopper In Nuveen's NY Office

Charles H. Lake has become associated with John Nuveen & Co. in their New York office at 31 Nassau Street. Mr. Lake began his investment career in 1927 in the municipal bond department of the Bankers Trust Company. More recently he has been associated with Alex. Brown & Sons in New York. Harrison Hopper, who has been in the Miami office of John Nuveen & Co., has been transferred to New York.

Portfolio Readjustment

Caswell & Co., 120 South La Salle St., Chicago, Ill., have just issued a bulletin of quotations of representative unlisted securities, showing 1941 dividends paid. "It now seems," the bulletin states, "that only those industries vital to national defense and civilian essentials will be permitted to function. Securities of such companies are most favorably situated in the present war economy, especially if they have available capacities beyond normal requirements, which would permit absorption of excess tax levies.

"There is no doubt of the extreme necessity of assured income in greater measure than ever before, to meet rising living costs and increased taxes and we wish to point out that some of the most attractive income producing securities are traded in the over-the-counter markets on a national basis. A careful readjustment of investment portfolios should now be undertaken."

Copies of the bulletin containing quotations and a brief analysis of Western Grocer Company, may be obtained from Caswell & Co. upon request.

Greene, DuBosque Partner

James B. Greene has been admitted to partnership in the firm of DuBosque & Company, 72 Wall St., New York City.

George Dedrick With Blair F. Claybaugh Co.

George Dedrick has become associated with Blair F. Claybaugh Co., 72 Wall St., New York City, in their trading department. Mr. Dedrick was formerly with Amott, Baker & Co., Byrd Bros., and Kidder, Peabody & Co. In his new connection he will handle the Harrisburg wire and trade in industrial bonds and stocks.

Seaboard RR. Interesting

L. H. Rothchild & Co., 11 Wall St., New York City, specialists in rail securities, have prepared an analysis of Seaboard divisionals and leased lines, which may be had from the firm upon request.

A Little-Known Type Of Security

By Wm. J. MERICKA

A type of security that is little-known outside the Ohio market is the land trust certificate. Land trust certificates are participating interests in land which has been improved in practically every instance by income-producing property. For many years it has been the desire of investors to own income-producing buildings on, as a rule, downtown property, but the high values of single pieces of the so-called downtown properties prevented the small investor from participating in this type of investment.

In recent years a plan was evolved whereby these properties could be subdivided into participating interests, or certificates of equitable ownership in a given parcel of land. These certificates represent, as we know them, an undivided interest in such land. As a rule, the land is held by a trustee, either a trust company or an individual acts as a trustee who services these certificates of equitable ownership from the rents received from the improvements thereon. The owner of the land deeds his property to a trustee which becomes the record owner of the land. The trustee in turn leases the land back to some other person or corporation for a fixed number of years, renewable forever at a definite rental. In addition to this, the trustee makes a declaration of trust in which it declares that it owns the property as trustee subject to the lease for the benefit of the holders of land trust certificates. The trustee disburses all income received by him, less trustee's charges and taxes, to the certificate-holder at a stipulated rate of return, or to the extent earned after all charges. Frequently the trust provides for a fixed sum of money each year to be used for the retirement of these certificates at a premium or by purchase in the open market at or below the call price. Almost all of Cleveland's banks act as trustee for this type of security.

For many years this type of investment was very popular with trust accounts, either holding all of the certificates or a portion of them. Land trust certificates had been issued on properties in Omaha, Boston, Detroit, Chicago, St. Louis, Indianapolis, Minneapolis, and Portland, Ore., plus a few other cities outside of the State of Ohio. But this type of security is primarily that of Ohio origination. Land trust certificates have been issued on properties in almost every large city within the State of Ohio.

As an evidence of the popularity of this type of security one has only to look to the year of 1926 when but 51 issues of this type were generally quoted in the "Over-the-counter markets." Today there are as many as 150 certificates traded in the "over-the-counter market." The fact that there are more land trust certificates quoted today than there were in 1926 does not necessarily mean that there are more certificates outstanding today than there were in 1926, but rather that through the distribution of trusts which owned these certificates in their entirety more are in the hands of the general public today than heretofore. Many of these trusts have been distributed or are in the process of distribution and a market had to be found for them. The broad expansion of the trading of these certificates has indicated that there is a reasonably ready market for them at all times through "over-the-counter dealers." Information from many of the trustees as to earnings, leases, taxes and other pertinent facts are readily available.

Land trust certificates were issued and are outstanding on such better-known properties as the Cleveland Terminal Tower, Rockefeller Building, Cleveland Hotel, Hippodrome Building, Cleveland Athletic Club Building, Shaker Company and many others.

"JOTTINGS"

Obviously rationing is to become vastly more pervasive than the American consumer dreams of yet—even the consumer who is now laying in 100 pounds of sugar and six suits of clothes and thereby bringing the day of rationing so much the nearer.

To cite some instances.

The textile industry can't turn out more than its present 1,000,000,000 yards a month. But the armed services which were taking 300,000,000 a month last fall are to be doubled and tripled, while payrolls (which provide the largest civilian demand for textiles) are running $1,000,000,000 a month over last year.

On the lower or coarser end of the textile business the Army is already taking all the duck and all the osnaburgs; on the upper end there isn't enough long-staple cotton.

The woolen industry turned out 1,000,000,000 pounds of goods last year—two thirds for civilians. But this year the services will be taking more nearly 700,000,000 than 350,000,000 pounds. The woolen people can turn out goods of re-processed or re-used wool, but not the worsted people.

The sugar situation might be called the worst-handled mess in American economic history—but the OPM, OPA, AAA, and Defense Supplies Corporation people busy on it down yonder in Washington probably say, "It's all right for those columnists to sit back and criticize but they ought to try to wrestle with this problem themselves for a while."

Latest confusion in sugar **is the Price Control Act, which for no valid reason on earth includes sugar. It shouldn't include it because sugar is largely a plantation and industrial product which has gone through a technological revolution since the days of the parity base—1909-1914. In order to help a few beet and domestic cane growers, the U. S. must pay an unnecessarily high price for molasses to go into alcohol for smokeless powder and also for sugar to go from Cuba to Britain and Russia.**

But worst of all, the effect of the Price Control Act on sugar is a positive menace to sugar supplies "north of Hatteras." Because the present price, 3.74 cents for raws, is right at the 110% of parity, but the parity base is due to rise as farmers' officially estimated costs rise. And whether it does or not, Cuban and Puerto Rican growers **think** it will. So they have ample incentive to hold back their supplies for the better price.

This may be a good part of the explanation for Mr. Henderson's horrific figures, which obviously exaggerated the possible shortage. (He minimized Hawaii's war capacity, perhaps exaggerated the need for molasses for smokeless powder, and used a simply staggering figure, 950,000 tons, for estimated shipments to Russia.) But he may have wanted to prepare certain areas of the country, including particularly "north of Hatteras" for an approaching shortage which, in fact, is solely due to laws, bureaus, blocs, and other Washington phenomena, not to physical difficulties at all.

Anent the molasses to go into alcohol to go into smokeless powder, the saying is that "it takes a half a ton of sugar to fire a 16-inch gun once."

Even without the molasses, there could be plenty of alcohol, from corn and wheat, but the bottleneck is in the industrial alcohol distilling industry. The gin and whisky people will distill only industrial alcohol, but it isn't enough, and in addition some of them can distill only to 140 proof.

But while the Price Control Act upsets the sugar outlook by threatening to put the price too high, it endangers the fats and oils outlook by threatening to hold it too low. Among the cockeyed aspects of the parity-priced concept is the fact that the base period 1909-1914 was one with a corn-hog ratio unfavorable to hog-growing — which means to lard. But lard is the great white hope of relieving, by indirection, the impending fats and oils shortage.

But to resume the story of impending shortages. Then there are the mechanical and electrical goods. The radio manufacturing industry, which normally turns out less than $200,000,000 a year, is to try at over $1,000,000,000 of Government needs, so there won't be much room for civilian radios. Even the bicycle people may not be able to turn out even 1,000,000 bikes this year, against around 1,800,000 last year, the best since the 'nineties.

Not only are petroleum tankers being sunk but they are probably being diverted. Balik Papan, biggest refinery in the Far East, is blown up, and if the others have to go too, there will be an enormous drain on the Allies' tanker supply, because Australia and all the fighting forces there will have to be supplied from either California or Saudi Arabia.

Increase in aluminum-making capacity to 2,000,000,000 pounds, and in magnesium to 400,000,000 pounds or more a year, may mean that turbines in such excess-power areas as New York City, may have to be stripped down and transported.

And so on.

But it's manpower rather than material or machinery shortage that will hit civilian supplies hardest. It's almost certain that 10,000,000 men will be diverted this year. Most spectacular will be the effect on agriculture. Already cotton people are worried about the prospect of getting labor for cotton chopping, then for picking. Despite the lush price and bounties, beet sugar doesn't expand chiefly due to labor shortages and rising wages for farm hands.

Transport is another thing that may bring odd shortages in strange places—vide sugar and petroleum products. With the entire inter-coastal fleet diverted, for instance, lumber plentiful on the West Coast may be scarce in the East, as Southern pine cannot fully fill the vacuum of Douglas fir.

And then foreign requirements can endanger the supply of any or everything. South America, for instance, must get machinery, steel, radios, etc., even if U. S. consumers go without.

And bungling price control can do it by putting ceilings too low There is considerable to be said for some of the farm prices now being pushed. Don't judge them too harshly.

Would you believe it—that tin is still going into beer cans, shaving tubes, etc.? And that an OPM official asked a Navy official if by chance he had a list of brass mines? And that another OPM official asked a Dutchman to write out what he wanted aerial bombs for? All true. . . . But you know plenty of such stories yourself. Everybody does.

Investment Trusts

Investment Company Reports

American Business Shares, Inc.—Dec. 31, 1941

As of Dec. 31, 1941, American Business Shares, Inc., had net assets of $3,761,379, equivalent to $2.44 a share on 1,541,059 shares of $1 par value capital stock then outstanding. This compares with net assets equivalent to $2.67 per share on June 30, 1941.

Dividend and interest income received during the year ended Dec. 31, last, amounted to $238,576, and net income after all expenses including taxes amounted to $181,521.

"During the market weakness that followed the declaration of war in December," Andrew J. Lord, President of the company, stated in a discussion of management policy, "all the available liquid assets of the company were invested, and it is anticipated that a policy of full investment at all times will be followed in the future. The portfolio from now on will be properly diversified in accordance with the judgment of the management, not only as to industries, but also as to common stocks, preferred stocks and bonds. In this way, the stated objectives of the company may be attained, namely: (1) Good income; (2) conservation of capital in periods of deflation, and (3) appreciation in value in advancing cycles. . . .

"The portfolio at present is rather heavily weighted in favor of common stocks. It is anticipated that the maximum investment at any time in common stocks shall be 85%, thus providing ample opportunity for capital appreciation in periods of advancing prices. On the other hand, it is expected that 45% shall represent the minimum investment in common stocks, thus providing 55% of total assets available for the purchase of bonds, etc., as a 'cushion' in periods of deflation."

Composition of the portfolio at Dec. 31, last, was as follows: Common stocks, 69%; preferred stocks, 4.30%; corporate bonds, 16.27%; U. S. Governments, 9.41%, and cash and other assets, 1.02%.

Century Shares Trust—Dec. 31, 1941

Net assets of Century Shares Trust on Dec. 31, 1941, totaled $13,755,930, equivalent to $23.76 per share, as compared with $25.13 on Dec. 31, 1940, a decline of about 5.45%.

Income from cash dividends received during the year totaled $591,618, and expenses amounted to $57,588, leaving net income of $534,030.

* * *

Republic Investors Fund, Inc.—Dec. 31, 1941

Net assets of Republic Investors Fund, Inc., available for $332,000 Collateral Secured 4½% Convertible Bonds, Series A, due Feb. 1, 1950, in addition to the common and preferred stock totaled $1,245,930 on Dec. 31, 1940.

The assets applicable to the respective securities of the company were as follows:

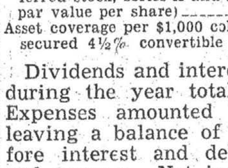
Asset value per share of common stock	$2.70
Asset coverage per share of preferred stock, series A and B ($10 par value per share)	57.93
Asset coverage per $1,000 collateral secured 4½% convertible bond	3,840.75

Dividends and interest received during the year totaled $95,144. Expenses amounted to $24,828, leaving a balance of $70,317 before interest and debt discount and expense. Net income available for preferred and common stock amounted to $51,845 after taxes.

William R. Bull, in the letter to security holders presented an interesting view of management policy.

"Policies essential to the conservation of capital and buying power in wartime," he said, "may be radically different from policies pursued in times of peace. They require concentration of a major part of invested funds in securities with appreciation pos-

(Continued on page 553)



Municipal News & Notes

Despite the immediate reaction of the municipal market to Secretary Morgenthau's recent Cleveland speech, it is understood that the Treasury Department has plans afoot to ask the House Ways and Means Committee in initial appearances on the omnibus tax legislation, to eliminate all Federal tax exemption features of outstanding issues of State, municipal and authority bonds. Treasury officials are quoted as saying the market disturbance following Mr. Morgenthau's flat declaration would not influence the plan to ask Congress to remove the tax exemption from outstanding as well as future municipal securities.

It appears that the Secretary of the Treasury will make an initial statement to the House Ways and Means Committee at opening of hearings on the tax bill, and this broad general statement will include the recommendation for full state and municipal bond taxation.

Following that, Treasury experts will present the arguments backing up the Morgenthau presentation.

No date has been set for opening of consideration of the major tax measure, but attaches indicated the date was not far off.

This radical departure from precedent will affect the entire bond market and in time stock quotations as well. If the suggestion of the Treasury should be adopted, all major groups of investors in high grade bonds may have to revise their portfolio policies to a greater or lesser extent.

It is far from certain that Congress will grant the wishes of the Treasury in this matter, of course. Under wartime conditions, interest on future issues of State and municipal obligations may well be made subject to the income tax. A very strong fight is certain to be made, however, on the far more radical suggestion which flies in the face of past statements of the Administration, that outstanding tax-exempt securities, bought by the present owners on the understanding that they were not subject to income tax, should be made fully taxable. Nevertheless, the market for tax-exempt obligations must discount forthwith the increased probability that they will lose their present exempt status.

Local Jurisdiction vs. Federal Domination

By Harold C. Ostertag, Chairman of the New York Legislative Committee on Interstate Co-Operation in current issue of State Government: "It has been considered somewhat axiomatic that democracy has seemed to flourish best where the government is close to the people. Aristotle spoke of the small city-state as the natural environment of democratic government. The large empires, he thought, must necessarily be monarchies of the absolute type. While the improvements in methods of communication and transportation since Aristotle's day have made possible an expansion of the area of democracies, many people still feel that democracy primarily means government responsible to the people and that responsibility, and awareness, and popular participation in government are best secured through local government—a government close to the people. President Coolidge once said:

"'If the Federal Government should go out of existence the common run of people would not detect the difference in the affairs of their daily life for a considerable length of time, but if the authority of the States was struck down, disorder approaching chaos would be upon us within twenty-four hours. No method of procedure has ever been devised by which liberty could be divorced from local government'."

States With Surplus Cash Pay Debt, Put Aside Funds For Post-War Projects

Five of the 13 states with sizeable surpluses in their treasuries this year due to increased tax collections report they will pay off old debts, while at least two of them have plans to put money in the "sock" for after-war expenditures. Many of these states already have invested in defense savings bonds.

The states which hope to pay up general fund deficits or debts with their "extra cash" are California, Kentucky, Michigan, Minnesota and North Dakota, the National Association of State Auditors, Comptrollers and Treasurers reported Monday.

Minnesota, whose increased revenues are anticipated mainly from severance taxes on iron ore, also has an executive order from Gov. Harold E. Stassen which specifies just how financial reserves for a post-war construction program are to be organized. Virginia's Legislature, now in session, will consider an executive suggestion for banking a $13,000,000 surplus.

Of the other 12 states represented in a survey made by the Association, Wyoming and Maine report they will use the increased revenues for social service and other purposes, while Kentucky, after debt payment, will rehabilitate its state penal institutions. Mississippi regards the increase merely as a "working balance."

Surpluses enjoyed by the various states range from a "slight increase" in revenue collections in Wyoming to $26,000,000 in Ohio. Indiana has a balance of more than $17,000,000; Colorado, a surplus of $761,000; while Virginia will have $13,000,000 surplus at the end of the biennium July 1. The other states reporting surpluses in the Association's study were Idaho, Nebraska, Vermont, New York, Oklahoma and South Carolina.

While giving out good news to taxpayers about state finances, governors and state fiscal officers warned that revenue collections this year may slump. Tire rationing and reduction in gasoline consumption were cited as main causes for estimates in Illinois that motor fuel tax revenue would decrease $16,500,000, and sales tax collections on automotive products, $10,000,000. In Kentucky, it is predicted that general fund revenues may drop about $2,800,000 because of tire and automobile rationing and war restrictions on whisky production.

Census Bureau Studies State and Local Finances

State and local officials throughout the country are being asked to cooperate with many of the Federal agencies in supplying information on various subjects they are especially qualified to furnish requests for information are of particular importance at this time because of the problems created by the war and for post-war planning. The results of the inquiries will prove of genuine interest to State and local public officials as well as to the Federal agencies making the inquiries.

Among the inquiries of this nature to which we refer are several being made by the Division of State and Local Government of the Bureau of the Census. That agency is giving especial attention to the compilation of finances in the field of State and local government which are required in connection with the nation's war efforts, and for the formulation of fiscal and economic policies for the war program. Preliminary reports already have been issued on **State Tax Collections: 1941** and **State and Local Government Debt 1941.** Final reports, under these titles, will release detailed figures within a few weeks.

One series of studies by that Division is to supply indispensable current information for the Special Committee of the Treasury Department on Intergovernmental Fiscal Relations. By these studies it is planned, not only to make available an over-all picture of State and local taxation and expenditures in their relation to Federal finances, but also to provide data by levels of government as to tax and other revenues, expenditures, and debt.

Questionnaires are being sent to all States, all large cities and large counties, and to a representative sample of other cities and counties and special districts, requesting financial statistics for 1941 on general property tax levies and collections, assessed valuations on which these levies were made, and also revenues from other sources, especially as grants and public-service enterprises. Instead of asking State and local fiscal officers for data on expenditures for 1941, it is planned to obtain figures for the major functional groups from the records of the Social Security Board, the Office of Education and the Public Roads Administration. The Office of Education is undertaking a special survey of its own to obtain the most recent data on school revenues and expenditures for States and local school districts.

Federal financing of the war and its impact on States and local governments makes most important the assemblying of these types of information by a central agency such as the Bureau of the Census. It is hoped that the State and local officials who receive the Bureau's questionnaires will show their appreciation of the value of the informational service by responding to the inquiries addressed to them. In accordance with the Bureau's practice, copies of the reports resulting from these inquiries will be supplied to cooperating officials.

Alexandria Reschedules Sale

The City of Alexandria is re-offering its $750,000 2½% public improvement bonds on Feb. 17. This is the issue that caused considerable comment in municipal circles around the country when the City Council rejected the bids submitted at the original offering on Jan. 26. Of course, at that time, the market had received the full impact of Secretary Morgenthau's tax proposal, but reports were circulated that from official sources in Washington the municipality was tipped to delay its financing on the theory that Congress would never tax income from municipal bonds.

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.

Feb. 9th

$11,000,000 Milwaukee Co., Wis.
Last June the county awarded bonds, the purchaser being the National City Bank of New York group. The Northern Trust Co. of Chicago, and associates, was second best bidding on short-term, callable obligations

Feb. 10th

$522,000 Maryland, State of
The First National Bank, and the Harris Trust & Savings Bank, both of Chicago, jointly, obtained the last award, which took place in June, 1941. Dick & Merle-Smith of New York was the runner-up in the bidding.

Feb. 11th

$1,360,000 Erie Co., N. Y.
In Feb., 1941, the county awarded a larger issue to a syndicate headed by Halsey, Stuart & Co., Inc., of New York. Lehman Bros. of New York, and associates, entered the second highest bid.

Feb. 17th

$750,000 Alexandria, Va.
See comments in a preceding paragraph on the initial offering of these bonds.

Feb. 28th

$526,000 Monroe, La.
This city has not negotiated any bond sales recently.

Our Reporter's Report

(Continued from First Page)

of governmental management," adding, "and the final judgment made by the public will vindicate this truth."

"Bundle Bid" Wins Issues

Submitting a "package" bid of 100.02 for the bonds and 100.2789 for the preferred stock, a banking group, headed by Glore, Forgan & Co. and Kidder, Peabody & Co., acquired the Panhandle Eastern Pipe Line Company issues at auction on Monday.

Several other bids were received but these were for either the bonds or the stock separately. It marked the first time in quite a while that a bidding group had used the "basket" tender.

The $10,000,000 of first mortgage and first lien 3s moved out quickly upon public offering yesterday. Demand also was good for the 150,000 shares of 5.60% preferred stock. But although this issue was reportedly about half-sold, it was recognized in banking circles that complete placement was a working proposition that called for a bit of time.

Schenley Distillers

Changed market conditions in the interval since the Schenley Distillers Corporation went into registration on its $10,000,000 of 10-year sinking fund debentures and $17,500,000 of similar paper of 15-year maturity have held up the offering of the securities.

Report now current indicates that this particular financing may be subjected to some revision in detail before it finally reaches market.

The financing is designed to permit the corporation, among other things, to fund its outstanding bank indebtedness, which was $24,000,000 on Aug. 31, last.

United Gas Drops Plan.

Decision of the United Gas Corporation, subsidiary of Electric Power & Light Company of the Electric Bond & Share group, to abandon its projected refinancing, carried little of import for the investment banking world.

This huge undertaking, involving some $75,000,000 of new bonds, had been set up for private placement, with the company having negotiated with a group of 14 insurance companies to take the securities.

It had been hanging fire since last spring, and finally went by the board, at least for the time being, in consequence of long-standing controversy between the Securities & Exchange Commission and Electric Bond & Share Co., top holding company in the group.

The deal had been kept alive in the hope of some compromise between SEC and the parent unit.

On The Fire

There is enough new business in prospect to make the current month a fairly respectable period in point of securities marketed provided issues now in prospect materialize.

Largest by far is the program reportedly under consideration by the American Tobacco Company in connection with financing its unusual inventory expansion. This undertaking, it is indicated, could run between $80,000,000 and $100,000,000.

Next in size, of course, is the financing projected by Pennsylvania Electric Co., involving $32,500,000 of 30-year bonds and $3,400,000 of preferred stock, on which bids are to be opened Feb. 17, next.

Iowa Southern Utilities had planned the issuance either late this week or early next week, of $10,000,000 of first mortgage 3½s, due in 1971, and $5,160,000 of 4¼% debentures. But in a last minute revision the company decided to limit the offering at this time to $5,000,000 of 25-year 4½% debentures.

N. Y. Stock Exchange Weekly Firm Changes

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

James Otis Post, Jr., general partner in Arrowsmith, Post & Welch, New York City, became a limited partner effective Feb. 1.

Walker Harden retired from partnership in Baker, Weeks & Harden, New York City on Jan. 31.

Eliot K. Bartholomew and J. Albert Winne withdrew from partnership in H. C. Wainwright & Co., Boston, Mass. on Feb. 1. Messrs. Bartholomew and Winne had maintained headquarters in the firm's New York office.

Amelia I. Viner retired from partnership in Edward A. Viner & Co., New York City, as of Feb. 2.

Otto Fuerst & Co., New York City, dissolved as of Jan. 31.

Pierpont Davis, limited partner in Fellowes Davis & Co., New York City, died on Jan. 25.

George W. Liebman, limited partner in Shaskan & Co., New York City, died on Jan. 24.

Eugene Newman, partner in Hardy & Co., New York City, died on Jan. 27.

Interested In Sugar?

An analysis of the Amalgamated Sugar Company prepared by Edward L. Burton & Company, 160 South Main Street, Salt Lake City, Utah, has just come off the press. Burton Company will send copies of this analysis or an analysis of the Utah-Idaho Sugar Company upon request.

Investment Trusts

(Continued from page 551)

sibilities and a willingness to shift at times into large cash holdings. More than ever, they require vision in selection, supervision in daily management and revision in the light of constantly changing conditions. They require initiative and the determination to make changes in holdings as often and as extensively as advisable without any consideration other than the merits of the individual item to be bought or sold in relation to the invested position desired.

"The company's investment policy will be directed toward that end. It will probably require more frequent and possibly more extensive portfolio changes than in the past; it may require holding cash from time to time with loss of income in the meantime and it may result in turning unrealized depreciation into realized losses. **But, it is a realistic policy designed to preserve and enhance the assets—the basis of earning power.**

"In the last quarter (October) of the year, your management deemed it advisable, as in the same 1940 quarter, to increase cash as a precaution against lower security prices although some large year-end dividends had to be foregone to accomplish the purpose. Obviously the attack on Pearl Harbor was not foreseen, but whether that or other reasons caused the October-December decline, the decision to increase cash was more than vindicated. A part of the cash accumulated has been reinvested to increase holdings of items shown at the year-end.

"It is generally agreed that the most satisfactory period for comparing investment management results is one which begins and ends at approximately the same stock market level. In June, 1940, the Dow-Jones Industrial Average—a much used yardstick—made a low of 111.84. At each time that this average has returned to that approximate level, the asset value of the company's common stock has been higher. On Jan. 16, 1942, the Dow-Jones Industrial Average was 111.25, just under the June 10, 1940, level. Over the same period, although the distributions made exceeded the rate paid by the stocks which make up the average, the asset value of the common stock of the company increased 17%."

* * *

Scudder, Stevens & Clark Fund, Inc.—Dec. 31, 1941

Scudder, Stevens & Clark Fund, Inc., in its 14th annual report to stockholders shows earnings from interest and dividends, after all expenses, of $3.12 per share in 1941, compared with $2.90 per share in 1940. Net asset value per share at the close of the year was $73.85, compared with $80.98 at the end of 1940.

The number of shares outstanding has increased in every year since the fund was organized in 1928, and this growth continued during 1941, with shares outstanding rising from 149,097 to 159,428 in the 12 months' period. Net assets totaled $11,773,035 on Dec. 31, and on that date the portfolio comprised approximately 13% of cash and short-term issues, 47% of preferred stocks and bonds with longer maturities, and 40% of common stocks.

* * *

Union Trusteed Funds, Inc.

Union Trusteed Funds, Inc., in its first annual report to cover a full year's operations, showed during the year a four-fold increase in net assets, to $952,942 at Dec. 31, 1941. Net asset value per share of the seven series of capital stock outstanding at the year-end was: Union Bond Fund "A" $20.04, Union Bond Fund "B" $14.72. Union Bond Fund "C" $4.69. Union Preferred Stock Fund $11.47, Union Common Stock Fund "A" $8.83, Union Common Stock Fund "B" $5, and Union Special Fund $50.

"For the full year, 1941," said Andrew J. Lord, President of Union Trusteed Funds, Inc., "the actual operating expenses before taxes amounted to 76/100th of 1% of average daily assets on an annual basis. At inception a policy of full investment in each class of shares was announced.

"Union Trusteed Funds, Inc., was the first investment trust to be offered after the passage of the Investment Company Act of 1940. The investment trust industry has gone through a period of trial and error, and in our opinion is now fast approaching maturity. Investment trusts are proving to be an increasingly important factor in American finance. They achieve their real destiny as organizations are built and tested to the point where they do a thoroughly creditable job of supervision and management. We believe that our company is making a worthwhile contribution to the development of the investment trust industry in this country."

* * *

With the "Goodness me, what will I do now" type of investment talk filling the brain, it is refreshing to come upon the salty, down-to-earth investment philosophy of the trustees of the George Putnam Fund.

"The important thing," they point out in a new leaflet for investment guidance, "is to concentrate our thoughts not on the difficulties but on ways and means of meeting these conditions over which we have little, if any, control."

As their contribution to "sane thinking," the Trustees of the Putnam Fund offer the investor the following considerations:

1. Follow A Program—no two authorities could agree on the *best* program, but some kind of a thoughtout plan is preferable to the familiar "hit or miss" method.

2. Think More in Terms of Income—under present conditions market quotations are apt to be meaningless; gear your program down to continued low money rates.

3. Don't Discard Conservative Practices—the careful investor recognizes changes, but to abandon all conservative securities to secure a temporary advantage resulting from war or taxation policy is short-sighted and dangerous.

4. Maintain Broad Diversification—a program that recognizes the uncertainties and takes a middle-of-the-road position rather than one that tries to be too smart and concentrates too heavily on any one particular line of thought.

5. Emphasize Companies with Alert Management and Strong Finances — able management and strong finances are the best assurance that a company will be able to carry on during the present period and meet the adjustment to peace-time conditions.

6. Be Prepared for the Unexpected—the investor must be prepared in his own mind and in his financial program for the unexpected shocks and unpredictable events that occur with such frequency; some "anchor to windward" should be provided as an integral part of every program.

"Petroleum On Parade"

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

Copies may be obtained from Tellier & Company on request.

Investors In War Time

An attractive pamphlet entitled "The Investor in War Time" has just been issued by W. L. Morgan & Co., Packard Building, Philadelphia, Pa. The pamphlet discusses briefly the question of investments in war time, investors' objectives, the problem of inflation, what to buy and when to buy it. Copies of this interesting publication may be had from W. L. Morgan & Co. upon request.

NY Security Analysts To Hear Robt. Henry

The February Luncheon Meeting of the New York Society of Security Analysts, Inc., will be addressed by Robert S. Henry. For the past 20 years Mr. Henry has been in the railroad service, until 1934 with the Nashville, Chattanooga & St. Louis Railway, and since then as assistant to the president of the Association of American Railroads, Washington, D. C. He is the author of numerous studies on transportation.

His subject will be "Railroads' Contribution to the War Effort in 1942" and he will also endeavor to portray railroad prospects during the post-war period.

The Meeting will be held on Feb. 10th at 12:30 p.m. at Block Hall, 23 South William Street, New York City. Cover $1.30 per person including tip—reservations may be made through Miss Lennon of the office of Shelby Cullom Davis—Bowling Green 9-3789. Members may bring guests.

Weissman To Speak On Inv. Problems In Wartime

Rudolph L. Weissman, of Heartt & Weissman, New York City, will speak at the New School for Social Research on Tuesday, Feb. 10, on "Investment Problems in War Time." Mr. Weissman is Chairman with A. Wilfred May of a weekly symposium on finance in war time.

THE BOND SELECTOR

OTIS STEEL COMPANY
First 4½s, 1962

Better Than Average Operating Record Focuses Attention On The Bonds

Otis Steel Company First Mortgage 4½s, due 1962, have run up from a low of 74 in 1941 to their present price of 86¾ primarily on the strength of the general knowledge that the company is operating at capacity in order to serve the arms program. Listed on the Stock Exchange, the bonds yield approximately 5.60% to their due date.

Normally catering principally to the automobile manufacturers, Otis is chiefly a maker of sheets, plates and hot and cold rolled strip. An affiliate, Midland Steel Products Company, a manufacturer of parts for motor vehicles, is the main single customer, accounting usually for about one-quarter of total output. Other peacetime outlets include manufacturers of refrigerators, washing machines, electrical equipment, machinery and agricultural implements. The company's operations are concentrated in Cleveland at two plants, known as the Riverside Works and the Lakeside Works. Aggregate rated annual capacity of the two plants is 927,360 net tons of ingots and 694,400 net tons of hot rolled finished steel. Otis is licensed to use American Rolling Mill's continuous rolling process for the manufacture of steel sheet and strip. Cleveland-Cliffs Iron Company has a large stock interest in Otis.

Although fixed charges were not earned in 1931, 1932, and 1933, nor in 1938, the operating record of the company has been better on the whole than for the steel industry in general. For the ten-year period through 1940, fixed charges were earned on the average of 1.20 times, these years covering the worst years of the depression period, and including the four years previously referred to when deficits were reported before charges. Reflecting the growing demand for automobiles since 1938, and more recently the enormous demand for steel of every description for arms, the company's record has shown substantial improvement. The following tabulation shows the operating record since 1936, and includes the first nine months of 1941:

[000 omitted]

	Net Sales	Oper. Profit	Deprec.	Avail. for Fixed Chgs.	Fixed Charges	Times Earned
1941*	N.R.	$4,327	$828	$3,499	$476	7.35
1940	$29,073	2,664	1,093	1,542	651	2.36
1939	24,500	1,996	1,102	902	664	1.36
1938	13,718	578	1,081	583d	672	----
1937	31,989	4,678	1,042	3,574	779	4.72
1936	28,876	4,482	1,018	3,500	715	4.89

*Nine months ended Sept. 30, 1941. N.R., Not reported. d Deficit.

In January, 1937, Otis refunded the then outstanding 6% first mortgage bonds with the present 4½s. The 6s then totaled $10,827,000 and the 4½s were issued in the amount of $15,000,000 at 98, the company realizing $14,155,000, the difference between this amount and the amount required to call the 6s at 101½ going toward working capital. Despite the fact that the outstanding 4½s were some $4,000,000 greater than the old 6s, the interest saving was considerable.

Of the original $15,000,000 issued, $1,241,000 have been retired by sinking fund, leaving $13,417,000 outstanding at Dec. 31, 1940, together with $342,000 in the treasury. The sinking fund provides for retirement of 62.5% of the entire issue by December, 1960, two years before the due date of the bonds. In 1941, $335,000 were to be retired, in 1942 $344,000, and correspondingly larger amounts each year thereafter until the end of 1960. Through July 15, 1944, the bonds are callable at 104. Additional bonds may be issued—up to a total of $25,000,000, inclusive of the outstanding and retired bonds—but at not more than 66⅔% of additions or improvements.

At the end of 1940, net working capital amounted to $10,314,000, or more than 75% of the face value of bonds outstanding. Cash stood at $4,093,000, well in excess of current liabilities of $2,281,000. Notes and accounts receivable were $2,534,000 and inventories $6,508,000.

When the report for 1941 comes out, it will undoubtedly reveal the best operating record in the company's history before taxes. Taxes will hold net income after charges down below the best years, but earnings available for charges will probably exceed those reported in 1929. On Jan. 15, the President stated that the company broke four production records in 1941. Operating at nearly 19% in excess of rated capacity, Otis turned out 1,028,266 tons of steel ingots in 1941. Its rated capacity was 927,360. The company's 77-inch continuous hot mill broke previous records by 93,941 tons. Pig iron production also reached a new high, exceeding the previous peak by 5.9%. A 1929 record of 80,000 tons of steel plate at its Lakeside plate mill was exceeded during 1941 by 24,000 tons.

At current levels below 90, the bonds appear to be an attractive income producing medium with moderate prospects for price appreciation so long as the war lasts.

Tri-Boro & Port Of NY Revenues Analyzed

H. L. Schwamm & Co., 60 Broad St., New York City, have prepared a revenue analysis of Triborough Bridge Authority and Port of New York Authority bonds. The analysis, based on official revenue estimates for the years 1942 through 1958, shows the estimated percentage of revenue loss which the Authorities may absorb and still meet debt service requirements. It also shows the estimated percent of revenue loss which may be absorbed based on 1941 actual experience for the years 1942 to 1946, inclusive.

The analysis points out that passenger traffic was responsible for 95.5% and truck traffic for 4.5% of the income for the Triborough Bridge Authority during 1941. For the Port of New York Authority, passenger traffic accounted for 63.4% of the 1941 income; bus, truck, motorcycle traffic for 27.9%; rentals for 7.3%, and other income for 1.4%.

Copies may be had from H. L. Schwamm & Co. upon request.

The Securities Salesman's Corner

A FEW REMARKS ON THE STATE OF BUSINESS

There is business waiting for someone to come and get it. Regardless of how trying times and conditions in any line of endeavor may be, there is always a certain amount of business that can be done. It goes to those who go after it. You can also be certain that those who do not go after business will find that it will not come to them.

There are a number of men engaged in the securities business who feel that under today's conditions, they have about the hardest sales job in the world. It is almost a certainty that those who feel this way quite naturally do have the "hardest job in the world." This kind of thinking alone would bring about such a difficult state of affairs.

The point we are trying to make is this—if you want to do business, the first thing you have to do is to believe that there is business available. Then you must put your thinking cap on and start after it. "Creative imagination" is one of the most valuable assets that any salesman can use either in prosperous or difficult times. When things are on the upgrade, and the public is in a buying mood "good ideas" will help to increase sales—when confidence is low and investors are loathe to take ordinary investment risks, such ideas are priceless.

What else does a securities salesman have to offer his clients if not "ideas." It's true that he also sells service—but for that matter everyone in the securities business likewise sells service. Unless he does something to pull himself up and over the rest of the crowd, he remains just an "also ran." Probably no other business offers greater opportunities for creative selling as does the securities business. There will always be business for the man who can find a new approach or develop a new slant or dress up an old idea in a new suit of clothes.

Today, many trained salesmen in other lines are finding themselves without a job due to the complete lack of a product which they can sell. The securities salesman does not have this problem. His supply of merchandise is almost inexhaustible. Yields from zero to as high as 12, 15 and 18% are available. Speculations are abundant. Public utility stocks are under a cloud one day—rails the next. Orders from Washington place a stock in the doubtful class this week and next week a war contract changes it from a pauper to a prince. Opportunities to help clients were never so numerous. Weak situations can be brought to the attention of those who hold them—stronger ones can be changed in their stead. Cash can be converted into securities that have good prospects at least for several years ahead and that also offers a hedge against the declining purchasing power of the dollar. Speculations can be placed before those who are able to assume the greater risk for the greater possibility of profit. Profits and income are necessary—they can also be used to pay higher taxes (there is even a thought here for a sales campaign based upon "why it's patriotic to try and make money)." Far-fetched—no! People want you to sing them a song but they like to hear a new tune—now and then. The big fellows in the advertising business know the secret of this kind of merchandising. That's the sort of thing we've got to do in the securities business if we ever expect to get the public back again into the investment markets.

In conclusion, our message for this week can be summed up very simply by just saying—if you want business—first believe that it's out there—then go ahead and get yourself an idea plus a new approach and start to work.

P.S.—Whatever else you do, stay away from other salesmen who have nothing better to do than to waste your time telling you "how tough times are!"

After-Market Offerings 5% Of 1941 Shares Traded

Distribution of blocks of securities continues to play an important part in the financial markets of the country due to the inability of Exchanges, in the case of some issues, to take up substantial blocks of securities as quickly as desired by the sellers, according to a review of secondary market distributions in 1941, published in booklet form and released by Shields & Co., 44 Wall St., New York City, members of the New York Stock Exchange. The review serves as a guide to secondary distributions in that it records all such offerings during the year, regardless of firm identities.

The review gives 8,408,825 shares as the total distributed in after-market operations last year, which was less than 5% of the total shares traded on the New York Stock Exchange. This is believed to be the first record of total offerings of this kind for 1941.

With regard to the practice, the firm says:

"That this is a condition which has grown more acute in recent years can be seen in a comparison of the volume of listed stocks traded on the New York Stock Exchange in 1937 and last year. In the former year volume reached a level of 400 million shares. By 1940 it had declined to 207 million shares and last year registered another drop which brought it to 171 million shares.

"From November, 1940, to May, 1941, inclusive, a considerable portion of the equities distributed in this manner were of British origin. This source virtually came to an end during the summer of last year, however, so that almost without exception the issues distributed during the last six months of 1941 originated from domestic sources.

"There is a further element to be considered, however, in the popularity which has characterized this type of distribution. With the Nation at war, there is reason to expect a modification in the capital gains tax as it existed last year. This expectation has led investors to liquidate large blocks of securities in order to establish losses or gains."

Copies of the booklet, which has been prepared in attractive binder form, may be had upon request from Shields & Co.

Win Defense Stamps

Do you want to win defense stamps? Traction Securities, Inc., 105 South La Salle Street, Chicago, Ill., will award a first prize of $25, second prize of $10, and third prize of $5, in U. S. Defense Stamps for the best letters of five hundred words or less telling why Chicago Traction Securities are good purchases at present prices—see their notice elsewhere in this issue.

State Stock Transfer Bills' Support Urged

Support for the Coudert-Mitchell bills designed to reduce New York State Stock Transfer Taxes is urged by the New York Board of Trade. In a memorandum sent to Senator Coudert, requesting that the organization be allowed to work with him in support of his bill, Marshall W. Pask, Chairman of the Trade Board's Securities, Commodities & Banking Section, points out that the approximate receipts by the State from the transfer tax have declined 30% in four years, thus proving that this industry is "drying up." In 1938, Mr. Pask says, the receipts totaled $19,800,000 and have since spiralled downward to $17,800,000 in 1939, $15,300,000 in 1940 and $13,868,000 last year. He further points out that this is one industry that is paying more tax to the State than it is to the Federal government, citing the following payments to the Federal government for the corresponding years: 1938—$17,400,000; 1939—$15,600,000; 1940—$12,900,000, while figures for 1941 are not yet available.

Mr. Pask's letter goes on to say that the high stock transfer taxes are seriously affecting New York City real estate and employment.

Denver Bond Club Reports Bowling League Returns

DENVER, COLO.—The Denver Bond Club reports the following scores for teams competing in the Bowling League for the first week (Jan. 28). (Name of the Captain follows that of team):

	Won	Lost	Pct.
Roystones (Leon Macart)	3	0	1.000
Preferreds (Myers)	3	0	1.000
Municipals (Norman Godbe)	2	1	.667
Odd-Lots (Jerry Ryan)	2	1	.667
Corporates (Bern Kennedy)	1	2	.333
Investment Trusts (Chan Lilley)	1	2	.333
Over-the-Counters (Lewis Nance)	0	3	.000
Dividends (Smith)	0	3	.000

High Team Series and High Team Game as of Jan. 28 was held by the Municipals; High Individual Series by Norman Godbe, and High Individual Game by Chan Lilley.

La Salle Credit Union Re-Elects Officers

CHICAGO, ILL.—At the first annual meeting of the La Salle Credit Union, composed of customers' men of stock exchange firms in Chicago, the following officers were reelected: Frank Butler, President, and A. J. Payne, Secretary, both of Wayne Hummer & Co.; John E. Cahill, Vice President, Bear, Stearns & Co., and E. A. Hemmer, Treasurer, Sincere & Co.

Three new directors were elected: William F. Moore, Merrill Lynch, Pierce, Fenner & Beane; W. W. Blood, Paine, Webber & Co., and H. R. Hitchcock, Hornblower & Weeks. The board of directors consists of nine members.

Linus Hardy Joins Staff Of Kingsbury & Alvis

NEW ORLEANS, LA.—Linus N. Hardy has become associated with Kingsbury and Alvis, Hibernia Building to represent them in New Orleans and Louisiana. For the past three years Mr. Hardy was connected with Hyams, Glas & Carothers.

Kingsbury and Alvis also announce that they have moved their office to new and larger quarters at 1230 Hibernia Building.

Heilbron In Law Firm

Seymour M. Heilbron, formerly Securities Commissioner of Pennsylvania, has been admitted to membership in the law firm of Hays, St. John, Abramson & Schulman. James R. Cherry also became a member of the firm.

SEC Applications For Broker Dealer Registry

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

Dec. 16, 1941—(Mrs.) Lilliam Breckel, 601 East Line Street, Tyler, Texas, a sole proprietorship; Oil & Land Projects, Inc., 112 West Ninth Street, Los Angeles, Calif., Harvey Bruce Bagley Fred Howard Gaston, and Margarete Mansfield Tillery, officers.

Dec. 17, 1941 — Charles M. Weber, 5 Fairway Ave., West Orange, N. J., a sole proprietorship.

Dec. 18, 1941—Ze-Nae Royalty Corp., P. O. Box 214, Wesson, Miss., George Caldwell Koch, Raymond James McCaifrey and Zesser Nae Koch, officers.

Dec. 19, 1941—Paul L. James, 836 South Highland Street, Arlington, Va., a sole proprietorship.

Dec. 20, 1941—Fox, Reusch & Co., 913 Dixie Terminal Building, Cincinnati, Ohio, Carl H. Reuscn, Edgar D. Meyer (formerly officers of the firm), Mildred V. Reusch and Ruth F. Meyer, as partners, Oscar S. Fox, previously president of the organization, having withdrawn; W. L. Sterling Company, 114 East 52nd Street, New York, N. Y., Warren Lee Sterling, sole proprietor.

Dec. 23, 1941—Paul & Co., Inc., 1420 Walnut Street, Philadelphia, Pa., Spencer Andrew Ryan and Howard Joseph Lynch, officers, in addition to Clyde L. Paul, Edward Stotesbury Lewis, Arthur Eugene Pendergast, William Leroy Canady, Earl O. Mendenhall, and John Stephen Brennan.

Dec. 26, 1941—Carlson & Co., Woodward Building, Birmingham, Ala., Robert H. Carlson, Oma S. Carlson, and Robert H. Carlson, Jr., partners, Kenneth Long, previously an officer, having withdrawn; Jackley & Co., 210 Equitable Building, Des Moines, Iowa., Winfield Clair Jackley, sole proprietor, T. M. Bowen and Perina Owen, previously officers, having withdrawn.

Dec. 29, 1941—David Martin, 514-516 Broadway, New York, N. Y., a sole proprietorship.

Dec. 30, 1941—Dillon, Read & Co., 28 Nassau St., New York, N. Y., Clarence Dillon, Charles Simonton McCain, Dean Mathey, Ralph H. Bollard, Henry H. Egly, Frederic H. Brandi, Wilbur C. DuBois, Karl H. Behr, and Charles E. Kock, partners, C. Douglas Dillon, Roland L. Taylor, William H. Draper, and Paul H. Nitze having retired from the firm.

Jan. 2, 1942—Amertrade, Inc., 25 Broad Street, New York City, Dr. Abraham Feinstein, Dr. Curtis D. Epler, Moses Schwager, and Dr. Paul Saxl, officers; William Adelbert LaPierre, 3420 Cherry Street, Kansas City, Mo., a sole proprietorship; Turner-Poindexter & Co., 639 South Spring Street, Los Angeles, Calif., Julia Ernst, Louise R. Smith, Anne Danks, and Esther Wohlgemuth special partners in addition to Stephen C. Turner, Clifford E. Poindexter, Charles B. Booth and John E. Grant, general partners.

Jan. 3, 1942—Beymer & Beymer and/or Beymer & Beymer Abstract Co., Lakin, Kans., Clyde E. Beymer and J. Elton Beymer, partners.

Jan. 6, 1942—Fiscal Research and Management Corp., 921 Bergen Avenue, Jersey City, N. J., Howard E. Norris, Joseph Furst, and Charles W. Barber, officers.

Jan. 7, 1942—Georgeson & Co., 40 Wall Street, New York City, Asa C. Huff, Jr., admitted as a general partner; White, Weld & Co., 40 Wall Street, New York City, application filed to report the adoption of a new partnership agreement.

Jan. 8, 1942—John A. Cuneo & Co., 27 Powder House Road, Medford, Mass., John Anthony Cuneo, sole proprietor; Robert Taylor Knight, 906 Union Trust Building, Pittsburgh, Pa., a sole proprietorship; Neuhaus & Co., 301-4 Union National Bank Building, Houston, Texas, Hugo V. Neuhaus, formerly President, sole proprietor, M. W. Smith and David Scull, formerly officers, having withdrawn.

Jan. 9, 1942—Arch C. McColl, Jr., 913 N. W. 36th St., Terrace, Oklahoma City, Okla., a sole proprietorship.

Jan. 10, 1942—Will S. Halle & Co., 511 Swetland Building, Cleveland, Ohio, Eugene S. Halle, formerly a partner, sole proprietor, Will S. Halle having withdrawn; Richter-Schroeder Co., 152 West Wisconsin Avenue, Milwaukee, Wis., August Richter, Jr., Harry T. Schroeder, Fannie V. Gassman, and A. V. Nortman, officers.

Jan. 12, 1942—F. M. Blount, Inc., (Not Inc.). American Nat'l Bank Building, Pensacola, Fla., Roberta Fisher Blount, formerly an officer, William Fisher Blount, Frederick Alexander Blount, and Robert Fernando Blount, partners, F. M. Blount having withdrawn as President; Farmers Security Co., 4680 Wilshire Boulevard, Los Angeles, Calif., John Cummings Tyler, Thomas Edward Leavey, and Albert B. DeNault, officers; Henry H. Lawton, 834 Union Street, Olean, N. Y., a sole proprietorship; Reynolds, Fish & Co., 120 Broadway, New York City, application filed to report the adoption of a new partnership agreement: W. L. Scott, 1025 North Topeka, Wichita, Kans., William L. Scott, sole proprietor; Stephan & Nelson, 30 Broad Street, New York City, John Stephan, sole proprietor; J. D. Van Hooser & Co., 261 West Short Street, Lexington, Ky., James D. Van Hooser, formerly President, sole proprietor, Edwin A. Long and Harry L. Russell having withdrawn as officers.

Jan. 13, 1942—Mechler & Co., 24 Commerce Street, Newark, N. J., Morton E. Mechler, Elza A. Mechler and Raymond G. Piller, officers, S. L. McNary having withdrawn.

Krietmeyer And Heller With Friedman, Brokaw

ST. LOUIS, MO.—Louis H. Krietmeyer and Irving H. Heller have become associated with Friedman, Brokaw & Samish, 711 St. Charles Street, members of the New York and St. Louis Stock Exchanges and other leading national exchanges. Mr. Krietmeyer was formerly Vice-President and Manager of the municipal department of D'Oench, Duhne & Co. Mr. Heller was with the Heller-Grossman Travel Agency.

Now Vogelaar & Co.

EVANSVILLE, IND. — Peter Vogelaar and Henry G. Roetzel have formed a partnership, Peter Vogelaar & Company, with offices in the Fendrich Building, to act as dealers in investment securities. Mr. Vogelaar was formerly an individual dealer in Evansville and Salt Lake City, Utah.

Houston Ltg. Interesting

An interesting circular discussing the current situation in the common stock of Houston Lighting and Power has been prepared for distribution by Josephthal & Co., 120 Broadway, New York City, members of the New York Stock Exchange and other Exchanges. Copies of the circular may be had from Josephthal & Co. upon request.

Tomorrow's Markets Walter Whyte Says—

(Continued from page 549

other group on the board. But even there a disparity exists. The best performer is Lima Locomotive and at the other end the worst is Pullman. Lima has already had an advance, so buying it here does not seem very shrewd. Pullman, acting as it does, certainly doesn't look attractive. But in between there are two stocks that look like they're headed for higher prices. These are American Steel Foundries and American Car & Foundry.

* * *

I suggest buying the former at about 20, with a stop at 19; the latter at about 32, with stop at 29.

* * *

Among the other groups, the rails still act well, but their good action has been ballyhooed so much that I do not advise their purchase. The South American bonds, in my opinion, look higher.

* * *

The steels are also beginning to perk up. Incidentally if you can't watch the market as a unit, I suggest that you concentrate on U. S. Steel as the bellwether, not as a buy, but as a yardstick to the rest of the market. For the steels are slowly turning into what is called the positive group and as they go. so probably will the market.

* * *

J. H. Y., Martinsville, Va. Thanks for your letter and your wishes. I'm glad you like the column, but I can't answer specific questions about stocks not covered in previous columns. I suggest you confine your purchases of listed stocks to the ones mentioned here.

* * *

More next Thursday.

—Walter Whyte.

WHISPERINGS

A dealer we know was working late one Saturday and arranged to meet a friend of his in front of the Equitable Building, the Cedar St. side. While waiting he opened his newspaper and out of the corner of his eye, saw a panhandler approaching. As he came closer the dealer resignedly took a nickle out of his pocket and gave it to him. "Gee, t'anks mister," said the panhandler, with a surprised look on his face. "I can use it. But dat ain't what I came over for. I got me a ticket on the numbers and I t'ought you'd tell me what the stock market volume wuz today."

Joe Masek, of Charles A. Fuller Company, Minneapolis, writes, from some place in Arkansas, called Tuckerman, or something. Seems that Joe, Aline (that's Mrs. Masek, the lady who wins dance contests) and the two kids are in Tuckerman on vacation. Joe, according to the card, spends his time knocking off quail over, what he assures us, is "a couple of really well-trained pointers." He doesn't say what the kids are doing, but it's a safe bet that they are getting into everything they shouldn't. And Aline is probably giving the local shops a whirl, spending Joe's hard earned dough.

A bond salesman was called for jury duty just as he was on the verge of selling a block of bonds to a prospect he'd been chasing for weeks. He asked the Judge to excuse him. "My firm is very busy now and I'm just about to close a big deal." The Judge looked up from whatever papers Judges look up from when interrupted, and replied, "So, you're one of these men who think their firms can't get along without?" The bond salesman thought this over for a few minutes and said, "No, your Honor. I know they can get along without me. I just don't want them to find it out." . . . P.S. He was excused.

The society columns, which we seldom read, not that we don't like them, but we never know anybody who makes them, carried an item recently to which our attention was called. The item said that Mr. and Mrs. Joseph Wolfe, of Purchase, N. Y., announced the engagement of their daughter, Miss Eleanor Wolfe, to Leonard Morey, son of Mr. and Mrs. Sigmund Morey, of Elmsford, N. Y. The story then went on to say that Miss Wolfe graduated from Fieldston School in 1937, and graduated cum laude from Smith College last June. Mr. Morey, not to be outdone by his fiancee's academic accomplishments, attended Peddie School, and is now the Executive Vice-President of the Morey Machinery Company of Astoria, L. I. . . . The whole thing gave us quite a start. We suddenly realized that old age was slowly creeping up on us. For the Mr. Joseph Wolfe, of Purchase, N. Y., and the father of Eleanor, is none other than Joe Wolfe, partner in Elliot & Wolfe. And we never dreamed he had a daughter old enough to even think of getting married . . . Tempus Fugis.

We just ran across a story which we suspect our informant got third or maybe fourth hand, but as we have no way of checking it we merely repeat it. Two lawyers, one representing an estate and the other a corporation, were engaged in transferring some securities. What with the N. Y. transfer tax and everything it was decided that the actual transaction should take place in New Jersey. So the two lawyers hired a taxi and when they got to Jersey City asked the driver to pull over. "I, representing (such and such an estate), do hereby sell to you such and such securities," said lawyer number one. "I, representing (naming the corporation), do hereby purchase said securities." During these formalities the cab driver looked at them blankly. Finally one of the attorneys, a little shame-faced, said to the driver, "All this must seem pretty silly to you." "Nah," replied the hackie, "I know how it is when a guy takes a couple of drinks."

[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.]

Railroad Securities

(Continued from page 549)

of that road as do the new proposed fixed and contingent charges to Missouri Pacific's gross. The proportion of contingent requirements would be larger in the latter case, however. The fallacy of this reasoning is that hardly any one would be so naive as to consider the Baltimore & Ohio reorganization conservative or as a permanent answer to the company's financial difficulties. It is notable that Baltimore & Ohio's 1st mortgage bonds still sell in the lower 60s. Another weakness found in the Alleghany proposal is that instead of meeting senior claims partly in a new fixed interest, 1st mortgage, and partly in income bonds, holders of the old 1st & refunding bonds would receive $1,000 face value of a single new bond with a split coupon. The bond, therefore, would be neither fish nor fowl, certainly not a conservative investment nor an institutional bond, and still a cut above the general run of income bond which attracts wide speculative interest.

The plan seems to have one advantage and that is that payment of the contingent interest would presumably be mandatory if earned. Thus, the right of the old bondholders to participate in full in earnings, when earnings are there, would be in no wise impaired, nor subjected to the whims of the Board of Directors. This point may carry considerable weight as it has been found in some past reorganizations that even where new stocks represent the claims of old bondholders there is a disinclination on the part of directors to act speedily on dividends. Many old bondholders consider it as their inalienable right to collect their income when there are sufficient earnings available, and if this income is not made available through dividend distributions there is apt to be a rising clamor for larger income bond issues where income payments will be mandatory. It is to be hoped that this trend may be avoided.

Cecil Condit Now With Webber, Darch & Co.

CHICAGO, ILL.—Cecil O. Condit has become affiliated with Webber, Darch & Co., 208 South La Salle Street. Mr. Condit, a specialist in Chicago traction securities for almost twenty years, will continue to handle tractions. He was formerly with Paine, Webber & Co., Paul H. Davis & Co., McGraw & Co., Farwell, Chapman & Co., and in the past was an officer of J. A. Francoeur & Co.

UP-TOWN AFTER 3

PLAYS

the worst thing that could have been said of Ben Hecht's **Lilly of the Valley** was that its message was difficult to understand. Still, the current season hasn't been enriched by so many important plays that anything by Ben Hecht could have been as bad as the dramatic critics said **Lilly of the Valley** was. Not being an adept at stagecraft or playwriting I found it completely absorbing. If I couldn't understand the fantasy I blame this on myself, not on the playwright. For the lines were powerful, the performance excellent and direction competent. It told of the lives of a half dozen assorted corpses who came to life in a city morgue and relived their little struggles. It was the story of the little people who get kicked around and finally end up as "unidentified" on the slabs of city morgues.

MOVIES

The shades of the Chicago of Al Capone are reenacted in **Roxie Hart** (20th Century-Fox), with side-tickling results. Ginger Rogers as the publicity-hungry wife of a meek, but righteous husband takes the rap for a murder she didn't do in order that reams of newspaper and magazine space be devoted to her. The courtroom scene is hilarious. Her attorney, Adolph Menjou, arranges for pictures, radio broadcasting, sob sisters, and all the rest of the build up that results in no Chicago jury ever finding a pretty girl guilty. . . . Warner Bros. has come out with another long picture (it seems if longer pictures are made, Warner will make them), this one is called **Captains of the Clouds.** It's all in technicolor, full of gorgeous scenes of the Canadian back country, flying schools, air fields, not to mention Brenda Marshall who is photogenic indeed. It all begins when a group of bush pilots (Dennis Morgan, Alan Hale, George Tobias, Reginald Gardiner) are hi-jacked out of their jobs by the tough, red-headed, two-fisted ladies' man, Jimmy Cagney. Of course they all meet and eventually make up. But a love affair in which Cagney steals the lovely Miss Marshall away from Morgan busts the thing wide open again and the spurned suitor joins the CRAF. Eventually, the whole group join up. Some manage to stay in and the others are busted. The final scene, when the group, ferrying bombers over the Atlantic, run into a Nazi plane, is a hair raising thriller. . . . Already the MGM drum thumpers are beginning to sound off on the merits of **Woman of the Year,** slated to be shown sometime this month. If it isn't another **Philadelphia Story** it is almost as amusing. The lady in the case, a combination of Dorothy Thompson, Claire Booth and Doris Duke, is Katherine Hepburn. On night while on Information Please, she sounds off on the silliness of our national pastime, baseball, which is heard by Spencer Tracy, who is the ace sports columnist. He sails into her (via the typewriter, naturally, for he is a gentleman). She fights back. They meet. They like each other. They get married. But life isn't one of those idyllic things. She has her work and he has his, so they separate. However, she recalls the sacredness of the nuptial vows, so full of remorse she finds him and they start over again.

TABLES 'N' BARS

Backed by such socialites as Mr. and Mrs. John R. McLean, Mr. and Mrs. J. A. McVicker, the Henry Toppings, Jr., Spencer Eddy, Curt Reisinger, John A. Vietor, and others of equal fame, David Cowles, who used to be part and parcel of the Wall Street that used to be, opened a small restaurant at 244 E. 51st St., which he named the **Penguin Club.** It's a small, but cozy spot that was once somebody's private residence. It's full of fireplaces where patrons are, if they see fit, permitted to broil their steaks. Though I suspect that if anybody tried they'd get their arms broken. It's a downstairs kind of a place, beautifully decorated, and the night I visited it I found it full of the Wall Street old guard. If you want to hide away, it has a small room called the library. If you want to look down, you can climb the balcony. If you want to be seen as well as see, you can be on the main floor. Still, in spite of the balconies and little hideaways the place is small, and it would be better if you phoned ahead and made reservations. The cooking is excellent and all breads and pastries are made (so Dave Cowles assured me) right on the premises. . . . If you like a night club with a show that is a show, better drop in at the **Martinique** (57 W. 57th). Produced, designed and directed by the Music Hall's Nat Karson, it has about everything. The girls in the line are actually all beautiful, but besides that they can also dance. The comedy is taken care of by Romo Vincent, the rotund Lone Ranger, the bellicose cop or the fire-fighting Mayor La Guardia. He does each well. Mata and Hari in their satirical dances are as funny as ever. The singing chores are capably handled by Rosita Rios, the Latin singer, who depends on her voice rather than on her hips for applause. Music is by Val Olman and the rhumbas by H. Curbelo. Even the finale of the show is different. The girls come out into the audience and sell Defense Stamps. This will not only permit you to be patriotic, but you may even snare a phone number or two.

Rail Study Interesting

The latest issue of the Railroad Bond Letter issued by Leroy H. Strasburger & Co., 1 Wall Street, New York City, includes a special study on Lehigh Valley Terminal first 5s of 1941. Copies of the Letter, which should be of great interest, are available upon request from Leroy A. Strasburger & Co.

Johnson 100% For Defense

R. H. Johnson & Co., 364 Wall Street, New York City, announce that employees of the firm have subscribed 100% to a payroll allotment plan for the purchase of United States Defense Bonds and Stamps. The firm has 126 employees in 9 offices.

Calendar of New Security Flotations

OFFERINGS

CHESAPEAKE CORPORATION OF VIRGINIA

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

Address—West Point, Va.

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

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

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

Proceeds will be received by the selling stockholders

Registration Statement No. 2-4895. Form A2. (11-24-41)

Chesapeake Corp. of Virginia filed an amendment with SEC to its registration statement, disclosing that 104,813 shares of its outstanding common stock, $5 par, would be offered to the public at $12.50 per share. Proceeds will be received by certain selling stockholders. Underwriters, and number of shares underwritten by each, are as follows: Scott & Stringfellow, 25,157; Merrill Lynch, Pierce, Fenner & Beane, 20,156; A. B. Becker & Co., 15,000; Green, Ellis & Anderson, 11,500; R. S. Dickson & Co., 8,000; Alex. Brown & Sons, 7,500; W. W. Lanahan & Co., 7,500; Investment Corp. of Norfolk, 5,000; Merrill Lynch & Co. (Newark), 5,000.

Offered Feb. 4, 1942 at $12.50 per share by Scott & Stringfellow and Merrill Lynch, Pierce, Fenner & Beane

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 5¼ shares of 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)

Effective—11:45 a.m. E.S.T. on Jan. 21, 1942 as of 4:45 p.m. E.S.T. Jan. 12, 1942

Offered Feb. 4, 1942 by underwriting group headed by Glore, Forgan & Co. and Kidder Peabody & Co. which was awarded the securities in competitive bidding on Feb. 2. The bonds were offered at 100.75 and int. and the pref. stock at $104 per share and div.

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.

TUESDAY, FEB. 10

FISHER BROTHERS CO.

Fisher Brothers Co. has filed a registration statement with the SEC for $1,000,000 of 15-year Sinking Fund Debentures, due 1957. Interest rate will be supplied by amendment to the registration statement.

Address—Cleveland, Ohio.

Business—Operates a chain of retail food stores.

Underwriting—Principal underwriter is Merrill Lynch, Pierce, Fenner & Beane; others will be named by amendment.

Offering—Public offering price of the Debentures will be supplied by amendment.

Proceeds will be applied toward the payment of all outstanding bank loans of the company.

Registration Statement No. 2-4932. Form A2 (1-22-42-Cleveland)

THURSDAY, FEB. 12

RELIANCE ELECTRIC & MANUFACTURING CO.

Reliance Electric Manufacturing Co. filed registration statement with SEC for 7,500 shares of $5 Cumulative Convertible Preferred Stock, no par value; and 37,500 shares of common stock, $5 par value, the latter to be reserved for issuance upon exercise of the conversion privilege of the preferred stock.

Address—Cleveland, Ohio.

Business—Engaged in the manufacture and sale of electric motors, generators, motor-generator sets, mine motors, etc.

Underwriting and Offering—The preferred stock will be offered to the public; offering price and names of the underwriters will be supplied by later amendment.

Proceeds will be used to restore cash reserve of company, and for working capital.

Registration Statement No. 2-4933. Form A2 (1-24-42-Cleveland)

SUNDAY, FEB. 15

KEYSTONE CUSTODIAN FUNDS, INC.

Keystone Custodian Funds, Inc., filed a registration statement with the SEC for 100,000 shares of Keystone Custodian Fund Full Certificates of Participation, Series "B-2"

Address—50 Congress St., Boston, Mass.

Business — Company is an investment trust; each Keystone Fund is a strict trust fund, operating under a trust agreement which specifies and controls each step in its operation

Underwriting and Offering—The Series "B-2" Certificates of Participation will be sold to the public at the market, the issue being sponsored by the depositor

Proceeds will be used for investment purposes

Registration Statement No. 2-4942. Form C-1 (1-27-42)

Keystone Custodian Funds, Inc., also filed a registration statement with SEC for 100,000 shares of Keystone Custodian Fund Full Certificates of Participation, Series "S-2," to be sold to the public at the market, and the proceeds to be used for investment purposes

Registration Statement No. 2-4943. Form C-1 (1-27-42)

MONDAY, FEB. 16

LIBERTY AIRCRAFT PRODUCTS CORP.

Liberty Aircraft Products Corp. filed registration statement with SEC for 60,000 shares Cumulative Convertible Preferred Stock, no par (dividend rate to be supplied by amendment), and 120,000 shares $1 par value common stock, latter to be reserved for issuance upon exercise of conversion rights of the preferred stock

Address—Farmingdale, N. Y.

Business—Engaged in manufacture and processing of parts and equipment for aircraft to customers' specifications, upon order. Owns about 50% of the outstanding common stock of The Autocar Co., which is engaged chiefly in the manufacture and sale of medium and heavy-duty motor trucks

Offering—The preferred stock will be offered to the public at a price to be supplied by amendment; the proposed maximum offering price, based on the SEC filing fee, is $25 per share

Underwriting—E. H. Rollins & Sons, Inc., New York, is named principal underwriter; names of the other underwriters will be supplied by amendment.

Proceeds will be used to the extent of $900,000 toward part payment of outstanding bank loans, and the balance will be added to working capital

Registration Statement No. 2-4934. Form A2 (1-28-42)

TUNG GROVE DEVELOPMENT CO., INC.

Tung Grove Development Co., Inc., filed registration statement with the SEC for Contracts for sale of land and development of tung groves thereon, aggregating $450,000

Address—Ocala, Fla.

Business—Engaged in the planting, cultivation and care of tung groves on lands of others under contract or upon orders from such owners, in Marion and Citrus Counties, Fla. Business is now being expanded to include the purchase, sub-division and sale of lands in these counties for development in tung groves

Underwriting—Details of underwriting or distributing method to be employed, will be supplied by amendment

Offering—Company will offer, through the Contracts, land suitable for tung grove development, together with its contract for the clearing, planting and development of a tung grove thereon, in units of not less than 10 acres at a total price of $45 per acre, payable one-fourth down and the balance in 3 equal annual payments

Proceeds for working capital, as payment for land sold and for development work and materials

Registration Statement No. 2-4935. Form S2 (1-28-42)

GENERAL FINANCE CORP.

General Finance Corp. filed registration statement with SEC for 176,854 shares common stock, $1 par

Address—184 W. Lake St., Chicago, Ill.

Business—Company and subsidiaries engaged principally in discounting installment notes receivable secured by automobile conditional sales contracts and chattel mortgages, and advancing funds to automobile dealers on their short-term interest bearing notes secured by automobiles. Due to recent prohibition of sale of new automobiles and new tires,, company proposes to amend its charter so as to broaden the scope of its authority to do business

Underwriting—None

Offering—The 176,854 shares of common stock are reserved for issuance upon the exercise of certain outstanding Common Stock Purchase Warrants, latter entitling holders thereof to purchase 176,854 shares of common stock of company at price of $4 per share, during period from Mar. 4, 1942 through Mar. 4, 1947.

Proceeds will be added to working capital

Registration Statement No. 2-4936. Form A2 (1-28-42)

TUESDAY, FEB. 17

TREASURE MOUNTAIN GOLD MINING CO.

Treasure Mountain Gold Mining Co. filed a registration statement with the SEC for 150,000 shares common stock, 25 cents par value

Address—Denver, Colo.

Business—Company has been organized to develop and operate gold and silver mines on Treasure Mountain, in San Juan County, Colo.

Underwriting—None

Offering—Company will sell such shares directly to the public, at a price of 50 cents a share

Proceeds will be used for working capital

Registration Statement No. 2-4937. Form S3 (1-29-42)

WEDNESDAY, FEB. 18

LIQUID CARBONIC CORP.

The Liquid Carbonic Corp. has filed a registration statement with the SEC for 30,000 shares of Cumulative Preferred Stock, Series A, $100 Par. The dividend rate will be supplied by amendment to the registration statement

Address—3100 S. Kedzie Ave., Chicago, Ill.

Business—Business now done by company and its subsidiaries consists of the manufacture and sale of consumable products (carbonic gas and dry ice; extracts used in preparation of beverages and food; oxygen, acetylene and medical gases; and durable products (soda fountain bars, luncheonette equipment, ice cream cabinets, bottling equipment)

Underwriting — Principal underwriters are: Laird, Bissell & Meeds; Spencer Trask & Co.; Merrill Lynch, Pierce, Fenner & Beane, all of New York. Names of the other underwriters will be supplied by amendment

Offering—The preferred stock will be offered to the public, at a price to be announced in a later amendment to the registration statement

Proceeds will be used to extent of $700,000 toward the partial prepayment of an

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outstanding bank loan; remainder of the net proceeds will be added to company's working capital

Registration Statement No. 2-4938. Form A2 (1-30-42)

THURSDAY, FEB. 19

LERNER STORES CORP.

Lerner Stores Corp. has filed a registration statement with the SEC for $2,000,000 Ten Year Sinking Fund Debentures, due Jan. 1, 1952. Interest rate by amendment

Address—Baltimore, Md., and New York City

Business—This holding company operates, through its subsidiaries, a chain of 178 retail stores selling women's wearing apparel at moderate prices on a cash and carry basis

Underwriting—Merrill Lynch, Pierce, Fenner & Beane, of New York, are principal underwriters; others will be named by amendment

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

Proceeds will be advanced to Associated Lerner Shops of America, Inc. (N. Y.), which will use the net proceeds so advanced as additional working capital or will advance all or a part thereof to other subsidiaries for use as additional working capital

Registration Statement No. 2-4939. Form A2 (1-31-42)

SATURDAY, FEB. 21

UNION ELECTRIC CO. OF MISSOURI

Union Electric Co. of Missouri filed a registration statement with the SEC for 2,695,000 shares common stock, no par

Address—315 N. Twelfth Blvd., St. Louis, Mo.

Business—This subsidiary of The North American Co. is engaged primarily in the transmission, distribution and sale of electric energy, which it generates and purchases from its subsidiaries, serving the city of St. Louis, Mo., and portion of 5 adjacent Missouri counties and of 3 counties in Missouri adjacent to the company's Osage hydroelectric plant

Underwriting—Dillion, Dead & Co., New York, is named the principal underwriter. Names of the other underwriters will be supplied by amendment

Offering—The 2,695,000 shares of company's common stock are outstanding and are owned by its parent, The North American Co., who will receive the entire proceeds from the sale to the public of such shares

Registration Statement No. 2-4940. Form A2 (2-2-42)

ATLANTIC CITY ELECTRIC CO.

Atlantic City Electric Co. filed a registration statement with the SEC for 62,000 shares of Cumulative Preferred Stock, $100 par; dividend rate will be furnished by amendment

Address—Atlantic City, N. J.

Business—This subsidiary of American Gas & Electric Co. is engaged in the generation, transmission, distribution and sale of electric energy in the southern part of New Jersey, including Atlantic City, and is also engaged in furnishing hot water heating service in a limited area in Atlantic City and steam for heating to two customers at its Atlantic City plant. About 99% of gross revenues are derived from electric service

Underwriting and Offering—As soon as practicable after the registration statement becomes effective, company proposes publicly to invite proposals for purchase of 49,000 shares of the new preferred stock, under competitive bidding rule of Holding Company Act. Provision is made that the remaining 13,000 shares of new preferred stock registered will be offered under an Exchange Offer, as follows: holders of the 26,283 shares of $6 preferred stock held by the public will be entitled to receive one share of new preferred stock for each share of $6 preferred stock exchange, plus an amount in cash per share equal to the excess of the redemption price of $120 per share of the $6 preferred stock, plus accrued dividends to the date of redemption, over the initial public offering price of the new preferred stock. The exchange offer will expire not later than the fifth day after such offer is made. Should holders of the $6 preferred stock held by the public take more than 13,000 shares of new preferred stock under the Exchange Offer, then the number of shares of new preferred stock to be sold under competitive bidding will be reduced by such excess; and if less than 13,000 shares of new preferred are taken under the Exchange Offer, then the successful competitive bidders will have the option to purchase the additional shares represented by such deficiency at the same price per share as they have bid for the other shares

Public offering price, and the names of the underwriters, will be supplied by amendment

Proceeds from sale of the 62,000 shares new preferred stock, plus a capital contribution in cash of $2,500,000 to be made to company by American Gas & Electric Co., the parent company, will be used for following purposes: $3,059,200 to purchase from American Gas & Electric Co. 30,592 shares of $6 preferred stock (at its cost); $3,153,960 to be deposited with the redemption agent, for the redemption of 26,283 shares of $6 preferred stock (to be called for redemption at $120 per share), outstanding in the hands of the public; $2,500,000 to discharge open account indebtedness to American Gas & Electric Co.; and the balance for corporate purposes

Registration Statement No. 2-4941. Form A2 (2-2-42)

DATES OF OFFERING UNDETERMINED

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

AIR ASSOCIATES, INC.

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

Address—Bendix Airport, Bendix, N. J.

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

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

Offering—Preferred stock to be offered amendment.

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

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

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

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

Amendments filed Nov. 25, Dec. 13, Dec. 30, 1941 and Jan. 16, 1942 to defer effective date

CHAMPION PAPER & FIBRE CO.

Champion Paper & Fibre Co. registered with SEC $8,500,000 of first mortgage bonds, due Nov. 1, 1956 (interest rate to be filed by amendment); 40,000 shares $6 cumulative convertible preferred stock, no par; and an indeterminable number of shares of no par common stock, to be reserved for issuance upon conversion of the preferred stock

Address—Hamilton, O.

Business—Largest domestic manufacturer of the types of paper known in the trade as white papers and book papers, and is one of the largest domestic manufacturers of coated papers

Underwriters are W. E. Hutton & Co and Goldman, Sachs & Co., both of New York, N. Y.

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

Proceeds will be used to redeem the outstanding aggregate of $8,660,000 of 4¾% sinking fund debentures ($4,125,000 principal amount due 1950, at 104½; $4,535,000 principal amount of the 1938 Issue at 102¼), requiring $8,947,663. Balance of net proceeds will be added to working capital

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

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

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

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

Amendments filed Dec. 9, Dec. 27, 1941, Jan. 13 and Jan. 30, 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—61 Broadway, N. Y. C.

Business—Public utility holding company

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

Proceeds—To redeem $50,000,000 Deb 5s 1952; $4,750,700 Deb. 5s, due April 15, 1952; $50,000,000 Deb. 5s, 1961; to purchase $3,750,000 4% guaranteed serial notes due 1942-46 of Ohio Fuel Gas Co., a subsidiary, and $3,750,000 guaranteed serial notes of United Fuel Gas Co., a subsidiary, from the holders thereof; and to make a $3,402,090 capital contribution to Cinn., Newport & Covington Ry Co. to enable that Company to redeem its outstanding $3,303,000 1st & Ref. 6s, 1947

Registration Statement No. 2-4736. Form A-2. (4-10-41)

Amendments filed Nov. 18, Dec. 6, Dec. 24, 1941, Jan. 12 and Jan. 31, 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

The debentures will be offered to common stockholders in ratio of $1.90 of debentures for each share of common stock held

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

FLORIDA POWER & LIGHT CO.

Florida Power & Light Co. registered with SEC $45,000,000 First Mortgage bonds, due Oct. 1, 1971; $10,000,000 Sinking Fund Debentures, due Oct. 1, 1956; and 140,000 shares Cumulative Preferred Stock, $100 Par. Interest rates on the Bonds and Debentures, and the dividend rate on the preferred stock, will be supplied by amendment

Address—25 S. E. Second Ave., Miami, Fla.

Business—This subsidiary of American Power & Light (Electric Bond & Share System) is an operating public utility engaged principally in generating, transmitting, distributing and selling electric energy (also manufacture and sale of gas), serving most of the territory along the east coast of Florida (with exception of the Jacksonville area), and other portions of Florida

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

Proceeds will be applied as follows: $53,170,000 to redeem at 102¼, the $52,000,000 of company's First Mortgage 5s of 1954; $15,693,370 to redeem at $110 per share, the 142,667 shares of company's $7 preferred stock, no par. Further details to be supplied by post-effective amendment

Registration Statement No. 2-4845. Form A2. (9-17-41)

Amendments filed Nov. 27, Dec. 15, 1941, Jan. 2 and Jan. 20, 1942 to defer effective date

HAMILTON WATCH CO.

Hamilton Watch Co. filed registration statement with SEC for 39,382 shares 4½% 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 outsanding 6% preferred stock of the privilege of exchanging such stock for 33,054 of the 39,382 shares of 4½% preferred stock on basis of one share of 4½% 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 4½% preferred stock and $105, the redemption price of the 6% preferred), for each share of outstanding 6% preferred stock. Exchange offer expires Jan. 22, 1942. Any shares of 4½% 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)

Amendment filed Jan. 29, 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, Jan. 9 and Jan. 27, 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 3½% bonds, due Dec. 1, 1971, and $5,160,000 of 4½% 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 4½s, 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.

Iowa Southern Utilities Co. of Delaware has filed an amendment with the SEC to its registration statment originally filed Dec. 27, 1941. In this amendment, company states that it now proposes to offer to the public an issue of $5,000,000 of 4½% sinking fund debentures, due Dec. 1, 1971, instead of the originally proposed issuance of $10,000,000 of first mortgage 3½% bonds of 1971 and $5,160,000 of 4½% sinking fund debentures due Dec. 1, 1971. Proceeds from sale of the $5,000,000 of debentures will be used to retire the outstanding general mortgage 4½% sinking fund bonds of 1950 and the 6% Series A debentures. The first mortgage 4% bonds due 1970, now outstanding, will not be called for redemption.

Underwriters for the debentures are the same as originally announced, with exception that Glore, Forgan & Co. is replaced by Goldman, Sachs & Co., among the 15 underwriters forming the syndicate. The public offering price will be supplied by later amendment.

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)

Amendments filed Jan. 10 and Jan. 26, 1942 to defer effective date

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)

PUBLIC SERVICE CO. OF INDIANA, INC.

Public Service Co. of Indiana, Inc., registered with SEC $42,000,000 first mortgage series D 3⅜% bonds, due Dec. 1, 1971

Address—110 N. Illinois St., Indianapolis, Ind.

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

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

Proceeds, plus other funds of company if necessary will be applied to redemption, within 40 days after issuance of the bonds, of the $38,000,000 of Public Service Co. of Indiana first mortgage series A 4% bonds, due Sept. 1, 1969, at 106½ and accrued interest; and $4,000,000 of the net proceeds will be deposited with the trustee under the series D indenture and will be used in accordance with the provisions of the indenture

Registration Statement No. 2-4893. Form A2. (11-22-41)

Effective—10 a.m. E.S.T. on Dec. 6, 1941

No bids for the purchase of the bonds were received on Dec. 16, 1941

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 whiskies 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 unstated 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 3¼% 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. Hutton & 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; Riter & 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

Amendment filed Jan. 31, 1942 to defer effective date

VIRGINIA PUBLIC SERVICE CO.

Virginia Public Service Co. filed a registration statement with the SEC for: $22,800,000 first mortgage 3½% bonds, due Dec. 1, 1971; $5,700,000 of 2%-3½% serial notes, due semi-annually June 1, 1944-Dec. 1, 1951, in varying amounts (from $320,000 to $390,000); 70,000 shares 5¼% 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, Jan. 10 and Jan. 31, 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 Dissolution, 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)

Toronto Stock Exch. To Trade During NY Hours

TORONTO, ONT., CANADA—The Management Committee of the Toronto Stock Exchange has announced that the Exchange will return, effective Feb. 9, to the former trading hours of 10 a.m. to 3 p.m., Eastern Daylight Time, to conform to the trading hours to be adopted by the New York Stock Exchange under "War" Time.

Ryan-Nichols & Co. In New St. Louis Quarters

ST. LOUIS, MO.—Ryan-Nichols & Co. announce that their local office is now located at 903 Landreth Building; the telephone number remains the same. The removal was made by Ryan-Nichols & Co. to cooperate with the Government in making their previous offices available to the Rural Electrification Administration, which is being moved to St. Louis in the interest of the Nation's all-out war effort.

Curb Seat Retirement

Arrangements have been made by the New York Curb Exchange to purchase and retire the membership of Charles Watson, 3rd, for $1,000. When arrangements for the sale are completed, the Exchange will have retired 30 seats and reduced the number of regular memberships to 520.

Block of J. P. Morgan Co. Capital Stock Offered To Public At $206 Per Share

(Continued from First Page)

The company's operating personnel consists of 33 officers and 623 employees.

Comparative Condensed Statements of Condition

	Dec. 31, 1941	Dec. 31, 1940	Mar. 30, 1940
Assets—			
Cash on hand and on deposit in banks	$251,630,571	$271,914,851	$147,163,051
U. S. Government securities, direct and fully guaranteed	356,023,513	361,333,144	387,093,168
State and municipal bonds and notes	33,993,423	67,623,066	49,353,015
Other bonds and securities (including shares of Morgan Grenfell & Co. Ltd.)	21,891,023	19,666,750	15,498,138
Loans and bills purchased	63,918,203	35,849,992	28,651,621
Accrued interest, accounts receivable, etc.	1,817,374	1,433,777	1,862,076
Investment in banking premises	4,000,000	4,000,000	4,000,000
Liability of customers on letters of credit and acceptances (per contra, less prepayments)	16,451,305	11,042,612	9,918,615
Total	$749,725,411	$772,864,193	$643,539,683
Liabilities—			
Deposits	$689,361,244	$719,913,403	$591,965,866
Accounts payable and miscellaneous liabilities	1,936,263	1,132,471	213,451
Acceptances outstanding and letters of credit issued	17,213,363	11,503,829	11,360,366
Capital (par $100 per share)	20,000,000	20,000,000	20 000 000
Surplus	20,000,000	20,000,000	20,000,000
Undivided profits	1,214,541	314,489	------
Total	$749,725,411	$772,864,193	$643,539,683

United States Government obligations and other securities carried at $7,331,563 as of March 30, 1940; at $9,947,837 as of Dec. 31, 1940, and at $52 553,765 as of Dec. 31, 1941, in the above statements were pledged to qualify for fiduciary powers, to secure public moneys as required by law, and for other purposes.

	Dec. 31, 1941	Dec. 31, 1940	Mar. 30, 1940
Amount of reserves applied in reduction of assets in arriving at valuations shown above	$1,527.731	$1.829 500	$3,342.554
Book value per share	$200	$202	$206

The company follows the policy of valuing all United States Government and general market securities, when purchased at a premium, at amortized cost, and all securities, when purchased at or below par, at the lower of cost or market. As of Dec. 31, 1941, the holdings of United States Government securities averaged just under five years to maturity or earlier call date grouped as follows:

Within one year	$79,000,000
From one to four years	136.000.000
From four to ten years	80,000,000
Over ten years	44,000,000

These securities stood on the books of the company at an amortized cost of $356,023,513, which was about $2,730,000 above the market therefor (based on bid prices) on Dec. 31, 1941.

The banking premises are carried at approximately $1,800,000 below the assessed valuation thereof and, as stated above, the stock of Morgan Grenfell & Co. Ltd. is carried at approximately $1,000,000 below the book value thereof at current exchange valuations and $3,342,553 of reserves have been applied to the further reduction of asset valuations in the condensed statement of financial condition as of Dec. 31, 1941. It is believed, therefore, that the asset valuations are conservatively stated and that the asset values per share of stock are at least equal to the book value shown above.

Earnings for Periods Ended Dec. 31

	Year End. Dec. 31, 1941	9 Mos. End. Dec. 31, 1940
Gross income—net earnings from interest received and accrued	$4,113,264	$2,113,300
Fees and commission received	2,689,966	1,324,497
Security profits realized	1,658,842	606,560
Total	$8,462,072	$4.044,357
Expenses—operating expenses paid and accrued	3,579,806	2,764,131
Taxes and miscellaneous	792,421	335,737
Total	$4,372,227	$3,099,868
Net earnings	$4,089,845	$944,489
Dividends paid	800,000	------
Net income after dividends	$3,289,845	$944,489
Net amount credited to undivided profits	900,052	314,489
Transferred to reserves	$2,389,793	$630,000
Net earnings per share—		
Including security profits realized	$20.45	$4.72
Exluding security profits realized	12.15	1.69

Reserves

	Year End. Dec. 31, 1941	9 Mos. End. Dec. 31, 1940
Reserves at beginning of period	$1,829,499	$1,527,731
Add—		
Transferred from undivided profits	2,389,793	630,000
Reserved from current income before arriving at net earnings shown above	139,481	304,320
Amount previously deducted for revaluation of securities not sold	331,194	------
Miscellaneous credits	1	15 830
Total	$4,689,968	$2,477,881
Deduct—		
Retirement allowances	139,481	128,124
For revaluation of securities not sold	509,826	331,194
Organization expenses	------	80,113
Losses on securities sold	------	108,951
Write-down of shares of Morgan Grenfell & Co., Ltd.	550.501	------
Termination payment on lease cancellations	147,607	------
Total deductions	$1,347,415	$648 382
Balance in reserves at end of period	$3,342,553	$1,829,499

Dividends

An initial dividend of $1 per share was paid on June 16, 1941. On Sept. 15 and on Dec. 15, 1941, dividends of $1.50 each were paid.

Additional Compensation Plan

There is in effect a plan which provides that the company may, in the discretion of its board of directors, make payment in whole or in part for services rendered to the Company during any period by any officer or officers (including officers who are directors), out of the net earnings for such period in excess of 6% per annum on the capital, surplus and undivided profits, of a sum not to exceed the lower of 50% of such excess net earnings for such period or an amount equal to that proportion of $500,000 which such period bears to a full fiscal year, provided

(a) Dividends at the rate of at least 8% per annum for such period shall have been declared and paid or payment provided for, and

(b) 5% per annum shall have been earned accumulatively on the capital, surplus and undivided profits during the preceding six fiscal years (or from the commencement of business if that be less than six years).

Management and Ownership

The principal officers of the company are as follows: J. P. Morgan, Chairman of the Board; Thomas W. Lamont, Vice-Chairman of the Board, Chairman of the Executive Committee; R. C. Leffingwell, Vice-Chairman of the Executive Committee; George Whitney, President; Arthur M. Anderson, Thomas S. Lamont, H. P. Davison, Charles D. Dickey, Henry C. Alexander, I. C. Raymond Atkin, William A. Mitchell, John M. Meyer, Jr., Stuart W. Cragin, Vice-Presidents; Longstreet Hinton, Vice-President and Trust Officer; Leonhard A. Keyes, Vice-President and Secretary; Sidney Lanier, Treasurer; Hartland S. West, Comptroller.

The directors of the company are: J. P. Morgan, Thomas W. Lamont, Junius S. Morgan, George Whitney, R. C. Leffingwell, Francis D. Bartow, Arthur M. Anderson, Thomas S. Lamont, H. P. Davison, Charles D. Dickey, Henry C. Alexander, I. C. Raymond Atkin and W. A. Mitchell.

Pursuant to the approval of its stockholders, the company received as a contribution and now holds all of the $150,000 authorized and paid-up capital stock of Morgan & Cie. Incorporated, an investment company organized under the banking laws of the State of New York to conduct a banking business in France. If the necessary approvals of the authorities in France are obtained, it is proposed that this company, which has not yet commenced business, will acquire all or certain of the assets of Morgan & Cie., a French partnership in which the firm of J. P. Morgan & Co. in liquidation has an interest. The operations of this company may be further delayed or hampered by wartime legislation and regulation. The stock of Morgan & Cie. Incorporated is carried on the books of the company at a value of $1.

As permitted by the laws of the State of New York, the company, in common with many other banks, has adopted a by-law in effect indemnifying each director against reasonable expenses actually and necessarily incurred by him in connection with the defense of any action, suit or proceeding in which he has been made party by reason of his being or having been a director, except in relation to matters as to which he shall be adjudged in such action to be liable for negligence or misconduct in the performance of his duties as such director. No action is now pending or, so far as the Board of Directors is aware, is threatened against any director of the Company as such.

Our Reporter On "Governments"

(Continued from First Page)

get at your tax-exempts? If you do, all right; sell your tax-exempts, shift into taxables now and avoid the violent price fluctuations ahead; if you don't, be calm and stop losing money and ignore the day-to-day rumors. . . .

Of course, Morgenthau would like to get at the tax-exempts—outstanding Federals, States and municipals, for there are $20,000,000,000 tax-exempt State and municipals out; $9,900,000,000 fully tax-exempt Federal issues out, and $36,000,000,000 partially tax-exempt Treasuries out. . . .

But the question is, not what he wants, but what he can get. . . . And the best opinion is Congress will not accede to his desire to tax outstanding States and municipals for many, many a month. . . .

As for taxing the Federals, here's Morgenthau's comment for the record. . . .

"I feel that there is a contract which stands between the Federal Government and holders of these Federal tax-exempt securities. I don't intend directly or indirectly to break that Government contract or to circumvent it." . . .

Here's Federal Reserve Board Chairman Eccles' comment, too:

"While I do not see how taxation can be levied in good faith on the tax-exempts already issued, there should be a discontinuance of this inequitable practice so far as all future refunding or new issues are concerned." . . .

(That was said at a conference of Mayors, Jan. 13. No one is talking about future issues, though, so let's just study the first part of that sentence.) . . .

Now on getting at the tax-exempts indirectly, here's Assistant Secretary of the Treasury Sullivan's comment:

"We have not considered lowering the normal tax on individuals or corporations. On the other hand, we are opposed to any increases in the normal tax and we think that any increase that Congress considers should be increases in surtaxes rather than in normal taxes. The reason why we are not considering a reduction in the normal taxes is, as the Secretary said, we do not wish to attempt to do by indirection what we think we can not openly accomplish directly." . . .

If you think they're all putting themselves on record as opposed to taxing outstanding exempt Federals while they're planning diabolical moves to do exactly the opposite, all right, go ahead—be scared by rumors and get caught in the dual market setup every week. . . .

If you can't see how they'll get at the outstanding exempts for some time, stop worrying and judge the situation intelligently. . . .

(Obviously from the way this is written, this writer condemns the fear-psychology.) . . .

Since early January, the 2¾s of 1965-60 have declined over 1 point while long taxable bonds have risen about ½ point. . . .

A story in a sentence. . . .

Direct Sales Of U. S. Bonds

There's also been a lot of gossip lately about the terrific inflationary implications of the second war powers bill's provision, allowing the Reserve Banks to buy Government securities direct from the Treasury. . . . Ohio Senator Taft, for instance, said this clause "opens the road to complete inflation." . . . The headline writers of the country highlighted the new authority. . . .

If inflation—or when inflation—comes, it won't be solely because of direct sales of bonds to the Reserve System, whether they are non-interest-bearing, non-negotiables or whether they carry 3% interest.

This new authority is just another in a long list of unparalleled financing devices at the disposal of the Treasury. . . . Consider the inflationary implications of the Thomas Amendment to the Agricultural Adjustment Act of 1933, for instance. . . . It never has been made effective, but it's there just the same. . . . Consider the fact that the Stabilization Fund's $2,000,000,000 may be used at any time to help finance the war. . . . Just study the devices already in existence before you go off worrying about this latest one. . . . Then this provision will fall into its proper perspective. . . .

It isn't the power itself that matters. It's how it's used. . . .

Phila. Bowlers Are Out For STANY Blood

PHILADELPHIA, PA.—The Investment Traders Association of Philadelphia have appointed a Bowling Committee, headed by Al Tryder, of H. T. Greenwood & Co., assisted by Steve Massey, of Parrish & Co., and Edward Caughlin, of W. H. Bell & Co., to make preparations for a team of 15 bowlers to meet the bowlers of the Security Traders Association of New York, on the night of Feb. 11, in New York City. The Philadelphia bowlers are out for victory and hope to repeat their two-way blitz of 1941 over the New York team.

Members of the Philadelphia team already chosen are: Herbert Blizzard, Herbert H. Blizzard & Co.; Floyd Justice, Butcher, Sherrerd & Co.; E. G. Zuber, Suplee, Yeatman & Co.; Russell M. Ergood, Yarnall & Co.; Russell Dotts, Bioren & Co.; Tim McFarland, First Boston Corp.; Walter Schumann, Dolphin & Co.; Victor Mosley, Stroud & Co.; Frank Hass, Rufus Waples & Co.; Ellwood Robinson, A. Webster Dougherty & Co.; Charles Wallingford and Newton H. Parkes, Jr., E. H. Rollins & Sons, Inc.

Many of the members of the Association are planning to attend the fray.

FDR Proclaims Feb. 11 As Thomas Edison Day

President Roosevelt on Jan. 29 proclaimed Feb. 11 as Thomas Alva Edison Day—the date of the birthday of the late inventor. The President called upon "the officials of the government to display the flag of the United States on all government buildings on that date," and invited "the people of the United States to observe the day in schools and churches, or other suitable places, with appropriate ceremonies." In his proclamation the President stated that "the American people remember with deepest admiration and gratitude the achievements of Thomas Alva Edison and his contributions to the modern way of living; and in contemplating that the birth of Edison occurred on Feb. 11, 1847, in a small community in Erie County, Ohio, he added:

> We are inspired with the faith that our country will be blessed in every generation with young people of practical minds and breadth of vision, resourceful in utilizing the forces of nature for the benefit of mankind.

The proclamation was issued under a joint resolution of the Senate and House adopted on July 17, 1941, requesting that the day be proclaimed by the President for proper observance.

W. J. Candrian Joins Hixon, Stewart & King

CHICAGO, ILL. — William J. Candrian has become associated with the Chicago Stock Exchange firm of Hixon, Stewart & King. For the past five years he was with Kneeland & Co. in the public utility and industrial stock department.

Roosevelt In Address Sees Faith In Future Progress And Success For Security Of Humanity

President Roosevelt in a radio address the night of Jan. 30 thanked all those gathered throughout the nation in celebration of his 60th birthday for the benefit of the National Foundation for Infantile Paralysis. Speaking from the White House, the President said that the celebrations at this time of world tragedy means that "we have an abiding faith in the future—a definite expectancy that we are going to win through to a peace that will bring with it continuing progress and substantial success in our efforts for the security and not for the destruction of humanity." He went on to declared that "our enemies must at this moment be wondering—if they are permitted to know what goes on—how we are finding the time during the grim business of war to work for the cause of little children. For, under the enemies' kind of government, there is no time, there is no interest in such things—no time for ideals; no time for decency; no interest in the weak and the afflicted." He added that the "United Nations" continue "to support our tasks of humanity in time of war as in peace" through the voluntary help of the people.

The President also said that he had been authorized by the Trustees of the National Foundation for Infantile Paralysis to announce that county chapters may use part of this year's funds to give special assistance to the children of soldiers, sailors and marines who may fall victim to the disease. He also asserted that he had been "made additionally happy by the fact that in many of our sister republics of the Americas * * * parties and celebrations are being held today to provide needed help to the children in those lands."

Among the many congratulatory telegrams received by the President was the following message sent by Gen. MacArthur and his men in the Philippines:

> Today, Jan. 30, the anniversary of your birth, smoke-begrimed men, covered with the marks of battle, rise from the foxholes of Bataan and the batteries of Corregidor to pray reverently that God may bless immeasurably the President of the United States.

King George VI and Queen Elizabeth and Prime Minister Churchill sent birthday greetings to the President from London where the occasion was widely observed.

Queen Wilhelmina of the Netherlands also sent a congratulatory message from London.

H. Jerome Ayers With Harriman Ripley Co.

H. Jerome Ayers has become associated with Harriman Ripley & Co., Incorporated, 63 Wall Street, New York City, in their corporate trading department to handle public utility issues. Mr. Ayers was formerly manager of the bond department for A. M. Kidder & Co. and was with R. W. Pressprich & Co.

Kennedy Bond Mgr. For A. M. Kidder Co.

Walter V. Kennedy has become associated with A. M. Kidder & Co., 1 Wall Street, New York City, members of the New York Stock Exchange and other leading exchanges as manager of their bond department. Mr. Kennedy was formerly manager of the bond department for Newman Bros. & Worms and prior thereto was in charge of the trading department of the New York office of A. C. Allyn & Co., Inc.

G. W. Byram Joins Geo. I. Griffiths

(Special to The Financial Chronicle)

CLEVELAND, OHIO — George W. Byram has become associated with George I. Griffiths & Co., Union Commerce Building. Mr. Byram was formerly proprietor of Byram & Co. and in the past was with Bliss Bowman & Co., A. B. Leach & Co., Otis & Co. and the Union Trust Co. of Cleveland.

$25,000,000 Panhandle Securities Offered

Glore, Forgan & Co. and Kidder, Peabody & Co. and associates on Feb. 4 offered $25,000,000 bonds and preferred stock of Panhandle Eastern Pipe Line Co. The group was awarded the issues at competitive bidding on Feb. 2.

Included in the offering are $10,000,000 first mortgage and first lien 3% bonds, due 1962, which are priced at 100.75 and accrued interest, and 150,000 shares of 5.60% cumulative preferred stock, par $100, priced at $104 a share plus accrued dividends. Sale of the preferred is subject to an offer of certain of the shares, not exceeding an aggregate maximum of 14,000 shares, to holders of 63,566 shares of the outstanding common stock of Panhandle Eastern.

Net proceeds from the sale of the securities will be used by the company approximately as follows: $11,269,000 for the purchase of properties consisting of natural gas distributing systems and pipe lines in Michigan, Indiana and Ohio; $10,000,000 to redeem all of the company's outstanding Class A preferred stock, the balance to the payment in part of the cost of construction work now authorized.

Upon the completion of the present financing the outstanding funded debt of the company will comprise $28,250,000 of first mortgage and first lien bonds, series A, B and C; $5,000,000 of serial notes; and $14,256 of leasehold purchase obligations. The outstanding capitalization will be 150,000 shares of 5.60% cumulative preferred stock; 10,000 shares of Class B preferred stock; and 807,367 shares of common stock.

Other members of the underwriting group, in addition to Glore, Forgan & Co. and Kidder Peabody & Co., are: The First Boston Corp., Blair & Co., Inc., Hornblower & Weeks, W. E. Hutton & Co., White, Weld & Co., Lee Higginson Corp., Eastman, Dillon & Co., Hemphill, Noyes & Co., Harris, Hall & Co., (Inc.), Hallgarten & Co., Bodell & Co., Inc., G. M.-P. Murphy & Co., Graham, Parsons & Co., Baker, Weeks & Harden, Mitchum, Tully & Co., The Wisconsin Co., Dean Witter & Co., E. W. Clark & Co., R. S. Dickson & Co., Inc., Moore, Leonard & Lynch, Maynard H. Murch & Co., Singer, Deane & Scribner, Pacific Co. of California, J. M. Dain & Co., Clement A. Evans & Co., Inc. and Quail & Co.

Darrow & MacElvain At Jackson & Curtis

(Special to The Financial Chronicle)

CLEVELAND, OHIO—John N. Darrow and Clarence N. MacElvain have become connected with Jackson & Curtis, Union Commerce Building. Both were formerly associated with Otis & Co., Mr. MacElvain in the corporation department and Mr. Darrow in the municipal department.

R. N. Jacobs Joins Blyth In Chicago

(Special to The Financial Chronicle)

CHICAGO, ILL.—Rex N. Jacobs has become affiliated with Blyth & Co., Inc., 135 South LaSalle Street. Mr. Jacobs was formerly an officer of Knight, Dickinson & Co. and its predecessors, with which he had been connected for a great many years.

Lohrman Celebrates Tenth

Wm. E. Lohrman Co., 76 Beaver St., New York City, is celebrating the tenth anniversary of the firm, which was established in 1932 during "black February."

Emdon Fritz To Manage Hirsch Lilienthal Dept.

Emdon Fritz has become associated with Hirsch, Lilienthal & Co., 25 Broad Street, New York City, members of the New York Stock Exchange and other Exchanges, as manager of the bond department. Mr. Fritz was formerly assistant vice-president of Schoellkopf, Hutton & Pomeroy of Buffalo with headquarters in New York City. Prior thereto he was a partner in Blecker & Fritz and was with Dick & Merle-Smith.

Keenan & Bradley Are Now With Davies & Co.

(Special to The Financial Chronicle)

LOS ANGELES, CALIF. — Charles Richard Bradley and John J. Keenan have become associated with Davies & Co., Pacific Mutual Building. Mr. Keenan was formerly manager of the Trading Department for Fox, Castera and Co. with which Mr. Bradley was associated as manager of the Sales Department.

Arthur A. Green With Union Security Co.

(Special to The Financial Chronicle)

CHICAGO, ILL. — Arthur A. Green has become associated with Union Security Company, 29 South La Salle Street. Mr. Green was formerly manager of the real estate bond department of Anderson, Plotz & Company, Inc. with which he had been associated for many years.

Townsend Allen To Be Ira Haupt Co. Partner

Townsend E. Allen will become a partner in Ira Haupt & Co., 39 Broadway, New York City, members of the New York Stock Exchange and other leading exchanges. It is proposed that Mr. Allen act as alternate for Martin Scherk on the floor of the Exchange under section 15, Article IX.

Results Of Treasury Bill Offering

Secretary of the Treasury Morgenthau announced on Feb. 2 that the tenders for $150,000,000 or thereabouts, of 91-day Treasury bills, to be dated Feb. 4 and to mature May 6, 1942, which were offered on Jan. 30, were opened at the Federal Reserve Banks on Feb. 2. The following details of this issue are revealed:

Total applied for ______ $410,057,000
Total accepted ______ 150,092,000

Range for accepted bids:

High—100.

Low—99.937. Equivalent rate approximately 0.249%.

Average Price—99.944. Equivalent rate approximately 0.220%.

(89% of the amount bid for at the low price was accepted.)

There was a maturity of a similar issue of bills on Feb. 4 in amount of $150,098,000.