N. Y. State Transfer Laws Should Be Amended

Now is the time for Albany to end the long-standing and destructive burden of the State stock transfer tax as increased for "emergency" revenue in 1932 and continued down to this day.

Two reasons exist to make rescinding of the tax desirable.

First, the figures now overwhelmingly support the Wall Street district in its argument that the tax, like the capital gains tax, does the tax-collecting agency more harm than good.

Second, the pressure for immediate and heavy revenue is above the necessity.

It has long been the contention both of the local Exchanges and of the Over-the-Counter business, that the present stock transfer tax, by far the highest in the United States, has definitely turned business away from Wall Street to competing exchanges and trading desks in other cities.

Two years ago petitions bearing 190,000 signatures were presented to Albany for modification of the tax on these grounds. Delegation after delegation of Wall Street representatives carried the message to Albany, including 600 executives of Manhattan firms who paid for their own transportation and gave up their holiday on Lincoln’s Birthday in 1940 to press petition on the State legislature.

Over and over these folks told Albany that the present stock transfer tax was driving stock business out of the State of New York, with consequent damage to Wall Street, to its ability to employ New Yorkers, and to its ability to pay rents to Lower Manhattan than real estate owners. In fact they convinced the Legislature—but not the Governor. When the Legislature voted to revise the tax, the Governor left the bill in his pocket. Presumably he felt the State could not spare the revenue, regardless of the effect on State business.

Statistical evidence of Wall Street’s contentions has herefore been impressive but not overwhelming. Brokers and dealers have been losing business—here, but also elsewhere in the country. Trading volume has declined slightly further in New York City than in other parts of the country—but perhaps that might be blamed on the SEC’s flair for favoring the interior, or just on the general public’s allergy to tax in general.

But "listen here" to the 1941 figures. In 1941 the New York Stock Exchange and the New York Curb Exchange each did 26% less business than in 1940. All right, you say, "trading on the auction markets is just going out of...

(Continued on page 754)

FINCH, WILSON & CO.
Members New York Stock Exchange
Commissions Orders Carefully Executed for Individuals and Corporations
123 Broadway, New York

R. H. JOHNSON & CO., INC.
INVESTMENT SECURITIES
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New York

C. M. LOEB, RHODES & CO.
61 Broadway
New York

Over-the-Counter Securities
Kobbe, Gearhart & Co.
Members N. Y. Security Exch. Ass'n
45 Nassau Street
New York

NATIONAL BANK
OF EGYPT
Head Office Cairo
Commercial Register No. 1 Cairo

FULLY PAID CAPITAL: $3,000,000
RESERVE FUND: $1,000,000

NATIONAL BANK
OF INDIA LIMITED
Bankers to the Government of India
Kersey Colony and Uganda
Head Office Calcutta
Branches in London, Bombay, Calcutta, Colombo and Aden

Subscribed Capital: $2,000,000
Trading Reserve Fund: $1,000,000

HART SMITH & CO.
Members New York Security Dealers Ass'n
45 Nassau Street New York

Financial Chronicle
In 2 Sections - Section 1

TUESDAY

NATIONAL BANK
OF RHODESIA
Head Office Salisbury
Commercial Register No. 1 Salisbury

FULLY PAID CAPITAL: $2,000,000
RESERVE FUND: $1,000,000

HART SMITH & CO.
Members New York Security Dealers Ass'n
45 Nassau Street New York

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Members New York Security Dealers Ass'n
45 Nassau Street New York

Financial Chronicle
In 2 Sections - Section 1

TUESDAY

JIMMIE ALLEN, TRIBUNE

THE CHASE NATIONAL BANK
OF THE CITY OF NEW YORK
Broaden your customer service with Chase correspondent facilities

Member Federal Deposit Insurance Corporation

To The Institutional Seller:
We are equipped to liquidate blocks of underlying, inactive railroad bonds.

Inquiries invited

L. W. L. Taylor, President
361 Broadway New York City

The Chase National Bank
of the City of New York

F. H. PRINCE
BANKERS PROVIDENCE, RHODE ISLAND
HIGH-GRADE INVESTMENTS

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HART SMITH & CO.
Loan Provisions of the Neutrality Act

When President Roosevelt last week proposed to Congress the enactment of certain financing provisions of the Neutrality Act an important step was taken toward the righting of more than one wrong. Congress acted with commendable promptness on this matter, which concerns the ability of belligerents to borrow in our ordinary capital market. The intent of the Act was to freeze this power for the duration of any war, under the misguided notion that it was British and French borrowing here that finally involved the United States in the first World War.

In the period after the last war such notions were debased sufficiently, with far more cause than reason.

The pink-bred purveyors of anti-financial propaganda made the well-worn ring with their assertions that a narrow circle of financial interests involved the nation in that struggle. The prohibition on borrowing by belligerents in the United States market followed, and no such borrowing was done in the course of the present conflict. That the United States finally got into the current war without the nature quickly away an old fraud.

Led-lease aid to more than a score of countries, many of them belligerents, made the prohibition on ordinary market borrowing here a dead letter. There remain, however, certain financial transactions to be accomplished by belligerents, and it is most advisable to clear the legal ground for such operations. Although it is not generally realized, a deliberate effort of the belligerents was made, through the War Department and the Treasury, to evade the ban on borrowing.

The obvious immediate object of the President's proposal is to enable the Canadian Government to resume normal financial dealings with the citizens of the United States, Government securities. In the usual spirit of misguided reform, the borrowing prohibition of the Neutrality Act was overdue and prevented not only new lending, but also refunding by belligerents. The law made no distinction between these types of borrowing, but sweepingely interdicted "any loan" and "any credit to" any such government.

In a matter of weeks, Canada will have an opportunity to call for redemption an issue of $100,000,000 bonds with 5% coupons outstanding in the United States market. The bonds can be called for payment May 1, 1942, as against the nominal maturity of May 1, 1922. The 5% rate obviously can be bettered and in the financial interest of our northern neighbor the privilege of exercising the option plainly should be made available. The financial burden of the war upon Canada is enormous, and obstacles in the way of savings on debt service account are absurd.

Behind that problem looms another, which concerns intimately some of the other member Nations of the British Commonwealth. In the usual spirit of misguided reform the freezing prohibition will affect such others is not yet clear, but the assumption is warranted that aims other than the refunding of a single Canadian issue are involved. Among these probably is a restoration of Canadian provincial and municipal (Continued on page 700)
BONDS
Public Utility
Industrial
Railroad
Municipal

A.C. ALLYN AND COMPANY
Incorporated

CHICAGO

Volume 155. Number 4048

THE COMMERCIAL & FINANCIAL CHRONICL

BANKERS TRUST COMPANY
NEW YORK

Safe Deposit Facilities at Our Three New York Offices
Bankers Safe Deposit Company

UNITED STATES GOVERNMENT SECURITIES

Our Bond Department specializes as a dealer in
United States Government securities and offers institutional and other holders of these obligations complete facilities of a primary market.

COMMERCIAL and FINANCIAL CHRONICLE

Enyart, Van Camp Is
Celebrating 10 Years

CHICAGO, ILL.—Enyart, Van Camp & Co., Inc, 39 South La Salle Street, Chicago investment security firms, celebrated their tenth anniversary on Feb. 1.

NYSE Special Offering Plan Is Effective

The SEC announced that the New York Stock Exchange plan for "special offerings" has been declared effective for an experimental period. The Exchange believes that the plan may improve the market for some securities and to its floor.

The plan is for SEC's action, declaring the plan effective is, to exempt distributions carried out in accordance with the plan from rules of the Commission prohibiting the payment of compensation for inducing purchases on the Exchange.

The plan of Exchange for "special offerings" and the SEC action allowing these offerings were mentioned in these columns Feb. 12, page 685.

Inquiries Invited On
High Grade
BONDS AND PREFERRED STOCKS
Listed and Over-the-Counter

Spencer Trask & Co.
25 Broad Street, New York
Telephone HAnswer 2-4300
Teletype N Y 1-5

ALBANY BOSTON BRIDGEPORT CLARK FALLS HARTFORD NORWALK NEW HAVEN WORCESTER

Members New York Stock Exchange - Members New York Curb Exchange

Brown Closes Advisory
Dept.; Thomas Partner
In Naess & Cummings

BALTIMORE, MD. — A new
Brown & Sons announced that it has discontinued its Invest-
ment Advisory Department as of Feb. 15.

Paul B. Thomas, who has been
head of the firm’s investment advisory department since its incep-
tion seven years ago, has be-
come a partner, resident in Balt-
imore, of the New York and Bos-
ton, investment counsel firm of
Naess & Cummings. Since 1930,
Thomas has been chiefly respon-
sible for the initiative of the firm to
clients of the department, and Naess & Cummings have been
consultants to it, advises will con-
tinue to be made largely by those
responsible for them in the past.

Naess & Cummings are invest-
ment advisors not only to indi-
viduals and institutions, but also in
vestment trusts and other in-
vestment advisors.

In announcing its withdrawal from the advisory depart-
ment, Naess & Sons stated that its decision was based on the fact that it appears that a severance of the investment advisory business from the invest-
ment banking business is in accord with current trends.

Curb Names Officers
And Committee Heads

The Board of Governors of the New York Curb Exchange, at a special meeting, elected Edward C. McCray, President of Andrews, Pomer & Rothschild, Vice-Chairman of the Board of Governors; John T. Madden, Benjamin H. Namen, and Victor F. Rider, Clark, members of the Board, were re-
lected for a term of one year. (Class "C" Governors are com-
piled of three representatives of the public not engaged in the securities business.) The Board approved the reappointment of the following officers and de-
partment heads:

Secretary, and Director of Department of Administration—Christopher H. Reherger, Jr.; Assistant Treasurer, Joseph H. Mayer.

Director of Department of Securities: Martin J. Keenan; Director of Department of Outside Supervision: Henry H. Badenberger.

The Board also approved the appointment of the following Chairmen of the sub-commit-
mittee for the year 1942-1943:

Committee on Admissions, David S. Cooper; Committee on Arbitration, William D. Steinhardt; Executive Committee, Fred C. Moffitt; General Committee on Commissions, Morris F. Landsberg; Committee on Meetings, Morton Landsberg; Committee on Security, Martin J. Keenan; Committee on Outside Supervision, Henry H. Badenberger.

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DIVIDEND NOTICES

Canadian Securities
Traded in U. S. Funds

F. W. Macdonald & Co.
Memorial Toronto Stock Exchange
41 Broad St., N. Y.
N. Y. HANCOCK 7-6753
Tel. N.Y. 1-1819

Frank J. Brophy Joins
Dickson Municipal Dept.

Frank J. Brophy has become associated with the municipal bond department of R. S. Dickson & Co., Inc. Mr. Brophy was formerly associated with J. A. Castera, New York office, 30 Broad Street.

Magma Copper Company
Dividend No. 78

On February 12, 1942, the Board of Directors of Magma Copper Company declared a dividend of 10% on the outstanding common stock payable on March 14, 1942, to the holders of record at the close of business February 12, 1942.

H. E. DOGIE, Treasurer.

KENNECOTT COPPER CORPORATION
239 Broadway, New York City
February 12, 1942.

A cash distribution of twenty-five cents ($0.25) per share on the outstanding common stock has been declared by Kennecott Copper Corporation. The dividend will be paid to holders of record at the close of business on February 12, 1942.

A. B. DUNHAM, Secretary.

DIVIDEND ON COMMON STOCK

The directors of the Chrysler Corporation have declared a dividend of one dollar ($1.00) per share on the outstanding common stock payable March 14, 1942, to the holders of record at the close of business March 12, 1942.

R. E. HITCHCOCK,
Chairman, Board of Directors.

G. W. W. HITCHCOCK,
Chairman, Board of Directors.

AMERICAN CANADIAN COMPANY
PREFERENCE DIVIDEND

The Board of Directors of the American Canadian Company on February 12, 1942, declared a dividend of 50 cents on the outstanding shares of the 1%, Cumulative Preference Stock of the Company, payable April 4, 1942, to the holders of record at the close of business March 12, 1942.

COMMON DIVIDEND

The Board of Directors of the American Canadian Company on February 12, 1942, declared a dividend of one dollar ($1.00) per share on the outstanding shares of the Common Stock of the Company, payable April 4, 1942, to the holders of record at the close of business March 12, 1942.

W. F. STUTZEVANT,
Secretary.

NELMES PERSONNEL SERVICE

offer their facilities to discriminating clients for carefully-selected, outstanding office personnel, both men and women, in the commercial, professional, and advertising fields.

We are unusually qualified to supply experienced and efficient personnel to investment bankers and brokers.

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Tel. Cortlandt 7-7455

UTILITY PREFERENCES

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

NEW YORK, N. Y.—Harold S. Hall has been associated with Hempline, Noyes & Co., 15 Broad St., N. Y. Mr. Hall was previously with White & Hitchcock, and prior thereto for many years was with Fichet, Peter & Co.

(Signed) In The Financial Chronicle.

BOSTON, MASS.—Ruth O. Hueson has joined the staff of General Stock & Bond Corp., 29 Post Office Square. Miss Hueson was previously with J. H. Goddard & Co. and Macawpin.

(Signed) In The Financial Chronicle.

CHICAGO, ILL.—Andrew C. Moulden has been elected President of Talon Bank & Trust Co., and Paul H. Davis, Jr., has been affiliated with Chicago Associated Securities Co., 39 South LaSalle St.

(Signed) In The Financial Chronicle.

CLEVELAND, OHIO—Arthur N. Lindsey has become affiliated with Goodbody & Co., National City Bank Bldg. Mr. Lindsey was previously with Prescott & Co., 227 Main St., N. Y., and Jones & Co., and Bates & Co.

(Signed) In The Financial Chronicle.

PORT WAYNE, INDI.—Harry E. Hill has become associated with Leonard J. Fertig & Co., Berry, at Court St. Mr. Hill was formerly with Thomson & McKinnon for a number of years.

(Signed) In The Financial Chronicle.

PAST WAYNE, INDI.—Ottie W. Stith, formerly with Central Securities Corp., is now with Fichet, Peter & Co., Indianapolis, Ind.

(Signed) In The Financial Chronicle.

COLUMBUS, OHIO—Emelia E. Hall has become associated with Bankers Trust Company, Bank of America Bldg.

(Signed) In The Financial Chronicle.

AMERICAN CANADIAN COMPANY

FORT WAYNE, INDI.—William Forbes Engeld has joined the staff of Eldred, Potter & Co., 634 South Spring St.

(Signed) In The Financial Chronicle.

LOS ANGELES, CALIF.—George H. Bidwell has become affiliated with Dean Witter & Co., 634 South Spring St.

(Signed) In The Financial Chronicle.


(Signed) In The Financial Chronicle.

ST. LOUIS, MO.—Frank Smith has become affiliated with J. W. Brady & Co., 411 North Seventh St. Mr. Smith was formerly with Louis W. Ochs and Associates, and prior thereto with Kerwin, Follounder & Co., Inc., and Stiefel, Nicholson & Co.

(Signed) In The Financial Chronicle.
Says Newspaper Over-the-Counter Spreads Too Narrow; Exch. Movers Should Alter Price Policy

A Boston dealer, who prefers not to have his name revealed, writes: "Our over-the-counter trading is being hit by a plethora of new low. If we are supposed to do business at prices which are not consistent with the actual bid, and I heartily recommend the brokerage houses to do that, I'm afraid the results would be disastrous. For instance, as you are aware, if I want to buy a stock for a customer at 100 and sell it to another customer at 101, I should not be permitted to do so until the price as set by the exchange has been reached and the order filled. The result would be that the market would be half a spread narrower than it should be."

In addition to this case, I think another should be started to get some of these stocks on the market at the prices they are being offered at. They do not protect the unlisted dealers. I have run against mall out-of-town offices of New York, Ex-

Chicago, North Western Railway Company
New and Old Securities

Disappointed holders of Erie new common stock and certificates of participation over the failure of the management to adopt a constructive dividend policy at the earliest opportunity, are now citing the comments of the Circuit Court of Appeals in the "North Western" rescinding as doing substantial injury to their cause. In upholding the drastic scale down of "Northwestern's" capitalization and dis- cussion of financial conditions, the court finds that the necessity of earning effective payment upon the new securities is as important as the payment of the old. It is held that some quarters that the directors of Erie have apparently lost sight of the importance of the "er- thoudancy of dividend payments," and that the certificate of participation adopted so far may not be con- tinued in effect, or if continued, may have far reaching per- cussions on all reorganization issues.

No one viewing the question ob- jectionably can quarrel with the underlying theory that in reorganiza- tion, the capitalization should be reduced from a short sighted and not effective earning power on even much larger preferred stocks and income from new enterprises under normal conditions. Notice of the increase of the natural corollary is lost, by the increase of the new issues. The re- creations through a large common stock issue merely that the smaller companies of the old company will have some partic- ipation. However, much of the validity of this sound reasoning is lost in the same motion that the dividend payments are not forthcoming even when the earning power is higher. Along the trail of the necessity of so strictly limited as is the case. If the stock is to remain "just a piece of paper," it will be matter of whether a bondholder is to be satisfied with the new common stock and are in opposition existing plans, with a growing clamor for new bond issues. Many railroad men feel that public action by directors, keeping faith with their security holders, would go far towards clearing up the entire reorganization picture.

Reorganizations are consummated to cure the evils of unsup- portable debt and unwieldy capital structure. The Interstate Commerce Commission has been particularly conservative in recommending reorganiza- tion plans set up under Section 77, but have reduced drastically, dividend eliminated and maturities spaced to allow for a recovery of the protection against future financial stringency. If any of things the reorganized roads are presented, there is the necessity of dividing cash from the earnings to the shareholders. Each must be given a cut except through sinking funds which are provided. At the same time, the requirement is that the roads must be set up requiring the roads to be satisfied with the earnings (generally 2% to 4% gross) as addition and benefit to the new securities for capital improvements. This fund, as well as sinking funds, is de- 

railroad Reorganization Securities (When Issued)

Chicago, Rock Island & Pacific R. R. Co.

available for the stocks. With the property secured for the dividend payments, stressing the fact that the certificates of participation are beneficially owned, no bondholder is to be satisfied with the new common stock. Many railroad men feel that public action by directors, keeping faith with their security holders, would go far towards clearing up the entire reorganization picture.

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Bank and Insurance Stocks

This Week — Insurance Stocks

What effect will the cessation and reduction of new car sales have on the nation's automobile stocks? The company's earnings of 1942, which were based largely on earnings of new car sales, are now in doubt. In the past, the industry has adapted itself to these conditions and has sustained itself. The companies will be severely affected. This is not a question of the general health of the automobile industry, but rather a question of the effect on the insurance companies of the decline in car sales. The companies that will be affected are those that have a large proportion of their business in automobile insurance.

CORNA EXCHANGE Nat'l Bk & Tr Co., Fidelity-Plaza, Trust Co., First National Bank Girard Trust Co., Penna. Co. for Ins. on lives, etc.
Philadelphia National Bank
Phil. Transportation Co.

H. N. H. NASH & CO.

1317 Chestnut Street, Philadelphia

212 BROADWAY, NEW YORK CITY

Telephone: N.Y. 2-2335

New York

Soc. 1917

N.Y.

INSURANCE STOCKS

MacKubin, Legg & Company

Established 1899

Member New York Stock Exchange

Baltimore

Telephone: F-492

New York

Whitfield 5-1028

Type: B-283

John D. Gerhart To Be
Matheson-Lauro Partner

John D. Gerhart will become a partner, as of today, in Matheson-Lauro, New York City. Members of the New York Stock Exchange who have been the firm's salesmen will act as underwriters of the securities of the firm.

Brewer Now Partner

WASHINGTON, November 25.—Mr. Joseph Newsholm Brewer, Jr., member of the Washington Stock Exchange, has become a partner in the firm of Robert C. Jones & Co., shore Brokers. Mr. Newsholm Brewer has been associated with the firm for the past twelve years.

Forming-Junkin & Cooke, NY Exchange Firm

Joseph def. Junkin, 3rd, member of the New York Stock Exchange, has formed Junkin & Cooke with John D. Cooke Jr., former member of the New York Stock Exchange. Mr. Junkin has been in business as a commission merchant for a number of years.

Suplee Yeastman Opens Branch Under Russell

POTTSTOWN, PA.—Suplee Yeastman & Stock Company has opened a branch under the direction of Thomas L. Russell, former member of the New York Stock Exchange.

Loan Provisions of The Neutrality Act

(Continued from page 746)

in the United States. In that connection the Securities and Exchange Commission could extend a helping hand by modification of requirements on information relating to proposed borrowers of the category mentioned. It should not be forgotten that the securities enactments put a sudden stop to Canadian provincial and local government finance.

Restoration of the credit standing of certain members of the British Commonwealth of Nations possibly will follow in due course. Not much of a point has been made of the fact, but it remains a fact, that a sizable number of these countries have half their par value reflect poorly upon that associate of ours in the United Nations. Unable to finance here in war time, Australia probably concerned herself as a market value. But a different aspect is thrown upon all this by removal of the prohibition.

Market circumstances, rather than a low estimate of Australia, plainly have occasioned the depressed prices of Australian loans. Those market circumstances are even more apparent in dealings in United Kingdom of Great Britain and Northern Ireland 4½% sterling bonds of 1960-1996. This issue, which is a large one, was delisted from the New York Stock Exchange in 1936, owing to demands for financial information which had to be made by the SEC under the securities laws. This is the kind of thing which no great sovereign State could contemplate without repugnance. Since then, this issue has sold at greatly depressed counter-market quotations.

Some $2,000,000 of the outstanding British sterling loan were marketed here in 1929, and a sizable part of that flotation still is outstanding here, in $200 pieces. The $200 bonds currently are about $430 to $450 bid, and arrangements are in effect for delivery out of the States in dollars at the nominal rate of sterling exchange. The same bonds sell in London at 114 to 116% of par value, with restrictions on the transfer of the securities from New York to London the obvious explanation of a disparity that could hardly exist otherwise. Since the Canadian Government is likely to refuse for its part, this lattered financial fences of other British Commonwealth units well may follow.

Royal Bank of Scotland

Over 200 Years of Commercial Banking

HEAD OFFICE—Edinburgh General Manager—John W. White

Total number of offices, 84

CHIEF FOREIGN DEPARTMENT

Capital (fully paid)........ £87,380,182
Reserve fund........... £6,125,066
Deposits................. £2,901,020

Associated Bank

Willam森's Bank, Ltd.

Australia and New Zealand

BANK OF NEW SOUTH WALES

(Established 1817)

Paid in Capital........... £1,200,000
Reserve Fund............. £1,610,000
Surplus Reserve of Proprietors........ £253,710

Aggregates As at 30th September, 1942..... £10,093,354
SIR ALFRED DAVIDSON, M.B.E.,
Head Manager

Office Hours: 9:30 A.M. to 5:00 P.M.

London Offices: 24 Threadneedle Street, E.C. 2
Agency arrangements with Banks throughout the U.S.
Application of the Bond Tests Adopted by the New York State Bankers Association

When the Bond Portfolio Conferences of the New York State Bankers Association were concluded in 1940, bankers—and all bond buyers—were confronted with a number of new problems which made judgments on the values of marketable securities, such as bonds, very much more difficult. It was felt that, in the light of the new problems, it was essential that further study be given to the evaluation of bonds, the risk involved in holding bonds, and the extent to which the magnitudes of bond values could be approximated. To this end, a number of conferences were held in which a large number of bankers drew up bond evaluation tests which were then enforced in the bond market. The results of these tests were presented in the form of bond ratings and were published in the form of bond price charts, which were then used by the bankers in making their decisions.

Three yardsticks have been found helpful in the evaluation of bonds. They are:
1. The bond's yield to maturity.
2. The bond's yield to call.
3. The bond's price.

The bond's yield to maturity is the rate of return that an investor would receive if the bond were held to maturity and the interest payments were reinvested at the prevailing interest rate. The bond's yield to call is the rate of return that an investor would receive if the bond were called before maturity and the proceeds were reinvested at the prevailing interest rate. The bond's price is the current price at which the bond is trading on the market.

The bond's yield to maturity is the most important yardstick in evaluating the risk involved in holding bonds. The bond's yield to call is the second most important yardstick. The bond's price is the third most important yardstick.

In evaluating bonds, it is important to consider the risk involved in holding them. This risk can be measured by the bond's yield to maturity and the bond's yield to call. The bond's yield to maturity is the rate of return that an investor would receive if the bond were held to maturity and the interest payments were reinvested at the prevailing interest rate. The bond's yield to call is the rate of return that an investor would receive if the bond were called before maturity and the proceeds were reinvested at the prevailing interest rate. The bond's price is the current price at which the bond is trading on the market.

The bond's yield to maturity is the most important yardstick in evaluating the risk involved in holding bonds. The bond's yield to call is the second most important yardstick. The bond's price is the third most important yardstick.
To increase local interest costs, Austin said, "one would immediately improve the credit standing and reputation of the city," which would make it easier to sell debt. The city also plans to make "a good show" of the city's financial position. The city has written to the state legislature, asking it to consider a bond issue to fund the proposed improvements.

"The city is ready to make a strong and persuasive plea to the state for the necessary funds," Austin said. "We are confident that the state will respond favorably to our request, and we are optimistic that the bond issue will be passed without delay."
Holds Government Can Draft Business

(Continued from First page) prefacing and they have been too often scandalously seized.

To meet this "recurrent evil," the majority said, Congress has at times authorized price-fixing, limited profits, recaptured high profits through taxes, and expressly reserved for the Government the right to cancel contracts.

"It may be that one or some of the Government's arrangements may be utilized more comprehensively, or that still other arrangements must be devised," it said. "If we then pointed out that this is a responsibility of the President and Congress."

Justice Frank Murphy, in a concurring opinion, explained he does not approve of the 22% profit and regards such arrangement not only incompatible with sound principles of public management but injurious to public confidence and public morals." He suggested Congress be "alert" to prevent a repetition.

Nevertheless, he argued that the possibility the Government "may be relieved of bargains 24 years after agreeing to them is not conclusive to mutual trust and confidence between citizens and their Government.

The majority found nothing in the contract negotiations to show that Bethlehem forced the Government's representatives to accept contracts against their will.

Justice Frankfurter, in his dissenting view, referring to Bethlehem's 22% profit potential, protested that "even if in the usual transactions the lender takes the risk of the borrower's insolvency —here Bethlehem took no risk at all." The United Press went on to say:

"He rejected the majority's argument that the President could have commanded the Bethlehem property in lieu of permitting the Government to be subjected to dues—duties which they contended had not existed.

"The legal alternative was not an actual alternative, and Bethlehem knew as well as all the representatives of the Government, he said, "This Court should not permit the Government to receive from the Government's own compounding profits, and thereby make the Court the instrument of this injustice.

"Today it is held that because the circumstances of this case cannot be fitted into a neatly carved pigeonhole in the law of contracts, daylight robbery, exploitation of the necessities of the country at war, must be commuted by this Court."

Justice Douglas held that the "bonus for saving" provision was separate from the main contract, and that Bethlehem could collect under it only providing it rendered "an additional performance" designed to promote efficiency and economy.

The same advice states that the Bethlehem ruling is expected to encourage legislation designed to curb profits during the present war. It is added:

"David J. Shields, Democrat of Massachusetts, Chairman of the Senate Naval Affairs Committee, and Carl Vinson, Democrat of Georgia, Chairman of the House Naval Affairs group, have proposed sharp limitations. And that these excess profits taxes are in prospect.

Elected Directors

Paul V. Shields and Cornelius Shields, both of the investment banking firm of Shields & Co., New York, have been elected members of the Board of Directors of the Maryland Drydock Co., according to an announcement by George French, President of the company. The company recently admitted the public to ownership in its securities through the sale of common stock previously held by the Koppers interests in Pittsburgh.

Charles M. Gooding With William R. Staats Co.

(Los Angeles, Calif.) L O S A N G E L E S, CALIF. — Charles M. Gooding has become affiliated with William R. Staats Co., 440 South Spring St., members of the Los Angeles Stock Exchange. Mr. Gooding was formerly manager of the statistical department for M. H. Lewis & Co. and prior thereto was manager of the statistical department for Cavanaugh, Morgan & Co., Inc.

Form Flannery-Jackson

(formerly to the Financial Chronicle) YOUNGSTOWN, OHIO — The firm of Flannery-Jackson & Co., Inc. has been formed with offices in the Union National Bank Building to engage in a securities business. Officers of the firm are Joseph C. Flannery, President, Stanley T. Jackson, and Arthur Morgan. Mr. Flannery and Mr. Jackson were both previously with Wm. J. Merckits & Co. Inc. and Singer, Deane & Scribner.

Lazar To Direct Dept.

CHICAGO, ILL. — Martin Lazar will be in charge of the newly-opened foreign bond department of Brailsford, Rodger & Co., 26th South LaSalle Street, member of the Chicago Stock Exchange. Mr. Lazar has been associated with the firm for some time; in the past he was president of his own firm, Lazar & Co.

Brailsford, Rodger & Co. have just issued a book on "Latin American Solidarity and What It Means to the American Investor."
The Securities Salesmen’s Corner

Some Suggestions Regarding The Use Of A Portfolio

A salesman’s brief case should be something like the tool kit in the picture. It should be well filled with factual data in succinct form to enable him to defend his views. The best tool kit, the less it uses—the better.

It seems to be an axiom of the effort to prove a point the more the ensuing obloquiety. Sometimes this insistence on the contrary evidence is observed as a valuable tool in proving a point. A reporter, who, unless he has been in evidence to defend his views, he is a poor tool kit.

Before the argument, the average person instinctively turns away from complicated displays of figures and formidable collections of printed matter. If we may be allowed to digress for just a moment, this is one reason why the present-day SEC prospectus fails in its purpose of conserving the investor. The argument that does not read it—loosely fotifiable. It’s neither a matter.

It is our opinion that a brief case is valuable to prove a specific point that a salesman might be discussing with his client. Let us assume, for instance, that the salesman is interested in offering a stock of a company engaged in agriculture. The argument revolves around the potential demand for woolen goods by the armed forces. The textile and trade magazines would supply him with excerpts inspired by available woolen supplies. Probably the daily papers or the stock exchanges might discuss the company in question and its subscription of defense bonds or its favorable relations record which might also show capac- ity by employment during the present emergency. A study of the company’s financial history might also show certain factors that would look very much more im- pressive if printed than as they appear in the balance sheet. These graphs should translate into the brief case. Some of the company’s advertisements which appear in national magazines might also be included. Such a collection of data is impressive because it is logical and concrete. It is a good stock for a salesman to keep, but not to open before his client. This information should be filed in his pockets and should have a definite

PUBLIC confidence in our Company's strength and public appreciation of the quality and reliability of its life insurance products, as evidenced by the increase in insurance in force during the period, is based upon the increase of total assets of the Company from $3,000,000,000.00—a mark of exceptional accomplishment made possible by the participation of over 6,000,000 policyholders. This favorable labor contribution is a measure of our greatest achievement.

By W. C. Cox, President

This Company's growth is due in a large measure to our excellent organization and to the efficiency of our salesmen. In the past year we have been able to add substantially to our sales force, and our new salesmen have taken an active part in the public's life insurance needs. We have increased our size through the purchase of other companies, and our new offices have provided additional opportunities for growth. Our ability to meet these challenges is the result of our strong financial position and our sound business practices. We are committed to providing excellence in service and quality in all aspects of our operations.

December 31, 1941
Total Admitted Assets $1,186,496,365.48
Total Liabilities $1,067,917,035.08
General Surplus Fund $9,581,330.40
Total Insurance in Force $5,078,564,528.00
Payments to Policyholders $99,267,900.27

The Securities Salesmen’s Corner

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Y. State Transfer Laws Should Be Amended

(Continued from First page)

In return for that, he will have to pay a title insurance premium of $464,746,466.00; which is valuable to the seller because it provides assurance of title transfer. The buyer will also be required to pay a title insurance premium of $464,746,466.00; which is valuable to the seller because it provides assurance of title transfer. The buyer will also be required to pay a title insurance premium of $464,746,466.00; which is valuable to the seller because it provides assurance of title transfer.

In the fiscal year that ended last June 30—It raised only $12,900,000. That’s not a lot.

And now comes prosperity (outside of Wall Street), bigger tax revenues, smaller “emergency” costs for the State—and a breathing spell in which revenue sources can be reconsidered and a longer viewpoint taken as to expenditures.

Wall Street used to be on top of the wheel. In it centered the financial transactions of the United States; it had vast power and great resources; it could stand taxation no-end.

It is time that Albany brought itself up-to-date, for THAT’S NOT THE CASE.

The Street is no longer the nerve center of the American economy but, since the war began, the dust-bowl of American industry. Its foreign exchange business has been killed. Commercial banking has become largely a “captive industry”—and look at bank stocks. Price ceilings have put most of the commodity markets out of business. The future of investment banking, as one investment banker said, “is in the hands of the Treasury.” Numbers of Wall Street executives have gone to Washington, while multitudes of Wall Street’s remaining employees are being driven off the floor. Farm mortgages and Over-the-Counter stock-trading business must compete with regional interior competition which ten years ago the Street could have shrugged off with little effort. The Street needs a subsidy, not a tax. The least Albany can do is to enable the security-trading industry to compete for the remaining security business with the other markets which Albany, by buying raise money, has already enabled to cut in more and more heavily on one of New York’s once major industries, now in need of an economic transition than to provide tax blood.

All New York State dealers and brokers and their employees should write their Senators and Assemblies at Albany, requesting them to use their best efforts to insure that Albany, which is calling for the amendment of the State transfer tax laws.

Success in having this legislation revamped would encourage those other States to work along similar lines. Farmers, small-time investment banking and brokerage business of the whole country would benefit by constructive action on this transfer tax issue here.

Curb Gr ativty Fund

Announces 1942 Officers

At a special meeting of the Trustees of the Gravitry Fund of New York, a reorganization of the executive branch of the Fund was announced. Effective January 1, 1942, the following were elected officers of the Fund for a one-year term:

Edwin L. Connor, Chairman.
E. C. W. Schumacher, Secretary and Treasurer.
E. M. Williamson, Assistant Treasurer.
Traction Securities Announces Winners

Chicago, Ill. — Traction Securities, 136 South Wabash Ave., announces that A. Gordon Crockett, Milton R. Underwood & Co., 30 South Wabash, won the first prize in a $25,000 drawing in a contest that the railroad company entered to increase the sale of its securities. The tickets are sold at the Chicago Central Station for $25 each.

The contest is sponsored by the Chicago Central Station and the Chicago Board of Trade. The winner will receive $25,000 in cash, a round trip to New York City in a private railroad car, and a trip to Europe for two months.

The contest is open to all residents of the United States, and winners are chosen by a random drawing.

The contest concludes on March 31, 1967. For more information, contact Traction Securities at 136 South Wabash Ave., Chicago, IL 60603.
Tomorrow's Markets

Walter Whyte

Says

(Continued from Page 769)

simple. Unless you can sit and watch the tape all day you have to have some element of protection, so until something better comes along stocks are still the only low distance protection I know of.

This brings me right into the two stocks you have, American Car & Foundry and American Steel Founders. The first one was recommended and was also available at 30. The second, American Steel Founders, was recommended and was also available at 20 or better.

Up to this writing both had losses. Not that I don't think this was outstanding but in the face of general market weakness they hold their own. But don't think because they are acting well that precautions should be disregarded. The good stocks of today are too frequently the bad ones of tomorrow. So the stocks recommended still apply.

* * * * *

In the first, American Car & Foundry, the leader under which they have to go is 29. Right now the stock is selling at about 31.

In the second stock, American Steel Founders, the critical point is 19. It's now selling at 19 7/8th a fraction.

So far as other stocks are concerned I suggest no new purchases. Not that I don't think more and more stocks will go up if the market gets anywhere near up side but because their stops are so confused that to work them out would be almost impossible.

As far as the war effort is concerned you know as much about it as I do, perhaps more. But I can't help but wonder at our Congressional wind bags who seem to feel that no matter what politics come before the country right now the total Congressional pastime seems to be such games as "Chasing Eleanor." Some Congressmen still insist on Want Pensions. I'm in favor of the last. Let's give them all pensions and send them home. There should be one stipulation. The first time one of our "leaders" opens his mouth his pension stops.

And another thing I'm in favor of is that I think that song about the blue birds over the white cliffs of Dover. Apparently the British were so cocky that they forgot about those blue birds that they didn't see the German Fleet.

But to get back to the market I think a rally base is now being formed but the market won't be ready for a Tuesday day's low points if the bottom of the base is to mean anything. For a rally to be realized we will get to answer but I think it can manage about three or five points before it fades out again.

More next Thursday.

Walter Whyte

Pledges New Zealand Aid

The New Zealand government has renewed its pledge to use "all our resources" in the defense of the British Isles. That pledge has not been made since the U.S. entered the war. The New Zealand government has also pledged to send 50,000 men to the United States as American troops.

Preferred Stock A Buy

William A. Atlas, Jr., Vice-President of J. Y. Young & Co., Inc., New York, says that most of the preferred stocks are selling at an extremely low price. He thinks that the stock market is not reflecting the present situation in our automotive industry. He feels that the New York Stock Exchange, which is selling at about $50, is not reflecting the present situation in the automotive industry.

The preferred stock, he says, is a good buy. The company is controlled by the 30-car company, which is a wholly owned subsidiary of the New York Stock Exchange. The company has a large volume of business with the United States Government and also with private builders engaged in supplying boats to the United States and other governments.

The preferred stock, he says, is the best investment in the automotive industry.

"The preferred stock," he says, "is a safe investment in the automotive industry. It is not affected by the present situation in the automotive industry. It is a good buy for the long-term investor."

In New Location

Isidor E. Cievic announces the removal of his offices to 135 Broadway, New York City, and that his phone number is now 92970 (at 92970).
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 became effective, those that are twenty days after filing except in the case of the securities of certain foreign public authorities which normally bear yield in excess of 5 per cent.

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.

SUNDAY, MARCH 1
GROTON ELECTRIC CORPORATION
Group Securities, Inc. has filed a registration statement with the SEC for 100,000 shares of capital stock, $1 per share, par value, for an aggregate amount of $100,000.
Address—Boston, Mass.

Underwriting and Offering—The stock will be issued at no discount.
Precedents will be sold for investment purposes only.
Registration Statement No. 2-494, Form A-2.

STATE STREET INVESTMENT CORP.
The firm of State Street Investment Corporation filed a registration statement with the SEC for 250,000 shares of capital stock, $1 per share, par value, for an aggregate amount of $250,000.
Address—Boston, Mass.

Underwriting and Offering—The stock will be offered at a discount from the offer price, the discount to be calculated on each transaction involving the sale of one share or less only.
Precedents will be sold for investment purposes only.
Registration Statement No. 2-4946, Form A-2.

TUESDAY, MARCH 3
LACLEDE GAS LIGHT CO.
The company has filed a registration statement with the SEC for the offering of 1,250,000 shares of capital stock, $5 per share, par value, for an aggregate amount of $6,250,000.
Address—St. Louis, Mo.

Underwriting and Offering—The stock will be sold at a discount of 10 per cent from the offer price, the discount to be calculated on each transaction involving the sale of one share or less only.
Precedents will be sold for investment purposes only.
Registration Statement No. 2-4946, Form A-2 (12-14-42).

WEDNESDAY, MARCH 4
AXIS INDUSTRIES CO.
Aston Fisher Tabachnik Co. filed a registration statement with the SEC for 22,500 shares of capital stock, $10 per share, par value, for an aggregate amount of $225,000.
Address—Los Angeles, Calif.

Business—Engaged in the manufacture of aircraft, marine engines, and various brands of machinery and equipment.
Underwriting and Offering—The stock will be sold at a discount of 10 per cent from the offer price, the discount to be calculated on each transaction involving the sale of one share or less only.
Precedents will be sold for investment purposes only.
Registration Statement No. 2-4947, Form A-2.

TUESDAY, MARCH 10
LOUISVILLE TRANSMISSION CORP.
Louisville Transmission Corp. (K.S.) has filed a registration statement with the SEC for $1,619,000 of First Mortgage Bonds, 6% per annum, due Dec. 15, 1954, par value, for an aggregate amount of $1,619,000.
Address—Louisville, Ky.

Business—Transmit electrical power from generator points in the eastern portion of Kentucky to points in the west and north.
Registration Statement No. 2-4947, Form A-2.

MONDAY, MARCH 9
AMERICAN BAKERS CO.
American Bakers, Inc., registered 15,840 shares Class A common stock, $20 per share, par value, for an aggregate amount of $316,800.
Address—Covington, Ky.

Offering—For general corporate purposes.
Registration Statement No. 2-4943, Form A-1.

DATING OF OFFERINGS
We present below a list of issues whose registration statements became effective during the last twenty days, or whose offering dates are now due.

Note: Unless otherwise specified, the offering date is April 1, 1942.

CANCER

AMERICAN SOCIETY FOR THE CONTROL OF CANCER

Date—In your heart and in the World’s Field Army
Address—New York, New York

Business—Engaged in the oil business, sugar business, grain business, and real estate business, and in the construction and operation of oil and gas leases and investments.

In connection with the plan to fight cancer in New York City, the New York City Cancer Committee has been organized to help spread the scope of its authority to do this.

Underwriting—None.

Address—369 Madison Ave., New York, New York

Notes: All of the shares of common stock are reserved for issuance upon the subscription of the stock by the American Society for the Control of Cancer. Stock Purchase Warrants, later entitling the American Society for the Control of Cancer to purchase at par 51% of the shares of common stock, will be issued in connection with the plan to fight cancer in New York City. In connection with the plan to fight cancer in New York City, the stockholders of the American Society for the Control of Cancer have reserved 75% of the shares of common stock for issuance to the American Society for the Control of Cancer.

Registration Statement No. 2-4949, Form A-2.

FEDERAL RESERVE BANK OF ST. LOUIS
The Commercial and Financial Chronicle.
Volume 155 Number 4048
The COMMERCIAL & FINANCIAL CHRONICLE
VICTORIOUS
in the fight against
CANCER

* Extensive in your heart and in the World’s Field Army
Address—New York City Cancer Committee, 130 East 49th St., New York, N.Y.

Notes: All of the shares of common stock are reserved for issuance upon the subscription of the stock by the American Society for the Control of Cancer. Stock Purchase Warrants, later entitling the American Society for the Control of Cancer to purchase at par 51% of the shares of common stock, will be issued in connection with the plan to fight cancer in New York City. In connection with the plan to fight cancer in New York City, the stockholders of the American Society for the Control of Cancer have reserved 75% of the shares of common stock for issuance to the American Society for the Control of Cancer.

Registration Statement No. 2-4949, Form A-2.
CALENDAR OF NEW SECURITY FLATIONS

The following securities are scheduled for public offering as noted.

New Federal Reserve Bank of St. Louis

Thursday, February 19, 1942

MILLER TOOG & MFG. CO.

A stock offering will be made in the amount of $19,000,000 at an effective date of February 19, 1942. Underwriters: E. R. Miller & Company, Inc., New York, N. Y. Registration Statement filed Dec. 24, 1941.

NORTHERN NATURAL GAS Co.

A registration statement will be filed with the SEC for 75,919 shares of common stock, par $100 per share, for an underwriting of 15,997 shares of said stock by Northern Natural Gas Co., Lincoln, Neb., on an effective date of February 19, 1942. Underwriters: First Boston Corporation, New York, N. Y. Registration Statement filed Dec. 24, 1941.

SCHUYLER DISTILLERS CORP.

A registration statement will be filed with the SEC for 2,000 shares of preferred stock, par $100 per share, for an underwriting of 750 shares of said stock by Schuyler Distillers Corp., New York, N. Y., on an effective date of February 19, 1942. Underwriters: Shearson, Hammill & Co., New York, N. Y. Registration Statement filed Dec. 24, 1941.

TEXAS OIL CORP.

A registration statement will be filed with the SEC for 12,000 shares of common stock, par $100 per share, for an underwriting of 2,400 shares of said stock by Texas Oil Corp., Houston, Tex., on an effective date of February 19, 1942. Underwriters: H. J. Hitt & Co., New York, N. Y. Registration Statement filed Dec. 24, 1941.

TREASURY MOUNTAIN GOLD MINING & DEVELOPMENT CO.

A registration statement will be filed with the SEC for 10,000 shares of common stock, par $50 per share, for an underwriting of 1,000 shares of said stock by Treasury Mountain Gold Mining & Development Co., Miss., on an effective date of February 19, 1942. Underwriters: J. W. Lee & Co., Boston, Mass. Registration Statement filed Dec. 24, 1941.

TUBE TRENCH DEVELOPMENT CO., INC.

A registration statement will be filed with the SEC for $12,000,000 in 1,000 shares of $125 par common stock, for an underwriting of 200 shares of said stock by Tube Trench Development Co., Inc., New York, N. Y., on an effective date of February 19, 1942. Underwriters: Paine, Webber & Co., Inc., New York, N. Y. Registration Statement filed Dec. 24, 1941.

TUBULAR RANKIN PIPE.

A registration statement will be filed with the SEC for $5,000,000 in 1,000 shares of $50 par common stock, for an underwriting of 200 shares of said stock by Tubular Rankin Pipe, Fort Worth, Tex., on an effective date of February 19, 1942. Underwriters: E. M. Taylor, Dallas, Tex. Registration Statement filed Dec. 24, 1941.

UNION ELECTRIC CO. OF MISSOURI

A registration statement will be filed with the SEC for $12,000,000 in 1,000 shares of $25 par common stock, for an underwriting of 200 shares of said stock by Union Electric Co. of Missouri, St. Louis, Mo., on an effective date of February 19, 1942. Underwriters: J. W. Lee & Co., Boston, Mass. Registration Statement filed Dec. 24, 1941.

UNITED CIGARETTE CO., INC.

A registration statement will be filed with the SEC for $5,000,000 in 1,000 shares of $50 par common stock, for an underwriting of 200 shares of said stock by United Cigarette Co., Inc., New York, N. Y., on an effective date of February 19, 1942. Underwriters: E. M. Taylor, Dallas, Tex. Registration Statement filed Dec. 24, 1941.
THE HOME INSURANCE COMPANY
NEW YORK

STATEMENT - DECEMBER 31, 1941

Admitted Assets

Cash in Banks and Trust Companies $ 24,287,805.05
Bonds and Stocks 85,493,204.48
First Mortgage Loans 365,492.00
Real Estate 3,841,678.13
Premiums uncollected, less than 90 days due 8,257,964.53
Reinsurance Recoverable on Paid Losses 1,512,109.67
Other Admitted Assets 218,518.25
$123,976,772.11

Liabilities

Capital Stock $ 15,000,000.00
Reserve for Unearned Premiums 59,351,273.00
Reserve for Losses 9,658,743.00
Reserve for Taxes 2,350,000.00
Reserve for Miscellaneous Accounts 667,419.82
Funds Held under Reinsurance Treaties 127,883.25
Reserve to Adjust Security Valuations 531,600.00
NET SURPLUS 36,289,833.04
$123,976,772.11

*Represents the difference between total values carried in Assets for all Bonds and Stocks owned or held on behalf of insurance companies, and the assets values based on December 31, 1941 actual market values.

Securities carried at $31,225,820.00 and cash $50,000.00 in the above Statement are deposited as required by law.

Directors

LEWIS I. CLARKE  WILLIAM S. GRAY  CHARLES G. MEYER  WILLIAM J. DE BOST
WILFRED KURTH  EDWIN A. BAYLES  GORDON S. BENTSCHEL  ROBERT GOELET
HERBERT P. HOWELL  MORTIMER N. BUCKNER  FRANK E. PARKHURST
GEORGE MCAFFREY  GUY CARY  HAROLD V. SMITH  HARVEY D. GIBSON

FIRE • AUTOMOBILE • MARINE and ALLIED LINES OF INSURANCE
STRENGTH • REPUTATION • SERVICE

RED CROSS WAR FUND — If you can't go... Give!

Address—40 W. 42nd St., New York City

THE COMMERCIAL & FINANCIAL CHRONICLE
STANY Is Reversed
On Phila. Bowlers
The Security Traders Associa-
tion of Philadelphia, acting on the
irresistible appeal of its members
for their defeat of last year at the
hands of the Investment Traders
Association of Philadelphia, by
denying the Philadelphians with a
total vote of 506 to 10.
Three-fifths men reres-
prentative body is, therefore, the con-
test which was held at the Bow-
liner Bowling Alleys. The STAY
team was captained by W. G. Con-
way, B. W. Pizzini & Co.; the In-
vestment Traders team was headed
by Al Tryder of J. F. Green & Co.
High average for the night was
won by Lott, of B. W. Pizzini & Co.,
Brocky & Gregory, New York City,
with an average of 192. He re-
ceived a check for ten dollars in
defense stamps. High single string
was held by Bill Kumm of Dublin &
Co., New York City, with 228, for
which he was awarded a five dollar
book of defense stamps.
After the game, a party was
held at Joe Deniffer’s in Green-
wich Village.

Kobbe, Gearhart & Company
INCORPORATED
Members New York Stock Exchange
45 Nassau Street, New York
TELEPHONE: PHILADELPHIA TELEPHONE BELL TELEGRAPH
EAST 2200 ENTERPRISE 3688 NEW YORK 1678

Wade & Gally Join
Fairman Co. Staff
Special to The Commercial and Financial Chronicle
LOS ANGELES, CAL.—Robert C. Wade and John V. Gally, both
previously with the Citizens & Southern National Bank, have
become associated with Fairman & Co. at 41 South Spring
Street. Mr. Wade in the past was President and General
Manager of the First National Bank of New Orleans, and R. C.
Wade & Co., Inc. and prior thereto was an officer of Smith,
Cromwell & Co., Inc. Mr. Gally was previously with Bank-
america Co. of Los Angeles, at present he added that the
statistical and research de-
partment of Gerston & Co.

Our Reporter On "Governments"

Apparently, from now on, Secretary Morgenthau is going
to try to hold down the premiums on new issues to the one-point
level. ...No longer is he going to pay off 2 and 3 points to free
riders. ...No longer does he want any free riders, as a matter
of fact. In the last 24 hours, instead of making sure that the
premiums for being worked out. ...And unless we miss our
guess, the yardstick is ¾ to a point—with only the real buyers
getting a chance to buy at all.

The new 3½s went over, of course. ...The issue had to be
revised to a 4½, but the result pushed the market. ...The
market has gotten more and more and more and more
price. I’m surprised that Morgenthau didn’t sell a note issue,
especially since the commercial banks had indicated so clearly
their eagerness for these. ...But, again, the interpretation is he is trying to
establish a policy. ...He wants to “save” the note list for a mere
rural area, but if there was an emergency.
The new 4½s are like the old ones, 2½ points. ...It can’t come back,
however. ...It’s surprising that Morgenthau chose the 10-12 year
maturity range. ...He might have pushed out the call date another two
years. ...But he wasn’t taking any chances with eliminat-
ing commercial-bank buying to too great an extent. ...And the
banks will buy 10-13 year bonds. ...So will the insurance com-
panies and other institutions. ...So while the maturity was
shorter than we had anticipated, the objective was attained with
case easy.

New Jersey Bond Club
To Hold Annual Dinner
The annual banquet of the
Bond Club of New Jersey will be held
on Thursday, Feb. 21, according
to announcement by Lee W.
Mount, chairman of the club.
The formal dinner will be held at the Robert
Trebel Hotel in Newark, at which
Roy W. Moore, President of Can-
da Dry Gin Gin, Inc., will be guest
of honor and speaker.

Lawrence Connell
With Strauss Bros.
Lawrence J. Connell, formerly of
Phillips, Moore & Co., has been
thoroughly manager of the trading
department of Hartley Rogers &
Co., New York City, and is now
associated with Strauss Bros., 22 Broadway, New York City.

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In Interesting in Sugar
An analysis of the market activity
for sugar by Messrs. M. S. Wieh & Co., New York, and
Boston, was made by Mr. Arthur W. Byrd, of the
company, for the benefit of a large number of
business men, who were interested in the analysis of the
market activity for sugar.