Final Edition THURSDAY In 2 Sections – Section 1

# The COMMERCIAL & FINANCIAL CHRONICLE

(Reg. U. S. Pat. Office)

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## Our Reporter On "Governments"

There still are some excellent switching opportunities in the Government market, despite the fact that the primary switching activities—from taxables to tax-exempts and back again—are diminishing in volume. . . . Before going into details, though, that second point—the falling off of activity in shifting from section to section—deserves special mention, for it indicates the development of some new thoughts in the market. . . .

**For one thing, the tax consciousness of investors of all kinds never has been at so high a pitch. . . . The feeling is general among banks and other institutional investors in Governments that the normal tax rate is going to be maintained and that the increases will occur in the surtax rate. . . . That is a point which has been stressed repeatedly in this space for months. . . . Now it is conceded by most holders of Governments. . . . And translated into terms of market movements, it has discouraged many investors from switching from tax-exempts into taxables—because they figure the tax-exempts are fairly safe for a while. . . .**

For another thing, the feeling is that the tax-exempts are wonderful securities to hold now—and they won't be around for a much longer time. . . . Every one knows the supply of tax-exempts is being cut as rapidly as possible. . . . Even if the Government doesn't succeed in its obvious aim to eliminate tax-exempt privileges on outstanding as well as all future issues of securities (an aim that is not expressed, but implied as far as Governments are concerned) there's no denying the fact that the number of tax-exempts will be cut steadily by refunding deals, engineered either on time or ahead of time. . . . So the psychology is "let's hold them as long as possible and get the best out of them while we may." . . .

The tax-exempt market, in short, is enjoying a special tenderness just now. . . . Translate that into terms of your own portfolio and act accordingly. . . .

**Specific Switches**

Leaving the field of major switches from section to section of the market and going into the question of specific arbitrages available within the taxable list, the figures indicate that there are several profitable moves to be made just now. . . .

The switch mentioned in this space last week still is an excellent one. . . . Deserving attention from all holders of the 2s of 1955/51, who are not bound by theories of diversification and thus unable to take advantage of a technical market situation. . . .

**The fact is that the 2s of 1955/51, selling at par as this is being written (or at a 32nd or so above par) have needed the most official support in recent weeks. . . . Because they are closest to par, of course. . . . Because the policy of the Federal Reserve System is to maintain in the par level on its bonds if at all possible without too great a cost. . . .**

That means the 2s are rather over-priced in relation to other comparable issues. . . . Or putting it another way, that issues such as the 2¼s of 1955/52, are under-priced in relation to the 2s. . . .

So sell the 2s of 1955/51 at around par and buy the 2¼s of 1955/52 at around 100⅝. . . . The maturity of the 2¼s is June 15, 1955. . . . Of the 2s, Dec. 15, 1955. . . . The call date of the 2¼s is only six months away from that of the 2s. . . . Yet, the coupon

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## OUR REPORTER'S REPORT

The corporate securities market came to life this week, after a period of hibernation which saw little beyond a handful of municipal offerings available to investors.

**And with the period of lethargy in new issues quite evidently having provided dealers with an opportunity to clear away loose-ends of previous deals which had been on the shelves, a ready market greeted the securities brought out yesterday.**

Offering of the $32,500,000 of Pennsylvania Electric Company 30-year 3⅜% first mortgage bonds and 34,000 shares of 5.10% preferred stock encountered a lively demand which permitted a quick cleaning up of the bonds and a highly satisfactory movement of the preferred stock.

**Bought in by bankers on Monday under the "competitive bidding" rule of the Securities and Exchange Commission through a so-called "package" bid at 102.3177 to the company, the bonds were offered publicly at 103½ to return an indicated 3.19% yield.**

The preferred stock, part of the package, for which bankers bid 100.3789 as a 5.1% dividend issue, was priced at 100¾ to yield about 4.91%.

There had been more than a modicum of doubt last week-end that the deal would be carried through, due to prevailing conditions. But presumably bankers were moved to undertake the underwriting upon scrutinizing the behavior of public utility bonds over the period of recent weeks. As a group good utility issues had ably withstood the effect of disquieting events in the interval.

(Continued on Page 935)

## Increase Of 25% On Commissions Approved By Governing Board Of Stock Exchange

The Board of Governors of the New York Stock Exchange on Feb. 26 approved and submitted to the membership for balloting amendments to the Exchange's Constitution increasing commissions which the public will pay on stock transactions by slightly over 25%. The new commission rates will be voted upon by the members in the next two weeks, and if approved, will go into effect on March 16.

In a letter to the members, Emil Schram, President of the Exchange, says that the Governors feel that the new rates are fair to all concerned, in terms of services rendered to the public and to one another. Mr. Schram's letter points out that the proposed changes in the commission rates are as follows:

**Non-Member Rates—Stocks**

Generally, a flat increase of 1c a share is proposed in the non-member commissions on stocks selling between 50c and $10. On stocks selling between $10 and $90, the proposed commissions would be progressively increased at the rate of ¼ of 1% of the selling price.

At $90 a share and above a uniform minimum commission of 35c a share would be charged.

The above non-member rates apply both to 100-share-unit and 10-share-unit stocks and to round-lot and odd-lot orders.

The minimum commission on a transaction has been raised to $5 where the amount involved is $100 or more.

**Member Rates—Stocks**

The new clearance commissions on stocks selling at $1 and above have generally been increased. These rates would be applied to both 100-share and 10-share-unit stocks. On 100-share-unit stocks selling at $10 and above but below $50, the new rate would be 5½c a share while the old rate is 3.9c. On stocks selling at $50 and above, the new rate would be 6c, while the old 100-share-unit rate varied between 4.1c and 5.3c. In the case of the 10-share-unit stocks, reductions are proposed in clearance commissions on stocks in the $5 to $50 groups, and such commissions would be unchanged in stocks in other price groups.

The proposed give-up commissions on 100-share-unit stocks selling at $5 and above but less than $125 would be increased, while such commissions on the other stocks would remain unchanged or would be slightly decreased. Such give-up rates would generally amount to $2.75 or $3.00 per 100 shares, which compares with $2.60 or $2.70 at present.

Give-up commissions on the 10-share-unit stocks would not be changed.

**Non-Member and Member Rates**

Provisions have been made to increase the non-member and member commissions on bonds in the case of orders for less than 5 bonds. Such commissions on orders for 5 bonds or more would be unchanged.

## INDEX

## Charles M. Abbe Joins Blyth & Co. In Boston

Blyth & Co., Inc., announces that Charles M. Abbe has become associated with them in their Boston office, 75 Federal St., where he will be in charge of developing their retail sales department throughout New England.

In making this new connection, Mr. Abbe retires as a general partner of the firm of Newton, Abbe & Co., of which he was one of the founders in 1931. Previously he had been associated for many years with Harris, Forbes & Co. He is Chairman of the New England Educational Group of the Investment Bankers Association of America, and a member of the National Municipal Council of that organization.

## Ogden H. Freeman To Open Own Dealer Firm

Ogden H. Freeman has opened offices at 20 Exchange Place, New York City, to engage in a general securities business. Mr. Freeman was formerly a partner in Arthur B. Treman & Co. in charge of the Syndicate Department in their New York office. In the past he was a partner in Plympton, Gardiner & Co. of New York.





## ABA Credit Clinic For Mid-West Bankers

Expanding further its series of banking clinics on war-time credit problems, the American Bankers Association will sponsor a credit clinic to be held at the Stevens Hotel in Chicago, April 15-17, for bankers in the Mid-West area, it is announced by Henry W. Koeneke, A. B. A. President, who is President of the Security Bank of Ponca City, Ponca City, Okla.

The program for the Chicago credit clinic will feature discussions of the three basic fields of bank credit, namely, agricultural credit, consumer credit and commercial credit, including defense lending, Mr. Koeneke said. A full day will be devoted to each of these phases of credit.

Banks to be included in the conference are those in the States of Colorado, Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota and Wisconsin. Banks in these States will soon receive invitations to send representatives to the clinic.

Informality will characterize the program, Mr. Koeneke says, the object being to have a real working conference which will treat credit problems under wartime conditions by the clinical method.

## C. C. Brownson Joins Fewel, Marache & Co.

(Special to The Financial Chronicle)

LOS ANGELES, CALIF. — Charles C. Brownson is now affiliated with Fewel, Marache & Co., 453 South Spring St., members of the Los Angeles Stock Exchange. Mr. Brownson was formerly Vice-President of Bingham-Walter & Co. with headquarters in Pasadena.

## Morgan Of Sperry Is Named Lehman Director

Thomas A. Morgan, President of the Sperry Corporation and a member of the New York State Council of National Defense, has been elected a director of the Lehman Corporation, succeeding Leo T. Crowley, Chairman of the Federal Deposit Insurance Corporation and of the Standard Gas and Electric Corporation, who resigned from the Lehman Corporation board when he also became Alien Property Custodian.

J. Herbert Case, Dwight F. Davis, I. J. Harvey, Jr., Herbert P. Howell and Wendell L. Willkie continue as directors in addition to those who are partners in Lehman Brothers or officers of the Lehman Corporation.

## Siegel and Krumholz Form Own Dealer Firm

Sidney A. Siegel and Nathan A. Krumholz have formed Siegel & Co. with offices at 39 Broadway, New York City, to deal in investment securities. The new firm will specialize in title company certificates, Prudence Company bonds, and all real estate issues. Mr. Siegel was formerly a partner in Stryker & Brown; Mr. Krumholz was a partner in the recently dissolved firm of Fitz-Levy & Co.

## Charles S. Blood With Edward D. Jones & Co.

(Special to The Financial Chronicle)

ST. LOUIS, MO.—Charles Sullivan has become associated with Edward D. Jones & Co., Boatmen's Bank Building, members of the New York, St. Louis, and Chicago Stock Exchanges. Mr. Blood was formerly for many years President of Slayton & Co., Inc.



## SEC Starts Trek To Philadelphia Today

The removal of the main offices of the Securities and Exchange Commission to Philadelphia begins today and the Commission expects to complete the move in about eighteen days.

Every effort will be made to avoid interruption of the work of the Commission during the moving period and to assure the expeditious handling of all official business. As a guide for those having business before the Commission, the moving schedule of the various units is as follows:

March 5—Reorganization Division.
March 6—Trading and Exchange Division.
March 6, 7, and 8—Public Utilities Division.
March 8 and 9—Registration Division.
March 9—Commissioners.
March 12—Legal Division.
March 13—Chief Accountant's Office.
March 13—Oil and Gas Unit.
March 14—Investment Company Division.

After March 9, official mail should be addressed to the Commission's new offices — 18th and Locust Street, Philadelphia, Pennsylvania—in accordance with the above moving schedule. Mail addressed to an individual should conform to the above moving schedule. Parties to all hearings heretofore scheduled to be held in the Commission's Washington offices will be notified sufficiently in advance of any change in the place of hearing.

A liaison office, which will be a clearing house for work with other government departments, will be maintained in Washington, D. C. The Chairman of the Commission will maintain offices in Washington as well as in Philadelphia.

All filings customarily made at the Washington offices of the Commission should be made at the new Philadelphia offices on and after March 9.

## Samuel Cornwall Now With Bond, Judge Co.

(Special to The Financial Chronicle)

HARTFORD, CONN. — Samuel C. Cornwall has become associated with Bond, Judge & Co., Inc., whose main office is located at 68 Devonshire Street, Boston, Mass. Mr. Cornwall was formerly Executive Vice-President of F. W. Horne & Co., Inc. In the past he was manager of the municipal trading department for F. B. Eyre & Co. and Van Alstyne, Noel & Co. in New York City.

## Henry Talbot To Be Partner In Byfield

Henry D. Talbot will become a partner in Byfield & Co., 31 Broadway, New York City, members of the New York Stock Exchange. It is proposed that Mr. Talbot act as alternate on the floor of the Exchange for Alan H. Kempner under Section 15, Article IX of the Exchange's constitution. Mr. Talbot was formerly a partner in Bendix, Luitweiler & Co. and its predecessors for many years.

## Norman Lewellyn Gets Order Of Purple Heart

Norman Lewellyn, formerly associated with the Bankers Bond Co. of Louisville, Ky., and now serving as a major in the United States Air Force has been decorated with the Order of the Purple Heart for gallantry in the fighting in Java.







## Results Of Treasury Bill Offering

Secretary of the Treasury Morgenthau announced on Mar. 2 that the tenders for $150,000,000 or thereabouts, of 91-day Treasury bills, to be dated Mar. 4 and to mature June 3, 1942, which were offered on Feb. 27, were opened at the Federal Reserve Banks on Mar. 2. The following details of this issue are revealed:

Total applied for____$510,228,000
Total accepted_____ 150,477,000
Range for accepted bids:
High—99.962. Equivalent rate approximately 0.150%.
Low—99.941. Equivalent rate approximately 0.233%.
Average Price—99.944. Equivalent rate approximately 0.222%.
(46% of the amount bid at the low price was accepted.)

There was a maturity of a similar issue of bills on Mar. 4 in amount of $200,156,000.

## Witter Admitting Foley

Bertrand J. Foley will become a partner in Dean Witter & Co., members of the New York Stock Exchange, and will act as alternate on the floor of the Exchange for Harold W. Scott. Mr. Foley will make his headquarters in the firm's New York office, 14 Wall Street.

COMMERCIAL and FINANCIAL CHRONICLE
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## Aldrich & Personnel Joining Goodbody Co.

(Special to The Financial Chronicle)

HARTFORD, CONN.—Subsequent to the liquidation of Aldrich & Company, C. Morgan Aldrich and Warren S. Whitney, partners in the dissolved firm, have become associated with Goodbody & Co., 75 Pearl Street. Mr. Aldrich will be manager of the Hartford office of Goodbody & Co. Edward L. Bartlett III, formerly in charge of the trading department of Aldrich & Co., Roland L. Burnett, Alfred H. Bowman, and Ellsworth D. Wood are also joining Goodbody & Co.

## Charles Klein Is Now With Holsapple & Co.

Holsapple & Co., 30 Pine Street, New York City, members of the New York Stock Exchange, announce that Charles E. Klein has become associated with the firm. Mr. Klein was with Cowen & Co. for 20 years, at one time as a partner. He will be in the trading department of Holsapple & Co. and will specialize in railroad bonds and railroad reorganization securities.

## Ralph Clark Co. Opens Direct Phone to N. Y.

BOSTON, MASS.—Ralph F. Carr & Company, 10 Post Office Square, which heretofore has had a direct private telephone to the New York office of Williams and Southgate, has now a direct telephone connection to Smith, Barney & Company, New York City, REctor 2-1288. All subscribers to "Security Dealers of North America" should add this new telephone number to the listing of Ralph F. Carr & Company in Boston so that they will have the latest information.

## Committees Appointed By Phila. Bond Club

PHILADELPHIA, PA. — The Bond Club of Philadelphia announces the appointment of the following committees for 1942:

Elective—John C. Bogan, Jr., Sheridan, Bogan & Co., Chairman; Richard E. Norton; C. Newbold Taylor; Bertram M. Wilde, and George F. Taylor, Bankers Trust Co.

Arrangements—Henry D. Boenning, Boenning & Co., Chairman; H. V. B. Gallager, Yarnall & Co.; Edw. Boyd, Jr., Harriman Ripley & Co.; Wallace M. McCurdy, Wellington Fund; Samuel K. Phillips, Samuel K. Phillips & Co.; Spencer D. Wright, Wright, Wood & Co.; Alfred R. Hunter; Theodore S. Mead, First Boston Corp.; Raymond L. Talcott, and Leo D. Tyrrell, Biddle, Whelen & Co.

Publicity—Clifford C. Collings, C. C. Collings & Co., Chairman; Howard E. Duryea, Starkweather & Co.; Eugene T. Arnold, Harriman Ripley & Co.; William H. Hobson, Jr., Blair & Co., Inc.; Alfred Rauch, Philadelphia National Co.; Osborne R. Roberts, Schmidt, Poole & Co.; Charles P. Shaw; W. Albert Smith, Jr.; Roy Stewart, Brown Bros. Harriman & Co., and R. Victor Mosley, Stroud & Co.

## Pittsburgh Bond Club Will Hold Election

PITTSBURGH, PA.—The Bond Club of Pittsburgh will hold its annual meeting and election of officers and Board of Directors on Thursday evening March 26, it is announced by L. Wainwright Voigt, Secretary of the club.

The roster for officers during the coming year presented by the recently appointed Nominating Committee are:

President — L. Wainwright Voigt, Hemphill, Noyes & Co. Vice-President, Charles A. Painter, Jr., Kay Richards & Co. Secretary, Alan G. Clifford, J. M. Scott & Co. Treasurer, S. Lee Bear, S. Lee Bear & Co.

Board of Governors, one year term — Francis J. McGuinness, Chaplin & Co.; two year term, Stephen W. Steinecke, S. K. Cunningham & Co., and Paul Tunnell, H. M. Byllesby & Co.

Nominating Committee — Norman C. Ray, Kay, Richards & Co., Chairman; John E. Friday, Harriman Ripley & Co.; Harry F. Carson, S. K. Cunningham & Co., Inc.; Francis J. McGuinness, retiring President, and S. Davidson Herron, Mellon Securities Corp.

## Interested In Equalization

Paul Dysart & Associates, Kentucky Home Life Building, Louisville, Ky., have prepared a descriptive booklet on "equalization," an improved theory of market trends, spotting basic trends, secondary trends and distribution, copies of which may be had from them upon request.



## Martin Judge Jr. Now With Hill Richards Co.

(Special to The Financial Chronicle)

SAN FRANCISCO, CALIF.—Martin Judge, Jr. has become associated with Hill Richards & Co., 79 Post Street, where he will continue to specialize in unlisted and inactive securities. Mr. Judge was formerly manager of the trading department for Shaw, Hooker & Co. and prior thereto was in business under his own name for 18 years.

## J. G. La Puma With Barbour, Smith & Co.

(Special to The Financial Chronicle)

LOS ANGELES, CALIF.—Joseph G. La Puma, formerly assistant manager of the trading department of the local office of Mitchum, Tully & Co., has become associated with Barbour, Smith & Company, 210 West Seventh Street, members of the Los Angeles Stock Exchange.

## Jones Shannon With Miller, Kenower Co.

DETROIT, MICH. — Jones B. Shannon has become associated with Miller, Kenower & Co., Inc., Penobscot Building, as Vice-President. Mr. Shannon was formerly manager of the municipal department of Campbell, McCarty & Co., Inc., and prior thereto was an officer of Shannon, Kenower & Co.

## Hyman Co. Reorganized

Coincident with the dissolution of the present partnership of Hyman & Co. as of today, a new partnership will be formed to conduct business under the same name from 40 Wall St., New York City. Partners of the new organization are William deYoung Kay, member of the New York Stock Exchange, Edward L. Aaron, and Jack B. Byck. Mr. Kay was previously an individual floor broker in New York, and prior thereto was a partner in Kay, Byfield & Co. Mr. Byck was office manager of Hyman & Co.

Bernard E. Hyman, it is understood, will do business as an individual floor broker.

## Hornblower-Weeks and G. M.-P. Murphy Merge

Consolidation of the activities of the firms of G. M.-P. Murphy & Co., and Hornblower & Weeks, to become effective March 16, is being announced today in a joint statement by the two firms. Otis A. Glazebrook, Jr., and Charles S. Sargent, general partners of G. M.-P. Murphy & Co., will be general partners, while Walter R. Herrick and Edward O. McDonnell will be limited partners in the enlarged firm, which will continue under the Hornblower & Weeks name. Trowbridge Callaway and Willard S. Simpkins will be associated with the firm and will make their headquarters at the New York office. Alfonso P. Villa, a general partner of G. M.-P. Murphy & Co., will retire and Robert Grant, 3rd, is now on active duty in the United States Navy. P. Erskine Wood and Grayson M.-P. Murphy, Jr., limited partners, will withdraw. Messrs. Wood and Villa will make their headquarters at Hornblower & Weeks.

Ralph Hornblower, senior partner, and the other present partners of Hornblower & Weeks will continue as such. The New York office personnel of G. M.-P. Murphy & Co. will be moved to the Hornblower & Weeks offices at 40 Wall Street and similar changes will be made in Boston and Philadelphia. Hornblower & Weeks also have fully equipped offices in Chicago, Cleveland, Detroit, Providence, R. I., and Portland and Bangor, Maine, with resident partners in all except Providence and Bangor.

The enlarged firm will continue the business, in which both firms have been engaged, of underwriting security issues and rendering investment and brokerage services. It will hold memberships on the New York, Boston, Chicago, Cleveland, Philadelphia and Detroit Stock Exchanges and on the New York Curb Exchange.

## 100 Dividend-Payers

R. H. Johnson & Co., 64 Wall Street, New York City, has prepared a list of 100 common stocks which have paid dividends in each year from 1929 to 1941, inclusive, copies of which may be had upon request.

## DIVIDEND NOTICES

**AMERICAN BANK NOTE COMPANY**

*Preferred Dividend No. 144*
*Common Dividend No. 128*

*A quarterly dividend of 75¢ per share (1½%) on the Preferred Stock for the quarter ending March 31, 1942, and a dividend of 10¢ per share on the Common Stock have been declared. Both dividends are payable April 1, 1942, to holders of record March 11, 1942. The stock transfer books will remain open.*

J. P. TREADWELL, JR.
*February 18, 1942* *Secretary*

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**American Locomotive Company**

30 CHURCH STREET
NEW YORK, N. Y.

**Preferred Dividend No. 135**

A dividend on the Preferred Capital Stock of this Company of $1.75 per share on account of accumulated dividends has been declared payable March 24, 1942, to the holders of record of said stock at the close of business on March 10, 1942.

Transfer books will not be closed. Checks will be mailed by the Bankers Trust Company on March 23, 1942.

JOHN D. FINN
*February 26, 1942* *Secretary*

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**ANACONDA COPPER MINING CO.**
**25 Broadway, New York, N. Y.**
February 26, 1942
DIVIDEND NO. 135

The Board of Directors of the Anaconda Copper Mining Company has declared a dividend of Fifty Cents (50c.) per share upon its Capital Stock of the par value of $50 per share, payable March 23, 1942, to holders of such shares of record at the close of business at 3 o'clock P. M., on March 10, 1942.

JAS. DICKSON, Secretary & Treasurer

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**THE ATLANTIC REFINING CO.**

PREFERRED DIVIDEND — NUMBER 24

**At a meeting of the Board of Directors held March 2, 1942, a dividend of one dollar ($1) per share was declared on the Cumulative Preferred Stock Convertible 4% Series A, of the Company, payable May 1, 1942, to stockholders of record at the close of business April 6, 1942. Checks will be mailed.**

W. M. O'CONNOR
March 2, 1942 *Secretary*

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**Beneficial Industrial Loan Corporation**
**DIVIDEND NOTICE**

Dividends have been declared by the Board of Directors, as follows:

PRIOR PREFERENCE STOCK
$2.50 Dividend Series of 1938
62½c per share
(for quarterly period ending March 31, 1942)

COMMON STOCK
40c per share

Both dividends are payable March 31, 1942 to stockholders of record at close of business March 16, 1942.

E. A. BAILEY
*March 2, 1942* *Treasurer*

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**At a meeting of Directors held February 24, 1942 in London it was decided to pay on March 31st Interim Dividend of Five Pence for each One Pound of Ordinary Stock free of tax. Coupon No. 189 must be used for Dividend.**

**All transfers received in order at London on or before March 2nd will be in time for payment of dividend to transferees.**

**BRITISH-AMERICAN TOBACCO COMPANY, Limited**
**February 24, 1942**

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**THE CHESAPEAKE AND OHIO RY. CO.**

A dividend for the first quarter of 1942 of one dollar per share on Preference Stock, Series A, and of seventy-five cents per share on $25 par common stock will be paid April 1, 1942, to stockholders of record at close of business March 6, 1942.

Transfer books will not close.

H. F. LOHMEYER, Secretary.

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**Canadian Securities**

*Traded in U. S. Funds*

**F. W. Macdonald & Co.**
*Members Toronto Stock Exchange*
41 Broad St., New York, N. Y.
HAnover 2-7673 Tele. NY 1-1619
Toronto New York

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***The Borden Company***

ANNUAL MEETING

The annual meeting of stockholders will be held on Wednesday, April 15, 1942, at ten o'clock A.M. (Eastern War Time) at our registered office, 15 Exchange Place, Jersey City, N. J.

Only stockholders of record at the close of business on Wednesday, March 18, 1942, will be entitled to vote at said meeting, notwithstanding any subsequent transfers of stock.

The stock transfer books will not be closed.

*The Borden Company*
WALTER H. REBMAN, *Secretary*

## DIVIDEND NOTICES

**JERSEY CENTRAL POWER & LIGHT CO.**
PREFERRED STOCK DIVIDENDS

The Board of Directors has declared the following regular quarterly dividends: the 68th qtly. div. of $1.75 on the 7% Preferred Stock; the 59th qtly. div. of $1.50 on the 6% Preferred Stock; and the 43rd qtly. div. of $1.37½ on the 5½% Preferred Stock. Payable on April 1, 1942 to stockholders of record at the close of business March 10.

R. R. BOLLINGER, Treasurer.

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**COMMERCIAL INVESTMENT TRUST CORPORATION**

*Convertible Preference Stock, $4.25 Series of 1935, Dividend*

A quarterly dividend of $1.06¼ on the Convertible Preference Stock, $4.25 Series of 1935, of COMMERCIAL INVESTMENT TRUST CORPORATION has been declared payable April 1, 1942, to stockholders of record at the close of business March 10, 1942. The transfer books will not close. Checks will be mailed.

*Common Stock, Dividend*

A quarterly dividend of 75 cents per share in cash has been declared on the Common Stock of COMMERCIAL INVESTMENT TRUST CORPORATION, payable April 1, 1942, to stockholders of record at the close of business March 10, 1942. The transfer books will not close. Checks will be mailed.

JOHN I. SNYDER, *Treasurer.*
February 26, 1942.

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**THE ELECTRIC STORAGE BATTERY CO.**

Exide BATTERIES

The Directors have declared from the Accumulated Surplus of the Company a dividend of Fifty Cents ($.50) per share on the Common Stock, payable March 31, 1942, to stockholders of record at the close of business on March 10, 1942. Checks will be mailed.

H. C. ALLAN, *Secretary and Treasurer.*
*Philadelphia, February 20, 1942.*

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**FINANCIAL NOTICE**

**BRITISH-AMERICAN TOBACCO COMPANY, LIMITED**
**NOTICE TO STOCKHOLDERS.**

**NOTICE IS HEREBY GIVEN that after the interim dividend payable on 31st March, 1942, the Board will discontinue the practice of declaring quarterly interim dividends on the Ordinary stock of the company. The intention is to declare interim dividends half-yearly, payable on the 31st March and 30th September, and to pay with the first interim dividend payable on the 31st March any final dividend which may have been declared in respect of the preceding year.**

**BY ORDER OF THE BOARD.**
**D. M. OPPENHEIM, Secretary.**
**Rusham House, Whitehall Lane, Egham, Surrey, England.**
**March 2, 1942.**

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# UTILITY PREFERREDS

JACKSON & CURTIS

# PERSONNEL ITEMS

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

NEW YORK, N. Y.—**Gamwell & Co.**, 40 Wall St., announce that **Herbert D. Smith** has become associated with them.

(Special to The Financial Chronicle)
BOSTON, MASS.—**P. Raymond Jackman** has become connected with **Chace, Whiteside & Co., Inc.**, 24 Federal St. Mr. Jackman was previously with Baldwin & Co. and the Sears Corporation.

(Special to The Financial Chronicle)
BOSTON, MASS.—**Charles Forrest Richardson** has been added to the staff of **Lee Higginson Corporation**, 50 Federal St.

## DIVIDEND NOTICES

**GUARANTY TRUST COMPANY OF NEW YORK**
New York, March 4, 1942.

The Board of Directors has declared a quarterly dividend of Three Per Cent. on the Capital Stock of this Company for the quarter ending March 31, 1942, payable on April 1, 1942, to stockholders of record March 11, 1942.

MATTHEW T. MURRAY, JR., Secretary.

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**J. I. Case Company**
**Incorporated**
Racine, Wis., March 3, 1942.

A dividend of $1.75 per share upon the outstanding Preferred Stock of this Company has been declared payable April 1, 1942, to holders of record at the close of business March 12, 1942.

THEO. JOHNSON, Secretary.

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**MARGAY OIL CORPORATION**
DIVIDEND NO. 47

The Board of Directors of the MARGAY OIL CORPORATION has this day declared a dividend of twenty-five cents a share on the outstanding stock of the corporation of the issue of 160,000 shares provided by amendment to the certificate of incorporation of April 27, 1926, payable April 10, 1942, to stockholders of record at the close of business March 25, 1942.

J. I. TAYLOR, Treasurer.
Tulsa, Oklahoma, March 2, 1942.

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**E. I. DU PONT DE NEMOURS & COMPANY**

WILMINGTON, DELAWARE: *February 16, 1942*

The Board of Directors has declared this day a dividend of $1.12½ a share on the outstanding Preferred Stock, payable April 25, 1942, to stockholders of record at the close of business on April 10, 1942; also $1.25 a share, as the first "interim" dividend for 1942, on the outstanding Common Stock, payable March 14, 1942, to stockholders of record at the close of business on February 24, 1942.

W. F. RASKOB, *Secretary*

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**NATIONAL DAIRY PRODUCTS CORPORATION**

A dividend of 20¢ per share on the Common stock has been declared, payable April 1, 1942, to holders of record March 7, 1942.

GEORGE H. RUTHERFORD
*February 26, 1942* *Treasurer*

(Special to The Financial Chronicle)
BOSTON, MASS.—**Thomas F. Hurley** is now affiliated with **Trust Funds, Inc.**, 89 Broad St.

(Special to The Financial Chronicle)
BRIDGEPORT, CONN.—**Vincent K. Garland** has joined the staff of **Gaynor, Clemence & Co., Inc.**, 137 John St.

(Special to The Financial Chronicle)
CHICAGO, ILL.—**Sven Victor Platin** is now with **Dempsey-Detmer & Co.**, 135 South La Salle St.

(Special to The Financial Chronicle)
CINCINNATI, OHIO—**Benjamin E. Culbertson** has become connected with **Nelson, Browning & Co.**, Carew Tower. Mr. Culbertson was previously with Hill & Co. and McDonald-Coolidge & Co.

(Special to The Financial Chronicle)
CLEVELAND, OHIO—**William E. Baker, Frank L. Walker** and **Russell L. Zimmer** have joined the staff of **P. E. Kline, Inc.**, Union Commerce Building. All were formerly with the local office of Jackson & Curtis.

(Special to The Financial Chronicle)
CLEVELAND, OHIO—**Edward L. Worthington** has become associated with **Merrill Lynch, Pierce, Fenner & Beane**, 216 Superior Avenue, N. E. Mr. Worthington was formerly with Otis & Co. for a number of years.

(Special to The Financial Chronicle)
DETROIT, MICH.—**Clarence S. Dorst**, formerly with Wright, Martin & Co. and Goodbody & Co., is now affiliated with **Keane & Co.**, Penobscot Building.

(Special to The Financial Chronicle)
LONG BEACH, CALIF.—**Archie F. Patterson**, previously with Crowell, Weedon & Co. and Barbour, Smith & Co., has joined the staff of **Bayly Brothers**, 132 Pine Avenue.

(Special to The Financial Chronicle)
LOS ANGELES, CALIF.—**Frank Preston** is now with **Samuel B. Franklin & Co.**, 215 West Seventh St. He was formerly with G. Brashears & Co.

(Special to The Financial Chronicle)
MIAMI, FLA.—**D. Kirk Gunby** recently became connected with **B. J. Van Ingen & Co., Inc.**, Alfred I. du Pont Building.

(Special to The Financial Chronicle)
MIDDLETOWN, OHIO—**Walter J. Tobitt** has become associated with **Greene & Brock**, First American Bank Building. Mr. Tobitt in the past was manager of the bond department of L. D. Roberts & Co., New York City.

(Special to The Financial Chronicle)
PASADENA, CALIF.—**Bruce T. Work** has become connected with **Lester & Co.**, 234 East Colorado St. Mr. Work was formerly local manager for Merrill Lynch, Pierce, Fenner & Beane, and prior thereto for the Morrison Bond Co.

(Special to The Financial Chronicle)
PROVIDENCE, R. I.—**Lewis D. Tyler** has been added to the staff of Paine, Webber & Co., 15 Westminster St.

(Special to The Financial Chronicle)
ST. PETERSBURG, FLA.—**Howard Daniel Pomeroy** has become connected with **Cohu & Torrey**, Walgreen Building. **Edward Earl Cummings** also joined their staff recently.

(Special to The Financial Chronicle)
ST. LOUIS, MO.—**Charles E. Brenton** is now with **Stifel, Nicolaus & Co., Inc.**, 314 North Broadway.

(Special to The Financial Chronicle)
SAN ANTONIO, TEX.—**Marvin A. Thomasma** is now with **Russ & Company**, Frost National Bank Building. Mr. Thomasma was previously with McIntyre-McRoberts & Co., Inc., and prior thereto with Newman & Co.

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## Tomorrow's Markets Walter Whyte Says—

**War and taxes dominating market factors. Market rally, based on relief of tax knowledge, not to be trusted. Congress still playing party politics. Stops on previously recommended stocks remain in force.**

*By WALTER WHYTE*

It's all well and good to limit the scope of this column to a market discussion, analysis and forecast. But the fact is that there are so many other imponderables to consider today that to ignore them would be stupid.

* * *

First and foremost is the war. All other factors, when compared to it, pale into insignificance. Even taxes, which will now take an important place in newspaper headlines, hinge on the war effort and its success. Theoretically readers of this space are concerned with the stock market. Yet no stock market can go along without some encouragement from the events that today control it. I am not thinking of the SEC. For even if SEC regulations were changed, the market would still reflect (or anticipate) world conditions.

* * *

Ever since I've been in the Street (and that's more years than I care to remember) I have had it drummed into my head, that no matter what happens in any part of the world, the market will reflect or anticipate it. During the hectic twenties, through the buy-any-old-thing days of '29 and even up to 1937, this characteristic has been demonstrated. It was true when Dow first expounded his now famous theory and remained true when Peter Hamilton elaborated on it. For even if the world of those almost forgotten days did change, the fundamental concepts on which our stock market was based remained the same.

*(Continued on Page 940)*





## Baking Co. Attractive; U. S. Radium Looks Good

Hoit, Rose & Troster, 74 Trinity Place, New York City, have prepared a revised statistical report on Columbia Baking Company. The report, which states that 1941 earnings of the company are 23% higher than in 1940 despite heavier taxes, discusses capitalization and compares income figures for 1941, 1940 and 1939, gives dividend figures and a brief statement of financial condition. The company, it is stated, is prominent in the southern territory and offers particular advantages as a smaller baking company enjoying close control of production and costs and goodwill built up by knowledge of local needs and efficient satisfaction of those needs. Copies of this interesting report may be obtained upon request from the firm.

Hoit, Rose & Troster will also send upon request a detailed analysis of the current situation in U. S. Radium Corporation, a leading company in the luminous and fluorescent field. Demands of the Defense Program have stimulated the business of the company which manufactures and applies to dials for aircraft and other instruments self-luminous and fluorescent material. Financial condition is increasingly strong; the company has greatly expanded its organization, the report states, and this expansion is continuing, but equipment purchases and other expansion have been entirely financed out of earnings. The common stock, according to Hoit, Rose & Troster, is particularly attractive from an income and earnings standpoint and offers substantial possibilities for appreciation.

## Foster, Smith Directors Of Beekman Hospital

Elisha Walker, of Kuhn, Loeb & Co., Chairman of Beekman Hospital, announces the election of J. Taylor Foster and Harold V. Smith to the Beekman Hospital board of directors.

J. Taylor Foster is well known in the security field; he is a partner in Spencer, Trask & Co., New York City, and is President of the Bond Club of New York. Harold V. Smith is one of the foremost insurance men in the country and is President of The Home Fleet of Insurance Companies.

## "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.

## 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—36⅝.



# RAILROAD SECURITIES

The Interstate Commerce Commission finally came out with its decision on freight rate increases late Monday afternoon. The increases were fairly generally in line with earlier expectations, as the financial community had become resigned to more favorable treatment for agricultural interests, and iron ore is such an important element in the defense effort that little had been hoped for on this commodity.

Briefly, most commodities are to be raised a flat 6%, agricultural, animal and general mine products 3%, and coal an average of somewhat better than 4%. There is to be no increase in rates on iron ore. It has been estimated that with a 10% increase in traffic over 1941 levels the new rates will bring in some $225,000,000 per annum in addition to the $50,000,000 expected from higher passenger fares. These will go a long way towards offsetting the wage increases granted last year.

Granting of the freight rate increases, while unquestionably of favorable import, received little recognition marketwise. For one thing there was some disappointment over the fact that the new rates are temporary (to expire six months after the war) while the wage increases they were designed to offset were made permanent. For another thing, the announcement coincided with opening of discussions on the drastic new tax proposals, and with adverse war news. Finally, the market had apparently become tired by the recurring rumors of an imminent decision almost daily throughout the preceding three or four weeks. Now that the decision has been handed down the market will be free from this one uncertainty and greater weight may be given to the less neubulous factors of actual traffic volume and demonstrated earning power under conditions as they exist today.

On the whole, traffic trends have not been too encouraging. Volume has been consistently downward since the year's high was established in the week ended Jan. 24. In four weeks Standard & Poor's index of loadings has declined from 89.9 to 83.7. However, comparisons with a year ago continue highly favorable (up 11.4% for the eight weeks ended Feb. 21 and 14.2% in the latest week), and the poorer-than-seasonal trend is considered a temporary factor. There have been important dislocations arising from the cessation of civilian manufactures in many lines, and conversion of these plants to war purposes has not been completed. In a few months it is indicated that the automobile industries will be operating at a higher rate on war materials than ever in their history on civilian products, and this will have an important influence on traffic. The Great Lakes will be opened as soon as possible to move the anticipated record tonnage of iron ore, the rails will be called on to handle an increasing volume of petroleum products because of submarine sinkings, and shortage of oil is expected to stimulate coal loadings. With all of these considerations, the seasonal trend should be sharply reversed over the intermediate future, with the possibility that last year's peak traffic may be topped midway in the second quarter. Thus, the traffic picture is distinctly encouraging.

In point of earnings, the opening month of the year witnessed a wide divergence which may well be carried through at least the next few months. The most striking feature was the excellent reports coming from practically all of the western roads, a group which normally operates at substantial deficits in the early months of the year. Atchison was the leader with a rise of more than 50% in gross and an increase in net operating income from $1,814,350 to $4,262,226. Northern Pacific operated profitably in January for virtually, if not actually, the first time in its history, Great Northern did almost as well and Southern Pacific reached new highs for both gross and net for any opening month. Southern Pacific's net was almost three times as high as a year earlier.

The western group will almost certainly continue in the van for some months to come. An important factor has been the greater balance of traffic arising from war conditions. Whereas freight movement is normally predominantly eastward there has been a sharp expansion in westbound freight, particularly marked since the outbreak of the Pacific war. This improved balance works towards greater operating efficiency and accounts for the relatively large proportion of increased revenues these roads have been able to translate into net.

In contrast, the eastern and Great Lakes carriers were fairly consistent in reporting declines in earnings for the first month of the year. They have not the favorable operating factors which have allowed the western carriers to offset wage increases, and they have been more adversely affected by the industrial dislocations. The operating factors will in all likelihood continue to make for relatively less favorable net results, but the traffic considerations are expected to be reversed within a few months. Moreover, the eastern group will be the greater beneficiaries of freight rate increases.

# Bank and Insurance Stocks

As the 1941 insurance company statements come in, one of their outstanding features is the maintenance of "liquidating" values (stockholders' estimated equity) in the face of generally lower security markets.

For example, seven active casualty stocks on which complete official reports are available show a 5% gain in liquidating values per share, from $447.61 Dec. 31, 1940, to $470.47 Dec. 31, 1941; while 13 active fire stocks show a 6% decline, from $946.62 to $889.87, which, however, was much lower than the 15% decline for the general stock market as measured by the 65-stock Dow Jones average.

In other words, despite the depreciation in portfolio values of insurance company holdings, liquidating values of insurance stocks did better than the general market for 1941. This might seem paradoxical, considering that the greater part of liquidating values is represented by holdings of securities; but is readily traceable to the substantial expansion in premium volume for 1941.

This expansion in volume, which carried in some companies to the highest levels ever written and in others to the highest levels since the boom years, had the effect of bringing in a large amount of new money, causing aggregate assets to rise despite the security market depreciation on existing security holdings. On the liabilities side, this expansion in volume is reflected in the rise in fiduciary funds, such as unearned premiums on term policies and reserves for losses and claims.

Profit experience on the increased volume shows great variation, even if "statutory" (earned) underwriting profts are adjusted for credit for the increase in unearned premiums. As shown below, the seven casualty companies had 20% better adjusted underwriting gains, but the 13 fire companies showed a 29% drop in adjusted underwriting gains.

Perhaps the flat 40% adjustment for credit for increased unearned premiums does not do full justice to the fire companies, as current loss and expense ratios could justify a larger credit in some cases. Thus, 56 fire companies which have filed show according to Best's figures an incurred loss ratio of 50.4%, but expense ratio on the larger volume of business was only 44.0%; and, in fact, the 3-point rise in the loss ratio was almost fully offset by the 2-point drop in the expense ratio, and combined they indicate an underwriting profit margin of better than 5%. However, although a loss ratio of 50% would justify more than 40% credit for rise in unearned premiums, it is considered more conservative in figuring such credit to allow a margin for fluctuations.



Unearned premiums for the 56 company group rose nearly 11% for 1941, so that only a small "statutory" underwriting profit is shown. Even allowing 40% credit for expansion in unearned premiums, however, the 13 active fire stocks tabulated showed a decline in per share underwriting gains from $19.74 to $14.07, or 29%. There were some notable exceptions to this trend toward lower underwriting profits, four leading New England companies reporting better underwriting gains for 1941.

Nevertheless, the general tendency toward lower underwriting profits and the likelihood of a high loss period under war-time conditions poses the problem of how to improve underwriting results, so assure a continued fair "growth factor" — the amount ploughed back to surplus—and strengthen surplus at this time of mounting underwritten risks. Since most of investment income is used to cover dividends to stockholders, most of the ploughed-back earnings must come from underwriting. Maintenance of adequate fire rates is essential, but in addition, it appears that companies could voluntarily do a job of trimming expenses, despite higher operating costs.

Expense ratios, for example, during the year immediately before and during World War I were kept by fire companies below 40% of premiums written, despite the absence at that time of economic controls designed to hold down rise in prices and living costs. In fact, this low expense ratio was responsible for underwriting profits during World War I, as loss ratios averaged over 56% for the six years 1914-1919.

On investment income, however, both the casualty and fire companies did well for 1941. Casualty companies fared rather well, considering that as a group they hold more in cash and bonds that the fire companies. Investment income rose an average of 5% for the casualty companies listed below, compared to 7% for the fire companies.

Calculated on a per share basis, 1941 results of the seven casualty stocks and 13 fire stocks are as follows:

| | Prem. Volume Gain | Liquidating Value 12-31-'41 | Liquidating Value 12-31-'40 | Operating Earnings Und'g. Gain 1941 | Und'g. Gain 1940 | Investment Income 1941 | Investment Income 1940 | Annual Divs. |
|---|---|---|---|---|---|---|---|---|
| Casualty: | | | | | | | | |
| Aetna Cas. & Surety | 19.5% | $122.59 | $114.68 | $11.35 | $8.17 | $5.97 | $5.01 | $5.00 |
| American Re-Ins. | 29.8 | 46.85 | 45.12 | 3.89 | 3.15 | 1.98 | 1.90 | 1.70 |
| Cont'l. Casualty | 10.5 | 37.67 | *37.97 | 2.32 | *2.90 | 1.73 | *1.73 | 1.50 |
| Fidelity & Deposit | 4.6 | 145.49 | 140.88 | 13.16 | 12.19 | 4.70 | 5.07 | 6.00 |
| New Amsterdam Cas. | 8.9 | 22.05 | 21.01 | 1.19 | 1.83 | 1.64 | 1.54 | 0.87½ |
| Standard Accident | 20.3 | 68.77 | 64.27 | 7.56 | 5.44 | 2.14 | ‡1.26 | 2.50 |
| U. S. Fid. & Guar. | 14.2 | 27.05 | 23.68 | 4.79 | 3.25 | 1.61 | 1.47 | 1.00 |
| Fire: | | | | | | | | |
| Aetna (Fire) | 17.3 | 53.58 | 55.91 | 0.66 | 0.83 | 1.92 | 1.95 | 1.80 |
| Agricultural | 13.0 | 80.75 | 89.80 | 0.07 | 1.87 | 4.57 | 3.99 | 3.25 |
| Automobile Ins. | 19.3 | †39.24 | †38.33 | 2.17 | 1.49 | 1.75 | 1.61 | 1.40 |
| Bankers & Shippers | —0.9 | 99.34 | 109.31 | —1.70 | 1.49 | 6.35 | 5.88 | 5.00 |
| Camden Fire | 12.4 | 20.83 | 22.12 | 0.20 | 0.53 | 1.26 | 1.30 | 1.00 |
| Continental Ins. | 19.4 | 37.28 | 39.55 | 0.59 | 0.88 | 2.35 | 2.23 | 2.00 |
| Fidelity Phenix | 14.0 | 38.60 | 41.10 | 0.81 | 0.94 | 2.61 | 2.38 | 2.00 |
| Hartford Fire | 13.1 | 79.17 | 76.87 | 3.12 | 2.37 | 3.11 | 2.98 | 2.50 |
| Jersey Insurance | 11.3 | 54.94 | 58.20 | 0.19 | 0.56 | 2.80 | 2.59 | 2.00 |
| Northern Insurance | 5.4 | 99.30 | 107.28 | 0.93 | 1.95 | 5.11 | 5.08 | 5.00 |
| Pacific Fire | 8.1 | 127.54 | 133.89 | 1.44 | 3.47 | 7.23 | 6.50 | 6.00 |
| Security (N. Haven) | 26.0 | 43.71 | 44.89 | 1.98 | 0.74 | 1.83 | 1.73 | 1.40 |
| Springfield F. & M. | 16.0 | 125.59 | 129.37 | 3.61 | 2.62 | 5.44 | 5.21 | 4.75 |

*Adjusted to present capitalization. †Bonds amortized. ‡After preferred dividends.

Since per share figures generally are not uniformly available to dealers and since the computation in some cases, as for example casualty stocks, is technical, it is hoped that these per share figures compiled from official New York statements will be helpful in connection with insurance stock business, and additional data of this type will be tabulated from time to time as additional official figures become available.



## Our Reporter On "Governments"

(Continued from First Page)

is ¼% higher. . . . The cost increase, only ⅝ of a point. . . .

Another good one is to sell:

The 2½s of 1954/52 at around 103.6 and yield of 2.14%.

The 2½s of 1958/56 at around 102.15 and yield of 2.29%.

And to buy:

The 2¼s of 1955/52 at around 100.21 and yield of 2.18%.

Here again, the 2¼s appear especially attractive in relation to other issues, although for different reasons. . . . By making this switch, you cut your cost considerably—in one instance, by more than 2 points, in the other, by slightly less than 2 points. . . . The taxable feature is the same, except that you pay less on a 2¼% coupon than on a 2½% coupon, naturally. . . .

The call date on the 2½s of 1954/52 and the 2½s of 1955/52 is about the same. . . . On switching from the 2½s of the 1958/56 into the 2¼s of 1955/52, the call date is shortened. . . .

**The most important fact, though, probably is that the 2¼s would be supported just as the 2s are now being supported, in the event of a declining market. . . . And you might find you gained tremendously by holding an issue which has a bottom only ⅝ of a point down. . . . On the other hand, if the market rallies, the 2¼s will be favored because they're still in the process of being distributed and will gain attention as the months go on. . . . In addition, the switch from the 2s to the 2¼s is bound to become more popular as time goes on.**

These are good ones. . . . Follow them and you've a fine chance of making some profit and getting an opportunity to reverse yourself and regain your original position in a month or so. . . .

**Inside The Market**

Market extremely dull these days, indicating utter lack of interest for the time being. . . . Odds favor continued dullness until middle or latter part of this month, due to attention now on tax payments, foreign developments, etc. . . . Traders wearied by last financing, taking a rest for the next few weeks. . . .

Payments for the last issue of $1,500,000,000 of 2¼s caused substantial changes in banking figures. . . . For instance, excess reserves sank to the lowest level since September, 1938, at $2,800,000,000, off $580,000,000 in the week. . . . In New York, excess reserves fell to $885,000,000, off $165,000,000 to the lowest level since November, 1941. . . . New York City banks apparently bought $188,000,000 of the bonds, since their holdings were up that much. . . . And total loans and investments of the banks in the New York district rose to a record high of $12,470,000,000. . . .

On this question of purchases of bonds by various types of institutions, a study by First Boston Corporation recently is of special interest. . . . The concern's survey showed that although four months after a financing date, commercial banks had disposed of large amounts of the securities originally bought, they remained major investors in the issues. . . . The survey covered three flotations of taxable bonds—the 2½s of 1954/52, the 2½s of 1958/56 and the 2½s of 1972/67—and indicated clearly that at the end of a period of redistribution of the securities (four months) the commercial banks held 30% of the entire amount issued, savings banks held 22%, insurance companies held about 20% and "others" about 28%. . . .

**No further information out on decrease in reserve requirements of member banks and story may just drift around until market again needs support. . . . If it does, report will be "revived" to see effect of story alone and if that is not sufficient, action may—and probably would—follow. . . .**

Attempts being made in Congress to curb authority of Reserve Banks to buy Government bonds direct from the Treasury are expected to fail before war powers bill finally is passed and sent to White House. . . .

No new financing anticipated now for at least six weeks. . . . And attention will be centered on intensified drive to distribute defense bonds. . . .





## Reserve Board Changes Stock List Publication

The Board of Governors of the Federal Reserve System announced on Feb. 25 the following change in publication of its "List of Stocks Registered on National Securities Exchanges":

For several years the Board of Governors has issued a List of Stocks Registered on National Securities Exchanges, the list being issued in connection with the Board's Regulation U which applies to loans by banks for the purpose of purchasing or carrying such stocks. The list has been distributed to all member banks of the Federal Reserve System and to all nonmember banks.

Since, under present conditions, there is little demand for these lists and since the board is adopting war-time economies with respect to its publications in general, it has been decided not to republish any complete list during 1942, but to make supplementary lists available from time to time.

These lists will henceforth be distributed by the Federal Reserve Banks and only upon request. The next issue, a supplementary list to be released today, will indicate changes made between Jan. 31, 1940, the date of the last complete list, and Jan. 31, 1942. Those who require copies of this or subsequent lists should address their requests to the Federal Reserve Bank of the district in which they are situated, or to a branch of the Federal Reserve Bank.

## Become Principals

McKinsey & Co., 60 East 42nd Street, New York City, management consultants, announce that Howard C. Adams, Harrison A. Roddick and Alf E. Werolin have become principals in the firm. All of the men have been associated with the firm for a number of years.

# The Securities Salesman's Corner

## WE PRESENT SOME PROBLEMS

During the past few months, this column has had as its primary purpose, the presentation of ideas to help securities salesmen increase their business. With your kind permission, during the next few weeks, we are going to digress from the usual pattern of our ways and take up some of the problems of present day security selling as we see them.

The problem we have chosen for this week is an old one. Yet, we believe it illustrates one of the most serious flaws in our whole set up of securities distribution.

What are we going to do with the people who do not know the fundamental principles necessary for successful investing and meanwhile insist upon compelling a securities salesman to sell them the type of securities that they wish to buy.

In our experience this common type of recalcitrant securities buyer presents one of the most difficult accounts that any salesman can run up against. To make things more complicated such an individual's business is more than likely very profitable. Since we must sell securities, or find some other way to make a living, we are forced to make concessions to the ego of such a person, or else forego the commissions upon which we are dependent for our income.

There have been times when we will admit that it has been all we could do to smile, and say yes, and agree, and nod in assent, and smile again—while inside we were bursting to say, "No, you confounded jackass; even a 10-year old kid ought to know better than to put a bond like that into your portfolio. But we kept quiet. We took the order. We left with good will behind us. But we didn't do a good job. There was something missing. Instead of doing a constructive, creative piece of work by helping to build a sound investment structure—we were just an order taker.

We think there are a great many investors that fit in somewhere in this particular group. What can be done about them? We have thought about it for many years but there still seems to be no general solution that can be applied to such cases. First, it is undoubtedly a question of individual treatment. How do you get a supremely egotistical person to see anything but his own shining brilliance? What do you do with the fellow who says, "I was smart enough to make it myself and I am smart enough to invest it myself." Such a person little realizes what a vast gulf divides capital accumulation and successful investing.

Then again, here is the type of person, who usually needs the help of a thoroughly competent advisor in the supervision of his portfolio. He is the very one who ends up his career with a bank box full of worthless paper and more than likely then yells the loudest about the sins and pitfalls of Wall Street. He's the fellow who helped to bring on the SEC and its over regulation of the securities business. He represents some of the victims of those fly-by-night, interlopers, who invited themselves into the securities business during the 'twenties, and who contributed to past abuses by going out into the highways and by-ways seeking for just such people, because they could easily play upon their vanity and their greed. The "know it alls" are present in every walk of life. No amount of the SEC regulation or prospectuses will protect them from their own follies. They pick their own, they make up their own minds, they know all the answers.

As to the solution—the best we have ever been able to do, is to try to be as tactful as possible with such an account. Then slowly try to educate—at least we try to put a common sense viewpoint before such people. If there is anything that is particularly obvious to any competent investment man today it is that to be successful in handling an investment account under present conditions, it's not alone essential to have had years of specialized experience behind you, but one must be as flexible as a willow reed in a tornado, in regard to preconceived notions and set ideas. Constant changes must be made in every portfolio, if it is to be kept healthy. Sometimes we think we have made a little headway in leading the horse to the water of common sense, but usually, we must admit, we have been unable to have made him drink.

If there is such a thing as reincarnation, and should we kneel again at our crib to say our prayers, probably we'd say something like this, "and please, God, show those fellows down in Wall Street some way to educate people to know and understand a little more about their investments, their way of life, and the country in which they live. And one more thing, God—when I grow up this time, please don't make me a bond salesman all over again."

# Our Reporter's Report

(Continued from first page)

**Sanguine On Treasuries**

There is little or no misgiving in investment circles over the ability of United States Government securities to withstand such adverse developments as may be ahead before the fortunes of war turn for the better for the Allied Nations.

**C. J. Devine & Co., who specialize in governments, cite the resistance of the group to unfavorable events thus far. The firm points out that the Treasury, and its kindred government agencies, by reason of the vast refunding and new borrowing which the former must accomplish, hold the key to the situation through control of money rates.**

"The ability of the market to withstand adverse developments," says the firm, "is an indication of the efficacy of modern methods of monetary control in keeping interest rates at a low level."

**If the Government is determined to protect its borrowing position by keeping rates low, it is argued in the trade, its issues, which are the keystone of the investment market may be expected to set the pace for corporate issues much as they have in the past.**

**Spreading Them Out**

Public offering of the Schenley Distillers Corporation's $15,000,000 of ten-year 4% sinking fund debentures, brought something new in the way of underwriting and distribution procedure.

**Adopting an entirely new tack, the banking group which underwrote this issue announced that it stood ready to accept subscriptions from dealers holding membership in the National Association of Securities Dealers, Inc., on a "first come first served," basis. Dealers were allowed the full concession of 1½% on the issue.**

This was viewed in bond circles as tantamount to giving the dealers who took down lots of the issue full participation in the syndicate, and as assuring the ultimate in breadth of potential market.

**A Long Time Since**

An interesting sidelight developed in connection with the Pennsylvania Electric offering, one that carried some of the old-timers in the Street back rather a long way.

The main offices of the Mellon Securities Corporation, managing the syndicate, are in Pittsburgh but the firm has a large office at 14 Wall Street, New York City.

**Dealers with orders for the bonds found it necessary in instances to put on their hats and wend their way to the Bankers Trust Building to place such orders by hand.**

The result was quite a lengthy line of potential buyers in the vicinity of the branch office, a condition which has not been witnessed in Wall Street in some years.

**Municipals' Rally Extended**

Municipal bonds extended the recovery that has been in progress from the low levels reached in the wake of the Treasury's announcement, several weeks ago, of its determination to seek to make such issues, future and currently outstanding, subject to taxation.

Mounting opposition to the proposal has been noted ever since Secretary Morgenthau raised the question of the status of outstanding issues. Congressmen and Senators have been hearing from the folks back home, chiefly from Governors and Mayors whose budget stability appeared threatened.

Now the report is current that the Treasury, presumably taking its cue from indicated sentiment in Congress, where there is evidence of strong opposition to changing the status of outstanding issues, is about ready to drop that part of its plan.

# N. Y. Stock Exchange Weekly Firm Changes

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

Transfer of the Exchange membership of Rawson G. Lizars to Herman Lowitz will be considered on Mar. 12th. It is understood that Mr. Lowitz will act as an individual floor broker.

Transfer of the Exchange membership of George J. Stockly, a partner in Pell, Peake & Co., to Frank Lewisohn will be considered on Mar. 9th. Mr. Lewisohn will engage in business as an individual floor broker.

Transfer of the Exchange membership of Henry B. Day, deceased, to Frank A. Day, partner in R. L. Day & Co., in which Mr. Henry Day had been a partner, will be considered on Mar. 9th.

J. Averell Clark, member of the Exchange, retired from partnership in Bendix, Luitweiler & Co., New York City, as of Feb. 20th.

Mark L. Freeman retired from partnership in Charles Clark & Co., New York City, as of Feb. 28th.

Raymond de Clairville, Exchange member, withdrew from partnership in Gwynne Brothers, New York City, as of Mar. 2nd, to become a partner in the firm of Tuller, Crary & Co.

Douglas R. Coleman retired from Mitchell, Hutchins & Co., Chicago, Ill., on Mar. 1st.

William E. Tobias, Jr., member of the Stock Exchange, retired from partnership in F. P. Ristine & Co., Philadelphia, on Feb. 28th.

George W. MacFarland, partner in Wurts, Dulles & Co., Philadelphia, died Feb. 21st.



# Investment Trusts

While some portions of the rampant New Deal Labor Movement and some political demagogues have been busy painting a black picture of business and business men generally for the past decade, far too little has been said by business in its own behalf—and a good deal of what has been said has been directed to the business man himself, who is not the one that really needs the convincing. Business and business men certainly are public spirited, but while they advertise their products they neglect to advertise their good works.

This may seem a far cry from investment companies. But it is not. One of the chief troubles with Wall Street today is that the public, or a large part of it, has had its faith in business destroyed. That faith having been destroyed, the public will not fight for the cause of business, and will not entrust its savings to business—at least not directly. Thus it falls to those interested in fostering investment to spread the gospel of business. The more said, the better, if it is written for the general public to understand and not just for those who already hold the same views.

Most of the investment companies have recognized this need for sound public relations. During the hearings on the Investment Company Act they presented their own case forcefully and clearly. But even before that time, and to a greater extent since, they have been pushing the cause of general industry.

Recent issues of Lord, Abbett & Co.'s monthly *Background* have been devoted almost exclusively to this cause. One "paragraph" from the latest issue should be particularly helpful.

We quote: "In analyzing the responsibility placed upon American industry, it is well to review briefly the contribution that industry has already made toward victory.

"When Germany invaded Poland, in 1939, American industry was just emerging from the 1938 business reaction. Then, came Hitler's blow, and history was on the move.

"Nevertheless, war orders from Great Britain and France did not arrive in particularly great volume; on the contrary, it is interesting to recall, Franco-British buyers seemed more interested in price than speed, and the two nations were leisurely planning to develop productive facilities within their dominions and colonies.

"However, a few American companies foresaw the possibility of a long war, and began preparing for greater production responsibilities. An example is supplied in the action of the American Car & Foundry Company. One afternoon, its President, Charles J. Hardy, said to the Board of Directors: 'Gentlemen, this war is more serious than it appears. It will last much longer than six months. It may even spread to this country. Consequently somebody around here had better get busy making armor plate for armor tanks. It will be needed.' With the Board's approval, a sizable sum was set aside to build a costly armor plate mill and today the company is producing armor plate for the Government as well as manufacturing all the tanks its great productive capacity will permit.

"By 1940, when President Roosevelt decreed a national defense emergency, many companies immediately laid plans for converting a large part of their plants to war work. At the order of A. W. Robertson, Chairman, Westinghouse Electric completed a top-to-bottom engineering analysis of its varied facilities and skilled personnel; determined what specific types of war equipment the company was best equipped to manufacture, and submitted this detailed report to the Government, stating that the company would undertake any responsibilities that the Government should want it to assume. General Electric launched a $60,000,000 plant expansion and improvement program to take care of Government requirements. The company also instructed its engineers to concentrate on developing electrical equipment that could best serve the military service. One notable product of this specialized research is the turbo-generator, which gives an airplane the lift that is necessary to carry it into the rarefied stratosphere. Without the turbo-generator the Flying Fortress would not be effective as a war weapon.

"During 1941, when the United States was training an army of 1,800,000 men, laying the keels for a two-ocean navy and enlarging its air forces, industry converted 30% of its total manufacturing capacity to war work.

(Continued on Page 939)

# Municipal News & Notes

Secretary Morgenthau continues to dwell upon what he is pleased to describe as "special privileges," and "loopholes" in the current American system of taxation. Naturally, one of the most prominent of these "privileges" in the eyes of the Administration is the continuation of the time-honored exemption of municipal securities. He still insists that taxing the interest of future and outstanding issues of State and municipal securities would yield $200,000,000 a year to the Federal coffers. In his tax message to Congress on Tuesday he revived the old saw that persons with large taxpaying ability take refuge in such exempt securities.

This despite the fact that Mr. Morgenthau has been deluged from all sides by indignant reactions to his Cleveland speech in which he added outstanding municipal securities as well as future issues, thereby going the President one better. The recognition on the part of municipal officials of their moral obligations to protect holders of their city's bonds from retroactive Federal income taxation has evoked bitter comments as to the proposed violation by simple legislative action of fundamental legitimate contracts.

It is the opinion in Congressional circles that the enactment of such a radical proposal as the Secretary's would constitute a breach of contract and faith and would be found invalid. However, under the stress of wartime conditions, it is felt that this "red, white and blue herring," as Dr. Harley L. Lutz of Princeton, called the recommendation, might be pushed through under duress, so to speak. In a recent poll of Congressional opinion on this tender matter, one Senator, who did not want to be quoted by name, made this interesting point:

"It is easy to cast about and hit upon taxation of securities as an easy way to make money for the government. But it is nearly always overlooked that by doing this you are not just taxing the bondholders, the people with money.

**"Actually you are taxing the public, the ultimate taxpayer. For if state and municipal securities are taxed, the issuers will have to pay a higher interest rate to offset the federal tax and make the securities saleable.**

"This simply means that the local governments have to pay more for the money they borrow, and the public are the persons who are paying that money in the long run.

"It may be necessary to obtain this additional revenue in this way, but it should not be passed off as a luxury tax or something that will not affect all of us, for it will."

### Resistance to Tax Proposal Opens

Dr. Lutz's characterization of Mr. Morgenthau's proposal was quoted above. This well versed professor of public finance has estimated that a Federal tax on local borrowing would increase charges by as much as $175,000,000 a year. The Conference on State Defense, an organization familiar to all municipal men, has stated that determined opposition to these additional imposts will be strenuously opposed, since they will have to be reflected in increased real estate taxes.

**The conference listed 14 State Governors and ten State Attorneys-General who have already communicated their opposition to the proposal to the representatives of their states in Congress, and pointed out that it is understood that the Governors of other States throughout the Midwest and West have taken similar action.**

### Large Price Decline Has Been Registered

Last Autumn the Dow-Jones municipal bond average showed a return of about 1.90% for 20-year maturities. At the end of last week this yield has risen to about 2.60%. For a bond bearing a 3% coupon this means a drop of roughly 12 points in price. As those in the trade know, such a decline in the average price of municipals is most unusual.

This wide swing was not brought about through a change in the security behind such bonds, not the result of a panic induced by war, nor of a drastic change in the general level of interest rates. It has not been paralleled by a comparable decline in high grade corporate bonds, and is very much smaller than the decline in long-term United States Government issues. In fact, it can fairly be stated that the major portion of this decline is the result of the above unethical tax threat.

**It is estimated that there are outstanding approximately $19,500,000,000 state and municipal bonds. It is not improbable that the market value of these securities is today less than it was last Autumn by very close to $1,000,000,000. Against this shrinkage in value can be set the Treasury's estimate (which has been seriously questioned) of a possible 200,000,000 of taxes that could be raised by making these tax exempt securities fully taxable.**

### States To Avoid New Taxes In Financing War Expenditures

The states expect to finance their war expenditures for the next year or two without resort to additional taxes, if state emergency authorizations already approved by five legislatures are an indication, the Federation of Tax Administrators reports.

These states, which set up emergency funds by special sessions, are California, Illinois, Maine, Massachusetts and Michigan. Appropriations were designated mainly for expansion of state guard units, additional police, state defense councils or other "war" requirements.

Although reduced revenues are anticipated from certain taxes by all five states, increased yields from other taxes, savings on relief expenditures, and surpluses in the treasury were cited as possibilities for meeting the war outlay.

The revenue picture of these five states, as for most states, is a changing one, the Federation said. Decreased yields from gasoline taxes and automobile registration fees are bound to be common. Sales tax yields from such articles as automobiles, tires and tubes, washing machines, radios and typewriters, will decline.

**On the other hand, current wage and salary increases can bring in more revenue to states with income and general sales taxes. Tobacco and utilities taxes also will tap this improved buying power.**

The deduction of Federal taxes will affect some state income tax yields, it was pointed out, as will the fact that tax payments by persons drafted into military service may be delayed if their ability to pay is impaired.

### Canadian Government Takes Over Tax Collection Field

Canadian provinces, under arrangements tentatively approved, will receive $81,000,000 a year from the Dominion government for the duration of the war as reimbursement for vacating the personal income and corporate tax fields, the Federation of Tax Administrators states.

In addition the Dominion government, in taking over these two types of taxes, will pay fiscal need subsidies totaling $3,200,000 to five of the provinces, and will make up to all the provinces any decrease, using 1940 collections as a basis, in the year's gasoline tax collections. The Dominion government this year for the first time is imposing a gasoline tax, of three cents a gallon.

**Two reimbursement plans were offered the provinces under the arrangements which will require formal legislative approval before becoming effective.**

One plan, adopted by five of the provinces, gives them compensation from the Dominion treasury equal to the revenue they and their municipalities had collected from personal income and corporation taxes in the fiscal year ending nearest Dec. 31, 1940. This plan was adopted by the provinces of Alberta, British Columbia, Manitoba, Ontario and Quebec.

The alternative proposal was for the Dominion to pay an amount equal to the net debt service of the province during the year ending nearest Dec. 31, 1940, less the revenue obtained from inheritance taxes in that fiscal period. This plan was adopted by New Brunswick, Nova Scotia, Prince Edward Island and Saskatchewan.

### N. Y. Port Authority's 1941 Income Gains

Favorable revenue records of the Port of New York Authority in 1941 and previous years, together with the financial policies followed, put the agency in the position in 1942 to meet almost any conceivable war-time falling off in traffic, the Port Authority announced Monday. A drop could be borne in gross operating revenues of as much as 40%, something which is believed improbable and has not been forecast by anything that has happened since Jan. 1, 1942, it was added.

**The financial result reported for 1941 showed an increase of 36% in net revenue available for sinking and reserve funds, after interest and operating charges, the Port Authority said.**

Total operating revenue and income in 1941 was $18,711,641, an increase of 10%. All bridges and tunnels and the Port Authority Commerce Building shared in the advance, it was asserted, with 63% of the revenue derived from passenger cars and 28% from buses and trucks combined. The net available for sinking funds, etc., amounted to $8,740,131.

### Detroit Refunding Sale Revived

Officials of Detroit, Mich., are said to have again decided to proceed with plans to enter the market with approximately $28,900,000 of refunding bonds. The sale probably will be held early in April, as it is required by law that the city announce its intention to award the issue at least 30 days in advance.

Present decision to revive the refunding was arrived at after officials concluded that the municipal market might remain unsettled for some time and that the long run benefit to the city would more than compensate for a slightly higher yield on the new bonds. Rearrangement of the maturities through refunding will level out debt service requirements, a factor which would help the new budget which is now under preparation.

### Cleveland Flotation Expected

The City of Cleveland is expected to advertise for bids within the next few days on a $17,500,000 issue of mortgage revenue bonds proceeds from which will be used to purchase Cleveland Railway Company stock at $45 a share. The council approved legislation last week paving the way for the bond issue. Stockholders of the company approved the sale to the city last November at a special meeting. Sale of the bonds, it is believed, will be scheduled for March 30, which is the expiration of a 30-day referendum period, in which objections to the purchase may be filed.

### Survey Finds Municipal Officials Generally Competent

That much discussed—and often cussed—part of American political life, the local city administration, seems to be a more competent body than it is usually given credit for. At least that is the logical conclusion to be drawn from a confidential survey of 56 leading American cities by the Mortgage Bankers Association of America announced recently.

Mortgage bankers in these 56 cities were asked whether, in their opinion, their "city administration is sincerely thinking about and trying to solve municipal problems such as providing better parking facilities, better transportation and, further, whether members of the administration have any vision and imagination regarding modern city planning problems."

Mortgage bankers in 43 of these cities declared that as far as their own city administrations are concerned, the answer was decidedly yes. Mortgage bankers in the other 13 said no, but several qualified their opinions. Typical was the view that "the boys in the city hall are trying."

The survey was another in a series being made by the Mortgage Bankers Association to collect data with a bearing on metropolitan real estate problems, urban decentralization, city planning and related subjects. This question was studied, said Frederick P. Champ, Association President, merely to get some indication as to how mortgage men

feel about a problem which will be among the most important for real estate in the post war period.

### Security Factors Behind Municipal Obligations

In their bulletin on "Municipal Bonds and War Developments," the following conclusions are drawn by Barcus, Kindred & Co., 231 South La Salle St., Chicago, Ill.:

As to basic security, General Obligation Municipal Bonds differ from a group of corporation securities where earnings may be seriously affected by priorities, loss of markets, or impairment of paying ability.

We do not see anything in present war developments that should affect the certainty of payment of the average Municipal Bond.

Farmers and individual property owners should be able to pay their taxes under conditions that may develop, as well as they have during recent depression years.

It is even possible that farm and labor conditions will improve because of the war demand for products, but in any event, payment of Municipal bonds is from taxes, and not from earnings which may fluctuate widely.

Industries in Municipalities are usually diversified—a few concerns may suffer—others may have an increase of activity—but even those which suffer in earnings, and an inadequate return on their property investment, would ordinarily find it necessary to pay their taxes. And the average cross section is almost certain to show an increase of activity.

Taxes to operate schools and other municipal activities should continue, and the moderate portion necessary to pay debt charges should continue to be available.

The holder of Municipal Bonds does not have the opportunity of doubling his income, but as yet there does not appear to be anything in present war conditions that woud affect the certainty of getting his payments as they fall due.

### State Systems Of Local Finance Reporting Need Improvement

If all 48 states gathered uniform financial statistics on local and state government, as they do vital statistics, the allocation of revenues and activities among Federal, state and local governments could be made on a more simple and proper basis. Though all but eight states receive some reports on the finances of local government, municipal finance authority Dr. Kilpatrick said, the wide diversity of practice in reporting and the limited statistics assembled "result in virtually no reporting system in a number of states."

Financial reporting is one of five chief functions in connection with municipal purse strings which the states oversee. Besides being an important factor in state supervision of accounting, auditing, budgeting and debt, financial reporting is a means of informing citizens how their town compares with its neighbors, the study said.

Development of state reporting on local finances has been slow, according to the study. The average person is best acquainted with reports of tax levies and collections. Fairly comprehensive fiscal information now is collected by 34 states for counties, by 22 states for municipalities, and by 19 states for other local units.

Only 10 states annually issue a comprehensive report on both county and municipal finance. They are: California, Indiana, Iowa, Massachusetts, New Hampshire, New Jersey, New Mexico, New York, Ohio and Oklahoma. These states all supervise local accounts, audits and budgets also.

**Although state supervision of local financial reporting is scattered among agencies ranging from the State Tax Commission to the Department of Revenue, some of the States are beginning to modernize their reporting forms in accordance with recent changes suggested by the U. S. Bureau of the Census.**

Under the Census Bureau system of reporting, expenditures are analyzed by activities instead of solely by general functions so that more scientific comparisons may be made between costs of services in various communities. Personnel, likewise, is reported not only in terms of salary payments but according to the number of fulltime and part-time employes in each activity. Capital outlays and current supplies are classified according to physical quantities of materials.

To gain adequate reports of local finances, the study said state governments should employ a trained statistician whose time is devoted to this purpose, coordinate statistics gathered by various departments, and designate local reporting officers.

The study suggested also that financial reports of local government, to be most effective, should be issued often and in an easily read form, perhaps as newspaper releases or as news letters.



### 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.

**March 9th**

**$650,000 Tarrant Co., Tex.**
Last April, the county awarded an issue to a syndicate headed by the Harris Trust & Savings Bank of Chicago, whose bid topped that entered by Rauscher, Pierce & Co. of Dallas, and associates.
(Bids will also be received for only $150,000 of the offering.)

**March 10th**

**$1,112,000 Lucas Co., Ohio**
A small issue of bonds was awarded last June to Braun, Bosworth & Co., and Ryan, Southerland & Co., both of Toledo, jointly. Second high bid was entered by Stranahan, Harris & Co., Inc., of Toledo.

**$1,925,000 Houston, Texas**
In August, 1940, the city awarded bonds to the Central Republic Co. of Chicago. Second highest bid was submitted by City National Bank & Trust Co., Kansas City.

### Frank Millspaugh With B. C. Christopher & Co.

(Special to The Financial Chronicle)

JOPLIN, MO.—Frank C. Millspaugh has become associated with B. C. Christopher & Co., 118 West Fourth St. Mr. Millspaugh was formerly with Wise & Smoot, Inc., and the Cragin Investment Co.

### Walter Rooney Joins Steiner, Rouse Staff

(Special to The Financial Chronicle)

NEW ORLEANS, LA.—Walter J. Rooney has become associated with Steiner, Rouse & Co., 205 Carondelet St. Mr. Rooney was formerly Vice-President and manager of the municipal department of Levy & Rooney, Inc.; prior thereto he was with Lachlan M. Vass & Co., St. Denis J. Villere & Co., and the Whitney National Bank.

### Geo. L. Simpson Is Now With Dunne-Israel Co.

DALLAS, TEX.—George L. Simpson has become associated with The Dunne-Israel Company, Gulf States Building, it is announced. Mr. Simpson was formerly formerly for many years head of his own firm, Geo. L. Simpson & Company, Inc.

### Putnam King, Represents Union Securities Corp.

BOSTON, MASS.—Union Securities Corporation announce that Putnam King will act as their representative in Boston with offices at 75 Federal Street. Mr. King was formerly with the local office of Goldman, Sachs & Co. and prior thereto was manager of the municipal department for Ballou, Adams & Whittemore, Inc.

### New York Bond Club Will Omit Field Day This Year

The annual field day of the Bond Club of New York and publication of "The Bawl Street Journal" will be suspended this year, it was unanimously voted by the governors of the club, who stated that they felt neither the field day nor the satirical "Journal" was in keeping with present war conditions. This decision breaks a record of 21 consecutive outings of the Bond Club.

### Files In Bankruptcy

Noyes D. Robinson has filed a voluntary petition in bankruptcy in the Federal District Court for New York City, listing liabilities of $499,490, plus interest, and no assets except insurance and property in the hands of a receiver, consisting of a seat on the New York Stock Exchange from which Mr. Robinson was suspended for non-payment of dues.

### To Admit Garvey

John F. Garvey will become a partner in LaBranche & Co., 50 Broadway, New York City, members of the New York Stock Exchange. Mr. Garvey will act as alternate on the floor of the Exchange for George M. L. LaBranche, Jr., under Section 15, Article IX.

# THE BOND SELECTOR

## PHILADELPHIA & READING COAL & IRON REORGANIZATION

### Expectation Is That Latest Plan Proposed Will Satisfy All Contending Groups; New Securities Evaluated

After numerous reorganization plans have failed over the past several years to satisfy the bondholders' groups and the SEC, the latest plan, it is believed, should meet the approval of all parties concerned.

Philadelphia & Reading Coal & Iron Corporation is merely the holding company which owns the common stock of the operating organization, Philadelphia & Reading Coal & Iron Company. In 1937, the latter company filed a petition in Federal Court seeking permission to reorganize under section 77B of the bankruptcy act. Principal difficulty at the time was the company's inability to meet the interest on its junior bonds. Since that date various plans have been promulgated by the management and several bondholders' groups.

Funded debt of Philadelphia & Reading Coal & Iron Company, the subsidiary, consists mainly of $24,411,867 of refunding mortgage 5s due 1973 and $29,148,000 of convertible 6% debentures due 1949. In addition, there are $90,000 of miscellaneous bonds which need not concern us here. There are 1,400,000 shares of common stock of the corporation outstanding; the corporation owns the entire common stock of the company—160,000 shares of $50 par. This stock has been declared of no value. The refunding mortgage 5s and debenture 6s are listed on the New York Stock Exchange.

The latest plan should be filed with the Court by the time this reaches the printer. It will provide for $10,216,569 general mortgage 6% income bonds and 1,021,657 shares of new common stock. Thus, in place of $24,411,867 of old refunding mortgage 5s and $29,148,000 of 6% debentures—or a total principal amount of over $53,000,000 of funded debt—there will be only 20% as much debt and the interest thereon will be payable only as earned.

Here are what the holders of a $1,000 refunding mortgage 5% bond and a $1,000 6% debenture will receive under the new plan:

| | Cash | New 6% Inc. Bonds | New Com. Stk. |
|---|---|---|---|
| Ref. Mtge. 5s | $135 | $270 | 27 shs. |
| Debenture 6s | 15 | 125 | 12½ shs. |

This plan is expected to have the approval of three of the four bondholders' committees, the approval of the examiner of the company, and its proponents hope it also will have the approval of the SEC.

Before attempting to evaluate the new securities, it will be necessary to look back into the company's operating record in order to see how earnings might have covered the interest on the new income bonds. Since application was made in 1937 for permission to reorganize, the company has done a great deal in the way of disposing of several unprofitable properties and now is believed to be a much more efficient organization. At best, of course, the anthracite coal industry is in a downhill trend and it takes a firm price structure and a good level of business activity to show any profits from operations.

Interest requirements on the new 6% income bonds is $613,000, this figure comparing with over $3,000,000 on the old funded debt. Since 1932, even these reduced requirements would have been covered in only three years. However, as stated before, the company is now a more efficient operating unit, anthracite prices are at a higher level and currently the company's earnings are the best in 10 years. If we apply the pro forma interest requirements on the new bonds of $613,000 to the company's earnings statements for the 12 months ending Sept. 30, 1941 and 1940, we have the following:

| | 12 Mos. Sept. 30 1941 | 1940 |
|---|---|---|
| | (000 omitted) | |
| Net sales, etc. | $37,169 | $30,549 |
| Cost of sales, etc. | 32,796 | 28,308 |
| Operating income | 4,373 | 2,241 |
| Depreciation & Deple. | 1,565 | 1,433 |
| Avail. for fix. chgs. | 2,773 | 744 |
| Pro forma fixed charges | 613 | 613 |
| Bal. avail. for com. | 2,160 | 131 |
| Pro forma chgs. X earn. | 4.5 | 1.2 |
| Pro forma earn. per sh. | $2.10 | $0.13 |

Assuming that the plan is accepted in its present form and that operations for the duration of the war continue on a plane comparable with those shown above, the new income bonds should be worth between 50 and 60, so we will set them down at 55, which is the approximate level at which other bonds of comparable speculative character sell at present. The common stock will certainly not be entitled to sell much over two times earnings, and in a hard coal company, particularly a reorganized one, will probably sell for not much more than its earnings. An estimated fair value for the common, therefore, is $3 per share.

Based on a price of 55 for the new income bonds and 3 for the new common, the old 5s, 1973, which sell on the New York Stock Exchange at 28⅞, would be worth $364.50, or about 36½, including the $135 of cash to be received. The old 6s, 1949, selling on the Stock Exchange at 8⅜ would be worth $121.25, or roughly 12⅛. Consequently, on these assumed or estimated valuations for the new securities, the 5s, 1973, sell at a discount of 25% and the 6s, 1949, sell at a discount of 46%. If bought "in a package," the old bonds would cost $371.25 compared with an estimated value of $487 for the new securities, based on the above stipulated valuations.

Ideas, naturally, will differ as to the values to be placed upon the new income bonds and common stock. It is believed that the valuations presented here are conservative and that purchase of the old bonds at present levels is justified on the assumption that the latest plan is accepted. The SEC appears to be looking to the interests of the junior bondholders, so that the 6s, 1949, under almost any plan acceptable to the SEC, appear to be the better value of the two issues whether or not the latest plan becomes the final plan.

## Reduce Div. Arrearages

Progress in clearing up their dividend accumulations was made during the past year by 21 companies with preferred issues of stock listed on the New York Stock Exchange, according to the February issue of "The Exchange," monthly publication of the Stock Exchange. Total arrearages among 98 listed issues now amount to $970,312,000, which compares with 116 issues with back dividends of $1,099,830,000 at the beginning of 1941, the magazine says.

Omitting back payments, and considering regular dividends alone, the 322 preferred issues which distributed dividends in 1941 were selling to yield an average of 5.9%. The average return on dividend-paying common stocks at the end of 1941 was 9.3%.

The magazine article continues:

By industries, the largest gains in preferred dividends last year (including payments against arrearages) were made by shipbuilding and operating, a gain of 125%; leather, 105%; electrical equipment, 94%, and paper manufacturing and publishing, 67%.

Thirteen preferred issues paid off their entire accumulations during the past year. Dividend arrearages of six other issues were eliminated either through reorganizations or by exchange offers of stock. And there were 10 companies which made payments substantially reducing their accumulations.

## Investment Trusts

*(Continued from Page 935)*

Smaller companies participated as well as large. Manufacturers within a community mobilized their plant capacities and bid, as a group, for large war contracts. Conspicuous among these cooperative efforts was the plan devised by William G. Shipley, Chairman of the York Ice Machinery Co., of York, Pa. His cooperative plan, known as the York Plan, has been copied and used in many cities.

"A great amount of the groundwork necessary for all-out war production had been done before Japan attacked Pearl Harbor. The present task is to convert still more productive capacity and labor to the war cause."

The story and romance of American industry is as awe-inspiring today as it ever was. Let us not hesitate to tell it.

**Investment Company Briefs**

"Earning assets of the 15 leading New York City banks, in which Bank Group Shares provides an ownership, are at the highest level in their history, according to the bank statements of Dec. 31, 1941," reports a new bulletin from Hare's, Ltd., national distributor of Bank Group Shares.

"Whereas during 1941 these earning assets increased by $1,880,601,000, or 17.6%, deposits increased only 0.5%. In other words, a much greater proportion of deposits currently is being put to profitable use than was the case a year ago. As of Dec. 31, 1940, earning assets represented only 61.8% of deposits, while as of Dec. 31, 1941, they represented 72.5%. . . . As a result of this expansion in earning assets, particularly in the category of commercial loans, the banks were able to show improvement in aggregate earnings in 1941 as compared with 1940, despite higher operating costs and a substantial increase in taxes. . . .

* * *

"One cannot be certain that in the long run inflationary influences may not affect stock prices in view of the experiences of other warring nations. Because of these uncertainties diversification of risk is always important. As a means of securing a sound foundation, defense bonds offer an excellent investment and at the same time afford an opportunity to assist in the prosecution of the war. On the other hand, a suitable proportion of well selected common stocks offers a measure of protection against possible inflationary influences. In any event, sound common stocks currently afford attractive yields and are selling at relatively low prices as judged by past standards." . . .

—The Broad Street Letter

* * *

The Broad Street Sales Corporation reports that during January, Broad Street Investing Corporation further reduced its holdings of Deere & Company, du Pont, and Kalamazoo Stove. Proceeds from the sale of the latter stock were invested in shares of Consolidated Oil Corporation, a new issue in Broad Street's portfolio. A portion of the commitment in Sears, Roebuck was sold because of the uncertainty of the supply of "hard lines" which represent roughly one-half of that company's normal sales volume, and which include such items as refrigerators, washing machines, agricultural implements, tools, tires and tubes, etc.

**Annual Reports**

*Manhattan Bond Fund—Jan. 31, 1942*

Net assets of $8,452,628.08 as of Jan. 31, 1942 and 1,194,226 shares outstanding as of that date represent larger figures than any previously reported to shareholders. Net assets per share were $7.08 on Jan. 31, 1942 compared with $7.07 on Jan. 31, 1941. Distributions paid to shareholders during the year totaled $.51 per share.

Bond interest earned during the year amounted to $574,971.35 and represented payment of full interest on each bond owned. Net operating expenses were $80,495.79. Total net credits to the "ordinary distribution account" were $512,066.57.

In the accompanying letter to stockholders, Hugh W. Long, President, said:

"It may well be that prices of many equities at their present levels largely or fully discount both future uncertainties and the burden of heavier taxes still to come. This, however, is a question which primarily affects the investor in stocks rather than the bondholder. Once more the rising tide of income taxes makes it appropriate for us to point out that bond interest, being in effect an operating expense, is deducted before income taxes and excess profits taxes are computed. Due to the increases in earnings before taxes experienced by the great majority of the companies whose bonds are held by the *Fund*, the average interest coverage on these bonds in 1941 reached the highest figure that has existed during the life of your Corporation."

## Registration for Sugar Rationing Books in March

With regard to the forthcoming nation-wide registration for sugar rationing books, Price Administrator Leon Henderson announced that registration will be accomplished over a four-day period, probably during the last week in March. Mr. Henderson also stated that there will be approximately 1,400,000 registrars and the facilities of 245,000 elementary schools will be employed. In addition, work of the registrars will be supplemented by more than 7,500 local rationing boards with a membership aggregating about 23,000 persons. The following additional facts were given out by the Price Administrator:

A registration book will be issued for every man, woman and child in the United States excepting members of the armed forces, inmates of institutions, and persons temporarily or permanently in hospitals, convalescent homes, etc.

After the initial registration, late-comers may obtain their war ration books by application to a local rationing board. However, the local boards will not accept any applications for a two-week period following the close of registration.

One adult may register for each family unit, although a separate war ration book will be issued for each member of a family unit. Servants, lodgers, and others who may live in a household, but who are not members of a family unit, must register individually. Generally speaking, a family unit consists of a group, related by blood or marriage and living and eating together under the same roof.

No ration book will be given to anyone who possesses sugar above a "normal inventory" requiring removal of more than eight stamps from the war ration book. The normal inventory figure, which has not yet been defnitely determined, will represent a fair supply that the average family might be expected to have on hand, but will be less than a hoarder might have accumulated. Hoarders, of course, will be penalized either by not getting a book at all or by having from one to eight stamps torn from their books before they receive them from the registrar.

Special provisions will be made to provide householders with sugar for home preserving and canning and for certain persons who have to have sugar for medicinal reasons.

Sugar refiners, importers and distributors have been ordered by the War Production Board to deliver sugar to canners only upon certification that they will begin using the sugar in their canning operations within 45 days of the date of delivery. The purpose of the action, it is said, is to prevent sugar needed now from being stored up for future need.

## Kibbon, McCormick Co. Opens In Chicago

CHICAGO, ILL.—The recently organized partnership of Kebbon, McCormick & Co. has formally begun business at 231 South La Salle Street, Chicago, and 40 Wall Street, New York City, as a continuation of the business formerly conducted by Stern, Wampler & Co., Inc. The firm will function as underwriters, distributors and dealers in corporate, municipal and U. S. Government securities.

Partners are L. Raymond Billett, James R. Connell, Richard A. Kebbon, John C. Marshall, D. Dean McCormick and Harry N. Pritchard.

The firm will become members of the Chicago Stock Exchange with the acquisition of an Exchange membership by D. Dean McCormick.

Carl H. Ollman of the Chicago office of Alex. Brown & Sons will become associated with the firm on Mar. 9, 1942, as manager of the municipal department.

Formation of Kebbon, McCormick & Co. was previously reported in the "Chronicle" of Feb. 12.

## Curb Securities Exempt From Mo. Blue Sky Law

Securities fully listed on the New York Curb Exchange have been accorded the status of exempt securities under the Blue Sky laws of the State of Missouri, the Curb Exchange announced on Feb. 25. The ruling became effective Feb. 25. It is pointed out that Curb Exchange securities now have Blue Sky exemption in 31 of the States in which the laws permit such exemption. The Curb's announcement added:

The Missouri action was taken after careful investigation both in New York City and elsewhere by Russell Maloney, Supervisor of Corporation Registration and Commissioner of Securities, and Dwight H. Brown, Secretary of State.

Under the laws of Missouri it is unlawful to sell securities which have not been registered with the Securities Commissioner of the State unless the securities are exempt or unless the transaction is exempt. The exemption which has now been granted to securities fully listed on the New York Curb Exchange has the effect of making it unnecessary to register such securities, or securities senior to them, prior to their sale in Missouri.

## Eastern Corp. Reports

The annual report to stockholders of Eastern Corporation shows a net profit to the company of $835,033 after providing for Federal income taxes, as compared with $195,453 for 1940, equal to $4.02 each on the common stock after deduction of preferred dividend requirements. The long-term debt of the company was reduced by $286,800 during the year; on or before March 31, 1942, the report states, the company is required to make a further payment of $125,000 on the Five-Year 4% Notes and to deposit $178,892 for the retirement of Prior Preferred Stock. Net working capital at the close of 1941 was $2,949,377.

## Tomorrow's Markets Walter Whyte Says—

*(Continued from Page 933)*

In the post-war years of War No. 1, changes in government occurred; countries went through the wringer, but the fundamental systems on which our market was built, continued to function. And the same market, reduced to averages, went on saying its little piece. To those who could read what it said, the fates were kind, to others it was not.

* * *

But the cataclysms of past years are ripples when compared to the forces at large today. For today's market no longer reflects isolated tides. It is trying to evaluate basic changes such as it never in its history has had to face.

* * *

The once mighty British Empire is breaking up. Even if Malaya and Burma are won back, the changes wrought will never be undone. Even India, which has been the keystone of British power all these generations, is undergoing a political change. No market, no matter how sensitive, can evaluate such forces and reflect them speedily.

* * *

Coming back to domestic affairs, we are now faced with a tax bill. What it is you can learn from the daily press. Yet, between the Treasury's proposals and the final enactment into law, the difference will be large.

* * *

Meanwhile we are still being warned against complacency. But it isn't you and I who are complacent. It is our Congressional windbags, who are guilty. From just reading the official communiques we are aware of the danger facing us. We want to do something about it. But aside from buying defense bonds or being active in some voluntary defense work, we have little to do. Yet Congress, which is supposed to be doing something, is still busy playing politics.

* * *

The average elected representative seems much more concerned with local issues than he is in the war. How can we, the common people, act other than complacent when we see what passes for "deliberations" in Congress break down into petty local squabbles that have nothing to do with running a war.

* * *

But if the stock market finds it difficult to reflect all the domestic and foreign changes it does, whatever its shortcomings, take a realistic view of current events. That is one of the real reasons for current dullness. The wonder isn't its inactivity, but that it is managing to stay up as it does. At times it even looks like some organized effort is made to keep prices at even keel and prevent them from breaking. Obviously such basic and fundamental changes must have an effect on prices in the long run. When these will come, I can not answer. I'll say this: the current action is still good, or rather not bad.

* * *

Of course, much of Tuesday's rally was due to relief over the removal of uncertainties from the proposed new taxes, which aim at eventually siphoning off half of annual national income. This cannot leave the market untouched. So early strength cannot be trusted. Applying all this to the stocks, you have the advice of last week, which still goes.

* * *

At this writing you hold two stocks, American Car & Foundry, at about 32, and American Steel Founders, at about 20. Last week I advised hat your stops in these should be raised. There's nothing in their action to change it. For if the two issues are to do anything on the up side, they must stay above their critical points. These are American Car & Foundry 29½ and Amer. Steel Founders 19½. If either of these prices are broken, my advice is to get out and hold your cash for what opportunities present themselves in the future.

More next Thursday.

—Walter Whyte.

*[The views expressed in this article do not necessarily at any time coincide with those of the Chronicle. They are presented as those of the author only.]*

## RR. Earnings To Stay Up

Strauss Bros., 32 Broadway, New York City, have prepared a circular entitled "Railroads to Maintain High Earnings," copies of which may be had from the firm upon request.

## Factors Affecting Future Real Estate Values

Two sets of war-born forces, pulling in opposite directions, may decidedly affect future values of real estate in American cities, according to the current issue of the Federal Home Loan Bank "Review." "Four factors are generally increasing the value of existing properties," the "Review" says, "(1) the current decline of new residential construction because of shortages in materials and the resultant hesitancy of builders to proceed with construction plans; (2) the increasing demand for housing in many areas; (3) high rent levels; (4) the rising cost of new construction." The "Review" goes on to say:

"At the same time, several more permanent forces are at work threatening to offset these favorable but temporary factors. New industrial plants, being erected on the rim of urban and metropolitan areas as well as rural districts, may tend to re-locate industry in many communities. The priority system, with its limitation on costs, makes necessary the use of cheaper land available only in outlying districts.

"New construction methods, emphasizing prefabrication and demountability, are being tried out in the defense housing program. If these become a permanent part of our construction technique, they may reduce the level of future building costs and existing property values. Finally, the process of depreciation and obsolescence continues to operate, particularly in the case of older properties."

The "Review" groups American communities into three classes, in commenting on effects on real estate of the war program to date, and states:

"Although prices for real estate were generally higher and the volume of sales was larger in 1941 than in 1940, there was a wide disparity between conditions in individual communities." the article says.

"Cities were affected in one of three ways. The prosperity flowing from increased population or the establishment of army camps often reached 'boom town' proportions. Another group of cities experienced a normal development of property values, a logical outgrowth of improved business conditions throughout their surrounding areas. A third type of community discovered that the gigantic production program could bring about at least temporary dislocations in local real estate markets, as factories ceased the production of non-essentials and labor forces migrated to the scene of new opportunities for employment."

## Curb Operating Loss

The consolidated report of the New York Curb Exchange and its affiliates, the New York Curb Exchange Realty Associates, Inc., and New York Curb Exchange Securities Clearing Corporation, for the year ended Dec. 31, 1941, shows a net operating loss of $55,871.31 after deduction of $113,183.17 for depreciation and amortization, it was announced on Feb. 25. The report for the previous year showed excess of expenses over income of $121,939.15 after depreciation and amortization of $127,452.70. The Exchange's announcement further said:

Cash in banks and on hand amounted to $747.832 as compared with $788,911.67 as of Dec. 31, 1940. During the year $60,000 was paid off on the principal amount of the mortgage, leaving a balance due of $760,000.

Real estate and miscellaneous Federal, State and city taxes amounted to $130,505.51 as against $141,709.14 for the previous year.

As of Dec. 31, 1941, the total net assets amounted to $4,697,370.78. This represented a net equity for each of the 529 regular memberships of $8,879.72.

# UP-TOWN AFTER 3

**PLAYS**

**"Guest in the House," by Hagar Wilde and Dale Eunson, from a story by Katherine Albert. Presented by Stephen and Paul Ames, at the Plymouth Theatre, New York. Directed by Reginald Denham. Settings by Raymond Sovey. The cast includes Mary Anderson, Louise Campbell, Leon Ames, Pert Kelton, Joan Spencer, Katherine Emmett and others.**

The 1941-42 theatrical season hasn't had many good plays or, for that matter, even interesting ones. But in the "Guest in the House," the Ames brothers, who hail from Wall Street, have a play that has most of the elements that go into the making of a hit. The plot of "Guest in the House" isn't world shaking but it has suspense, horror, anger, comedy and some first rate acting, which is more than may be said of most of the current offerings. The Proctors, a young suburban couple, with a healthy ten-year old daughter, feel sorry for Ann Proctor's cousin and invite her to stay at their home. She arrives and turns out to be a cardiac, but a lovely girl in whose mouth butter wouldn't melt. But appearances are deceiving for the ethereal looking cousin turns out to be a demon in disguise. First, she manages to drive Doug Proctor's model (he's a home-working commercial artist) out of the house; she turns the healthy Proctor child into a hypochondriac; drives Doug to drink; the servants leave in a boiling rage and Ann is brought to the verge of a nervous collapse. Through all these machinations the house guest presents an angelic appearance. Apparently no one suspects that she is at the bottom of the whole thing. How the play develops and what the outcome is would not be fair to disclose but rest assured that from the time the curtain goes up for the first act until it comes down on the last you will be engrossed. The play is shrewdly written and the acting is more than capable. Mary Anderson as Evelyn Heath, the house wrecking hussy, is completely hateful, brilliantly so. In fact the audience takes her hatefulness so much to heart that some of them even hissed at the last curtain. Louise Campbell as the harried hostess, Ann Proctor, is completely charming. Leon Ames as the befuddled Doug Proctor is believable. Pert Kelton as Miriam Blake, the model, handles her comedy lines well. In fact there isn't an actor or actress in "Guest in the House" who doesn't come in for kudos.

**"Of V We Sing," presented by the American Youth Theatre in association with Alexander H. Cohen. Staged and directed by Perry Bruskin.**

About two or three years ago the garment industry presented a revue, "Pins and Needles." Last year the Pacific Coast sent us "Meet the People." This season we have "Of V We Sing." But there the comparison stops. In the first two revues the cast actually seemed to be enjoying its roles. Anyway they gave that impression. In this one there is no spark of spontaneity, or if there is it doesn't across the footlights. But even at that it is almost as good as some of the more expensive revues that are playing on Broadway this season. Most of the skits are based on subjects of social significance. The handling of such material can be vastly amusing. They can also be dull, and only in a few instances does "Of V We Sing" come close to the amusing mark.

**MOVIES**

**"This Time For Keeps,"** an **MGM** picture on which little money was spent, but actually is good (if not better) than some of the highly publicised films. It's an amusing story of the sort the SEP goes in for. You know the kind I mean. Where the young man steps into a job and makes a go of it when everything seems to be against him. In this case the young man is Robert Stirling, a used car salesman, happily married to Ann Rutherford, whose father is a real estate and insurance tycoon of the small town in which they all live. After persuasion the young man enters his new father-in-law's (Guy Kibbee) business and right away sees he can't make good. For father-in-law trying to be helpful only succeeds in stifling the young man's enthusiasm. The pay-off comes when the up and coming ex-used car salesman cooks up a scheme to sell a big property and pop, with his interfering, boloxes up the deal. Everything, however, works out well in the end for it's that kind of a picture.

**CAFE SOCIETY**

One night last week **Fefe's Monte Carlo** opened its new show. This consisted of the perennial Bill Robinson whose dancing feet seem to go on forever. Here is a man in his sixties who can still do the same things with his feet he was able to do in his twenties. But as remarkable as Bill Robinson is my interest was in Katherine Hepburn, Spencer Tracy and Gene Tierney, who occupied ringside tables. Unfortunately I looked away for a minute and during the minute the stars of "Woman of the Year" departed. However, the gorgeous Miss Tierney remained and I now gave her my undivided attention. Bill (World-Telegram) Hawkins remarked "What a figure!" Malcolm (N. Y. Sun) merely observed "Wow!" S. Jacobs, whose birthday it was and at whose table we all were, asked me, "Well, Bill Smith, you like?" Uh-huh, I liked, but what with her husband draped around her neck what could a guy do? For the more prying ones I wish to say that Miss Tierney wore a white dress cut down to here and danced to Ted Straeter's music and Bob Knight's tunes as if she really enjoyed it. Bet I can dance better than her husband, H-m-m-m-m.

# Calendar of New Security Flotations

## OFFERINGS

**MINNEAPOLIS-HONEYWELL REGULATOR CO.**

Minneapolis-Honeywell Regulator Co. filed a registration statement with the SEC for 25,000 shares of cumulative preferred stock, series C, $100 par value; the dividend rate will be furnished by amendment

**Address**—2747 Fourth Ave. South, Minneapolis, Minn.

**Business**—Engaged in the manufacture and sale of various types of temperature controlling and heat regulating devices. At present time, company states it has contracts, signed or awarded, for in excess of $40,000,000 of army and navy material, for delivery during 1942 and 1943

**Underwriters**—Union Securities Corp., New York, 21,500 shares; Piper, Jaffray & Hopwood, Minneapolis, 2,500 shares; Burns, Potter & Co., Inc., Omaha, Neb., 1,000 shares

**Offering**—The preferred stock will be offered to the public, at a price per share to be supplied by amendment

**Proceeds** will be added to working capital

**Registration Statement** No. 2-4951. Form A-2. (2-25-42)

**Offered** March 4, 1942, at $104.50 per share and dividend

**MONSANTO CHEMICAL CO.**

Monsanto Chemical Co. filed a registration statement with the SEC for 35,000 shares of $4 cumulative preferred stock, Series C, no par value

**Address**—1700 S. Second St., St. Louis, Mo.

**Business**—Company and its subsidiaries are engaged in the manufacture and sale of a widely diversified line of chemical products

**Underwriting**—Smith, Barney & Co., New York, is the sole underwriter

**Offering**—The 35,000 shares of preferred stock will be offered to the public, at a price to be supplied by later amendment

**Proceeds** will be added to cash funds of company, to be used for working capital and expansion purposes

**Registration Statement** No. 2-4949. Form A2 (2-24-42)

**Offered** March 4, 1942, at $105.50 per share and dividend

**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)

Registration Statement fully effective 4:45 p.m. E. S. War Time on Feb. 18, 1942.

**Offered** March 4, 1942 (a) the bonds at 103½ and interest, and (b) the stock at 103.75 per share plus dividends. Both issues were awarded March 2, 1942, to a syndicate headed by Mellon Securities Corp., the bonds as 3⅜s and the stock as 5.10% series

**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)

The Schenley Distillers Corp. on Feb. 13 filed an amendment, disclosing that it now proposes to issue only $15,000,000 of debentures instead of an aggregate of $27,500,000 contemplated in the original registration statement filed on Dec. 30.

According to the amendment, the company will offer $15,000,000 of 10-year 4% sinking fund debentures due on Feb. 1, 1952, in lieu of the $10,000,000 of 10-year 3¼% sinking fund debentures due on Jan. 1, 1952, and $17,500,000 of 15-year 4% sinking fund debentures due on Jan. 1, 1957. The debentures will be offered at a price to be supplied by later amendment

The names of the underwriters of the debentures, and the amounts to be purchased by each, are as follows:

| Underwriter | Amount |
|---|---|
| Mellon Securities Corp. | $2,000,000 |
| Alex. Brown & Sons | 200,000 |
| A. C. Allyn & Co., Inc. | 225,000 |
| Blair & Co., Inc. | 250,000 |
| Blyth & Co., Inc. | 825,000 |
| Bonbright & Co. | 400,000 |
| Central Republic Co. | 225,000 |
| Dillon, Read & Co. | 1,100,000 |
| Emanuel & Co. | 200,000 |
| Estabrook & Co. | 225,000 |
| First Boston Corp. | 825,000 |
| Hallgarten & Co. | 225,000 |
| Harris, Hall & Co., Inc. | 400,000 |
| Hayden, Miller & Co. | 150,000 |
| Hemphill, Noyes & Co. | 350,000 |
| J. J. B. Hilliard & Son | 125,000 |
| W. E. Hutton & Co. | 300,000 |
| Jackson & Curtis | $225,000 |
| Kidder, Peabody & Co. | 400,000 |
| Kuhn, Loeb & Co. | 1,100,000 |
| Lazard, Freres & Co. | 400,000 |
| Lee Higginson Corp. | 350,000 |
| Carl M. Loeb, Rhoades & Co. | 250,000 |
| Laurence M. Marks & Co. | 125,000 |
| Merrill Lynch, Pierce, Fenner & Beane | 250,000 |
| Moore, Leonard & Lynch | 125,000 |
| F. S. Moseley & Co. | 250,000 |
| Paine, Webber & Co. | 250,000 |
| Parrish & Co. | 125,000 |
| Riter & Co. | 225,000 |
| Schwabacher & Co. | 200,000 |
| Shields & Co. | 400,000 |
| Singer, Deane & Scribner | 125,000 |
| Stein Brothers & Boyce | 225,000 |
| Stone & Webster and Blodget, Inc. | 400,000 |
| Stroud & Co., Inc. | 150,000 |
| Tucker, Anthony & Co. | 400,000 |
| Union Securities Corp. | 400,000 |
| Wertheim & Co. | 350,000 |
| Whiting, Weeks & Stubbs, Inc. | 250,000 |

**Offered** March 4, 1942, at 100 and int.



***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, MARCH 10

**LOUISVILLE TRANSMISSION CORP. (KY.)**

Louisville Transmission Corp. (Ky.) has filed a registration statement with the SEC for $3,850,000 of First Mortgage Sinking Fund bonds, due Mar. 1, 1967. Interest rate will be supplied by amendment.

**Address**—311 W. Chestnut St. Louisville, Ky.

**Business**—Incorporated in Kentucky on Dec. 2, 1941, as a subsidiary of Louisville Gas & Electric Co. Company will construct and own a 154,000 volt double circuit transmission line from a point on the site of the Paddy's Run generating station of the parent company, near Louisville, Ky., to a point known as Green River Crossing in Hart County, Ky. (approximately 67 miles) where it will connect with a transmission line which the Tennessee Valley Authority will construct to such point from its South Nashville substation near Nashville, Tenn. (about 105 miles). Company will also construct and own terminal facilities at the parent company's generating stations, together with transmission lines which, together with 10 miles of transmission lines to be constructed by company's wholly-owned subsidiary, Louisville Transmission Corp. (Indiana), will complete the tie-in with Louisville Gas & Electric's system and a transmission system of Public Service Co. of Indiana. Purpose of such construction is to make available to the TVA 1,400,000,000 kilowatt hours of electrical energy per annum from the interconnected system of Louisville Gas & Electric Co., the TVA and four non-affiliated electric companies.

**Underwriting and Offering**—The bonds will be sold under the competitive bidding rule of the Holding Company Act; public offering price, names of underwriters, will be supplied by amendment.

**Proceeds** will be used to pay for the cost of the above construction program.

**Registration Statement No. 2-4948.** Form A1 (2-17-42)

Corporation on Feb. 18, 1942, was authorized by Kentucky P. S. Commission to seek bids on the bond issue

## SUNDAY, MARCH 15

**REPUBLIC DRILL & TOOL CO.**

Republic Drill & Tool Co. has filed a registration statement with the SEC for: 125,000 shares of 55-cent cumulative convertible preferred stock, $1 par; option warrants to purchase 62,500 shares of $1 par common stock; 125,000 shares $1 par common stock, reserved for issuance upon conversion of the preferred stock, and 62,500 shares $1 par common stock reserved for the option warrants

**Address**—Chicago, Ill.

**Business**—Engaged in the manufacture and sale of a variety of twist drills

**Underwriter**—Craigmyle, Rogers & Co. is the sole underwriter

**Offering**—The 125,000 shares of preferred stock will be offered to the public at $5 per share; provision is made, however, that the initial offering price may be reduced to not less than $4 per share. The option warrants, above mentioned, are to be issued to the underwriter as additional compensation. If the underwriter exercises the warrants, the shares of common stock covered by such warrants may be offered to the public; details of such public offering, if any, will be supplied by amendment

**Proceeds** will be used to purchase machinery and equipment, and for working capital

**Registration Statement** No. 2-4950. Form A1 (2-24-42)

## SATURDAY, MARCH 21

**CALIFORNIA DE-TINNING CORP.**

California De-Tinning Corp. filed a registration statement with the SEC for 234,000 shares of $1 par common stock

**Address**—Los Angeles, Cal.

**Business**—Company is engaged in the reclaiming and processing of tin

**Underwriters**—Quincy Cass Associates

**Offering**—The common stock will be offered to the public at $1 per share

**Proceeds** will be used to pay for organization expenses, a detinning plant and for working capital

**Registration Statement** No. 2-4956. Form A1 (3-2-42—San Francisco)

**KEYSTONE CUSTODIAN FUNDS, INC.**

Keystone Custodian Funds, Inc., filed four separate registration statements with the SEC covering following: 25,000 shares series B-1 full certificates of participation; 300,000 shares series B-3 full certificates of participation; 70,000 shares series K-2 full certificates of participation, and 500,000 shares series S-4 full certificates of participation

**Address**—50 Congress St., Boston, Mass.

**Business**—Company is a distributive type of investment trust

**Underwriting and Offering**—The above shares, representing the above certificates, will be offered to the public, at the market

**Proceeds** will be used for investment purposes

**Registration Statements** Nos. 2-4952, 2-4953, 2-4954, 2-4955. Form C-1 (2-2-42)

**NATIONAL SECURITIES & RESEARCH CORP.**

National Securities & Research Corp. filed two separate registration statements with the SEC for (1) a maximum of 210 independence fund declarations of trust and agreement (of which 105 are without insurance and 105 with insurance of the accumulative type), calling for payments aggregating not in excess of $252,000 ($126,000 without insurance and $126,000 with insurance); and (2) 250 independence fund declarations of trust (income type, capital type and distributive type), aggregating $268,750, of which $18,750 represents a maximum creation fee payable to the sponsor and is not part of the trust

**Address**—1 Cedar St., New York, N. Y.

**Business**—This company is an investment trust. An independence fund declaration of trust presents a means by which an individual, upon the payment of certain fees, can establish a trust account providing for investment of $1,000 to $100,000 or more in a commingled fund of stocks and bonds, with certain protective requirements and subject to certain risks as ordinarily are incident to the ownership of the type of securities comprising the investment fund

The company is the sponsor

**Proceeds** will be used for investment purposes

**Registration Statements:** 2-4957; 2-4958. Form C1 (3-2-42)

### 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.**

**AMERICAN BAKERIES CO.**

American Bakeries Co. registered 15,000 shares Class B no par common stock

**Address**—No. 520 Ten Pryor St. Bldg., Atlanta, Ga.

**Business**—Manufacturing and distributing bakery products in souther states

**Underwriter**—None named

**Offering**—Stock will be offered to public at price to be filed by amendment

**Proceeds**—All proceeds will be received by L. A. Cushman, Jr., chairman of board of company, for whose account the stock will be sold

**Registration Statement No. 2-4714. Form A-2.** (3-28-41)

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

Amendments filed Nov. 21, Dec. 8, and Dec. 26, 1941, to defer effective date

Amendments filed Nov. 21, Dec. 8, Dec. 26, 1941, Jan. 12, Jan. 29, Feb. 7 and Feb. 16, 1942 to defer effective date

**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 custo-

# Calendar of New Security Flotations

mers 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)

**Registration Effective** 12:30 p.m. E. War Time on Feb. 14, 1942.

**Public Invitation for Proposals**—No bids were received Feb. 24 for the issue. Groups formed to compete for the shares withdrew in the face of the general market uncertainty.

**AXTON FISHER TOBACCO CO.**

Axton Fisher Tobacco Co. filed a registration statement with the SEC for aggregate of 149,944 shares 5% cumulative prior preferred stock, $25 par.

**Address**—Louisville, Ky.

**Business**—Engaged in the manufacture of cigarettes (Clown, Spud, and Twenty Grand) and various brands of smoking and chewing tobaccos.

**Offering**—The 149,944 shares new preferred stock will be issued under a plan of recapitalization, as follows: (1) 56,544 shares in exchange for 14,136 shares outstanding 6% preferred stock on basis of 4 shares new preferred stock plus $17.25 cash for one share of old 6% preferred stock; (2) 54,558 shares in exchange for 45,465 shares outstanding Class A common stock on basis 1 1/5 shares new preferred stock plus $16 cash for one share Class A common stock; and (3) 38,852 shares will be sold first to stockholders of company other than Transamerica Corp., parent company, at $25 per share, with the unsubscribed portion to be sold to Transamerica Corp. at same price. The cash payments in (1) and (2) exchange offers represent unpaid cumulative dividends to Dec. 31, 1941; in connection with offering under (3) above, a cash offer is also to be made in an amount necessary to cover cash payments in the above exchange offers.

**Registration Statement No. 2-4947.** Form A2 (2-13-42—San Francisco)

Amendment filed Feb. 27, 1942, to defer effective date

**BEAR MINING AND MILLNG COMPANY**

Bear Mining and Milling Co. registered 153,145 shares of common stock, $1 par

**Address** — 513 Majestic Bldg., Denver. Colo.

**Business**—Mining and milling

**Underwriter**—None

**Offering**—Stock will be offered publicly at $1 per share, selling commission 35%

**Proceeds** — For development equipment and operation mining property near Breckenridge, Colo.

**Registration Statement No. 2-4571. Form A-1. (11-12-40)**

Amendments filed Dec. 3, Dec. 31, 1941, Jan. 19 and Feb. 25, 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, Jan. 31 and Feb. 19, 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, Jan. 20, Feb. 6 and Feb. 24, 1942, to defer effective date

**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 March 4, 1947. Such warrants as filed and 176,854 shares of 5% preferred stock were issued to preferred and common stockholders of Utility and Industrial Corp. pursuant to merger agreement. It is estimated that total number of warrants ultimately to be outstanding will represent the right to purchase approximately 140,710 shares.

**Proceeds** will be added to working capital

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

**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 and Feb. 16, 1942 to defer effective date.

**HASTINGS MANUFACTURING CO.**

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

**Address**—Hastings, Mich.

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

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

**Offering**—23,100 shares are unissued and are to be offered to the public for the account of the company; remaining 117,300 shares are outstanding and are to be sold to public for account of certain selling stockholders

Proposed offering as amended: 23,100 shares by company, 105,756 shares by certain stockholders

Public offering price is $9.50 per share

**Proceeds** to company will be used for general corporate purposes, including purchase of new equipment and for working capital

**Registration Statement No. 2-4890.** Form A2. (11-19-41 Cleveland)

Amendments filed Jan. 8, Jan. 24, Feb. 2, and Feb. 25, 1942, to defer effective date

**ILLINOIS COMMERCIAL TELEPHONE CO**

Illinois Commercial Telephone Co. registered with SEC $5,750,000 of first mortgage 3⅜% bonds, due Oct. 1, 1971; and 24,000 shares of $5 cumulative preferred stock no par

**Address**—607 E. Adams St., Springfield. Ill.

**Business**—This subsidiary of General Telephone Co. is engaged in providing, without competition, telephone service to 180 communities and surrounding territories in Illinois, including Kewanee, Monmouth, Macomb, Lincoln, Belvidere, Harrisburg, Olney, Mendota and Mt. Carmel

**Underwriters, and amount of bonds and preferred stock underwritten by each, follow:**

| | Amt. of Bonds | No. of Shs. of pfd. stk. |
|---|---|---|
| Bonbright & Co., Inc., New York | $2,875,000 | 12,000 |
| Paine, Webber & Co., New York | 2,156,000 | 9,000 |
| Mitchum, Tully & Co., Los Angeles | 719,000 | 3,000 |

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

**Proceeds** from sale of the bonds and preferred stock, together with $105,000 received from sale of 7,000 additional shares common stock, will be used in part to retire following securities of company: $5,750,000 First Mortgage Series A 3¾% bonds, due June 1, 1970, at 105½; 17,098 shares $6 preferred stock, at $110 per share; 1,108 shares $6 preferred stock owned by parent company, at latter's cost Balance of net proceeds will be used to purchase from General Telephone Corp the outstanding capital stocks of Central Illinois Telephone Co. and Illinois Standard Telephone Co., to make additions and betterments to company's plant and property, and for other corporate purposes

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

Amendments filed Nov. 26, Dec. 15, 1941, Jan. 2, Jan. 21, Feb. 7, and Feb. 26, 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, Jan. 27, Feb. 14, and March 2, 1942

**LACLEDE GAS LIGHT CO.**

The Laclede Gas Light Co. has filed a registration statement with the SEC for Certificates of Deposit for $10,000,000 of outstanding (with the public) Refunding & Extension Mortgage 5% bonds, dated Apr. 1, 1904.

**Address**—St. Louis, Mo.

**Business**—Engaged in the gas utility business within the city limits of St. Louis, Mo.

**Offering**—The Certificates of Deposit will be issued to holders of the above bonds in order to represent the deposit of said bonds under a Plan and Agreement dated Feb. 15, 1942, providing for the extension of the maturities of said bonds to Apr. 1, 1945. No underwriting involved.

**Registration Statement No. 2-4946.** Form A2 (2-12-42)

**Laclede Gas Light Co.** filed amendment with SEC on Feb. 28, 1942, to its registration statement for certificates of deposit to be issued under an offer to extend the maturities of its outstanding $10,000,000 of refunding and extension mortgage 5% bonds, dated April 1, 1904, to April 1, 1945. Changes to the plan, as outlined in the amendment, are substantially as follows:

(1) Ogden Corp. has agreed, subject to certain conditions, to purchase up to $3,000,000 of such bonds that have not been deposited or otherwise assented to the plan, that are available for purchase up to June 1, 1942. Ogden Corp. is not required to pay more than 100 and accrued interest for any bond; and it will extend the maturity date of the bonds so purchased by it. Ogden Corp. proposes to sell the extended bonds acquired by it, from time to time, at prices not less than 99 and accrued interest, unless the SEC approves a lower price

(2) The effective date of the plan has been changed as follows: the board of directors of the company shall declare the plan operative when and if holders of $7,000,000 principal amount of the $10,000,000 of outstanding bonds have been deposited under or have otherwise consented to the plan. Such declaration must be made on or before May 1, 1942, unless extended, and the plan becomes operative 15 days after such declaration has been made

(3) Ogden Corp., which now holds $598,000 principal amount of the company's collateral trust 6% notes, due Aug. 1, 1942, has agreed to acquire an additional $1,402,000 principal amount, provided the company will provide for payment at maturity (Aug. 1, 1942) of the remaining $1,000,000 principal amount of such notes (to which the company has agreed). Ogden Corp. further agrees to extend to Aug. 1, 1942, the $2,000,000 principal amount of the notes to be held by Ogden Corp.

**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)

Amendment filed Feb. 26, 1942, to defer effective date

**McDONNELL AIRCRAFT CORP.**

McDonnell Aircraft Corp. registered with SEC 6,453⅓ shares 6% Non-Cumulative Convertible Preferred Stock, $100 par, and 129,063⅓ shares common stock, $1 par

**Address** — Lambert-St. Louis Municipal Airport, Robertson, Mo.

**Business**—Engaged in designing and de- and selling parts for aircraft; expects presently to engage in business of manufacturing, testing and selling aircraft

**Underwriting**—None. Securities to be offered by company

**Offering**—Of the shares registered, the 6,453⅓ shares of preferred and 64,531⅔ shares of common, will be offered to public in units each unit consisting of one share of preferred and 10 shares of common stock, at price of $140 per unit. Remaining 64,531⅔ shares common reserved for issuance on conversion of the preferred

**Proceeds** for working capital, purchase of tools, machinery and equipment.

**Registration Statement No. 2-4844.** Form A-1. (9-17-41)

**Effective—4:45 P.M., E.S.T., on Oct. 8, 1941 as of 4:45 P.M., E.S.T., Oct 6, 1941.**

**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, Jan. 26, Feb. 11 and Feb. 28, 1942, to defer effective date

**NORTHERN NATURAL GAS CO.**

Northern Natural Gas Co. registered 710,500 shares of common stock, $20 par

**Address** — Aquila Court Bldg., Omaha Nebraska

**Business**—Production and transmission of natural gas

**Underwriter**—Blyth & Co., and others to be named by amendment

**Offering**—Stock will be publicly offered at price to be filed by amendment

**Proceeds**—All proceeds will be received by selling stockholders, United Light & Railways Co., and North American Light and Power Co.

**Registration Statement No. 2-4741.** Form A-2. (4-21-41)

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

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

**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

**SOUTH CAROLINA INSURANCE CO.**

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

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

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

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

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

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

Amendments filed Dec. 16, 1941, Jan. 3, Jan. 22, Feb. 10 and Feb. 27, 1942, to defer effective date

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

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

**Address**—Danville, Va.

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

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

**Proceeds** will be used for plant additions, for purchase of additional equipment, and for working capital

**Registration Statement No. 2-4928.** Form A1 (1-9-42)

Registration effective 4:45 p.m., E. S. War Time, on March 2, 1942

**TEXAMERICA OIL CORP.**

Texamerica Oil Corp. registered with SEC 119,891 shares common stock, $2 par.

**Address** — Milam Bldg., San Antonio, Tex.

**Business**—Engaged in production and marketing of crude oil, acquire mineral leasehold interests in producing or proven oil properties in Texas, drilling of oil wells thereon, acquire royalty interests in proven and developed oil properties.

**Underwriter**—Willard York Co., San Antonio, Tex., has agreed to purchase 44,750 shares at $1.75 per share and 74,157 shares at $2, from company.

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

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

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

Amendment filed Feb. 11 to defer effective date.

**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)

Amendment filed Feb. 11 to defer effective date

**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)

**Registration Effective** but apparently deficient at 4.45 p.m. E. S. War Time on Feb. 16, 1942. A hearing set before the SEC for March 3 postponed to March 31, 1942

**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**—Dillon, Reed & 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)

**Union Electric Co. of Missouri**, on Feb. 9, 1942 filed an amendment to its registration statement, naming the underwriters, 141 in all, who will publicly offer the 2,695,000 shares (no par) common stock, all of which are owned by its parent company, The North American Co. The names of the underwriters, and the maximum number of shares of such common stock which each agreed to purchase were listed in the "Chronicle" of Feb. 26, 1942, page 846

Amendment filed March 2, 1942, to defer effective date

**UNION LIGHT, HEAT AND POWER COMPANY**

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

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

**Business** — Operating electric utility company

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

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

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

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

Amendments filed Nov. 25, Dec. 13, Dec. 31, 1941, Jan. 19, Feb. 7, and Feb. 26, 1942, to defer effective date

**UNITED GAS CORPORATION**

United Gas Corp. registered $75,000,000 first mortgage and collateral trust 3¼% bonds due 1958

**Address**—2 Rector Street, New York City

**Business**—Production and sale of natural gas; part of Electric Bond and Share System

**Underwriters**—None

**Offering Terms**—Bonds will be sold to institutional investors, whose names will be supplied by amendment, at 99.34%

**Proceeds**—To redeem $28,850,000 United Gas Public Service 6% Debentures due 1953; to pay 6% demand note of $25,925,000 to Electric Bond and Share; to repay $2,000,000 open account debt to E. B. & S.; and to purchase from United Gas Pipe Line Co., $6,000,000 of its 1st & Coll. 4% bonds due 1961. Balance will be used in part to reimburse treasury for capital expenditures and possibly to pay accumulated dividends of $9,502,490 on companys $7 preferred stock

**Registration Statement** No. 2-4760, Form A-2 (5-15-41)

**United Gas Corp.** filed amendment with SEC on Feb. 21, 1942, stating that it had been unable to further extend the purchase agreements with 14 insurance companies covering the proposed private sale to such insurance companies of $75,000,000 of the company's first mortgage and collateral trust 3¼% bonds, due 1959. This amendment states: "These purchase agreements expired on Feb. 16, 1942. The corporation intends to continue negotiations to the end that its bonds shall be either sold privately, by renewal of the aforesaid agreements or otherwise, or offered to the public as circumstances shall dictate in order to obtain the pest possible price."

**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 5½% 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, Jan. 31 and Feb. 19, 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)



## Bond Club Of Denver Bowling League Returns

DENVER, COLO.—The Bowling League of the Bond Club of Denver announces the scores for the fifth week of the meets:

| | Won | Lost | Pct. |
|---|---|---|---|
| Roystones | 14 | 1 | .933 |
| Odd-Lots | 11 | 4 | .733 |
| Municipals | 8 | 7 | .533 |
| Over-the-Counters | 7 | 8 | .467 |
| Preferreds | 7 | 8 | .467 |
| Corporates | 5 | 10 | .333 |
| Investment Trusts | 4 | 11 | .267 |
| Dividends | 4 | 11 | .267 |

The Roystones are captained by Leon Macart, Municipals by Norman Godbe of Geo. W. Vallery & Co., Odd-Lots, by Jerry Ryan, Peters, Writer & Christensen, Preferreds by Hal Myers, Corporates by Bernard Kennedy, Bosworth, Chanute, Loughridge & Co., Over-the-Counter by Lewis Nance, Brown, Schlessman, Owen & Co., Investment Trusts by Chan Lilly, and Dividends by Smith.

High team series is held by the Odd-Lots; high team game by the Municipals; high individual series by Norman Godbe with a score of 569; high individual game by Chan Lilly with a score of 237.

## Reischman & Kamprath With Dean Witter & Co.

(Special to The Financial Chronicle)

BAKERSFIELD, CALIF.—Lawrence P. Reischman and Gerald H. Kamprath have become associated with Dean Witter & Co., whose main office is located at 45 Montgomery St., San Francisco. Mr. Reischman was formerly Bakersfield manager for many years for J. A. Hogle & Co., with which firm Mr. Kamprath was also connected.

## Liberalizes Freezing Control Restrictions

The Treasury Department on Feb. 23 liberalized the freezing control restrictions by according to refugees arriving in the United States after June 17, 1940, the same treatment as that previously extended to other refugees.

At the same time the Treasury announcement simplified the freezing control regulations with respect to resident aliens by consolidating into one general license the freezing control provisions applicable to all individuals (except nationals of Japan) now residing in the United States, and to the business concerns blocked solely because of the interest of such individuals. This was done by amending General License No. 42 and at the same time revoking General Licenses No. 42-A and No. 68.

In explaining this new policy, the Treasury's announcement stated:

For some time the practice of the Treasury Department has been to liberalize the freezing control restrictions relating to bona fide immigrants and refugees in the United States and, at the same time, to tighten the controls in their application to individual cases singled out for close supervision. The experience gained by the Foreign Funds Control during the past 22 months and the mass of information gathered by it, particularly on the TFR-300 census reports, have enabled the Treasury Department effectively to carry out this policy.

Treasury officials stated that persons dealing with residents of the United States may now assume that such residents are not blocked unless they are affirmatively on notice to the contrary. The Treasury Department will rely on banking institutions to exercise continued vigilance in seeing that accounts which are not entitled to the privileges of General License No. 42 remain blocked, in carrying out instructions of the Treasury Department in cases which are singled out for special treatment, and in bringing unusual or otherwise suspicious transactions to the attention of the Foreign Funds Control through the Federal Reserve Banks.

Nationals of China, who were previously subject to the provisions of General License No. 68, are now entitled to all the benefits of General License No. 42.

The new General License No. 42 does not free the accounts of persons who have been acting on behalf of Axis countries. Likewise, it has no effect on the great bulk of frozen assets, which are owned or controlled by foreign governments or by individuals or concerns located outside the United States. Nationals of Japan are still subject to the provisions of General License No. 68A and were not affected by today's action.

## 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.

## Curb Seat Retirement

Arrangements have been made by the New York Curb Exchange to purchase and retire the membership of Eugene J. Sweeney for $1,000. When arrangements for the sale were completed March 4, the Exchange had retired 31 seats and reduced the number of regular memberships to 519.

## Schenley Debentures Offered At Par

Mellon Securities Corp. and associated underwriters on March 4 offered publicly $15,000,000 of Schenley Distillers Corp. 10-year 4% sinking fund debentures at a price of 100% and accrued interest. Departing from the usual method of offering securities through a selected selling group, the underwriters are accepting subscriptions from dealers who are members of the National Association of Securities Dealers, Inc., on the basis of "first come first served. Dealers' concession on the 4% debentures is 1½%.

Net proceeds from the sale of the debentures together with bank loans borowed under a new 10-year bank credit agreement and other short term bank loans not exceeding $500,000, will be used to refund all the present borrowings of the corporation.

As part of the financing, the corporation has arranged a revolving credit of $15,000,000 under a 10-year bank credit agreement with the following banks: Bankers Trust Co., New York; The Union Trust Co. of Pittsburgh; Security-First National Bank, Los Angeles; Mellon National Bank of Pittsburgh; Farmers Deposit National Bank of Pittsburgh and Toledo Trust Co. The agreement limits other current borrowings by the corporation to $10,000,000 at any one time.

Sinking fund provisions of the debentures require annual payments beginning in 1943 sufficient to retire 100% of the 10-year debentures by maturity.

Associated with Mellon Securities Corp. in the offering of the debentures are: A. C. Allyn and Co., Inc.; Blair & Co., Inc.; Blyth & Co., Inc.; Alex. Brown & Sons; Curtiss, House & Co.; Dillon, Read & Co.; Emanuel & Co.; Estabrook & Co.; The First Boston Corp.; Hallgarten & Co.; Harris, Hall & Co., Inc.; Hawley, Shepard and Co.; Hayden, Miller & Co.; Hemphill, Noyes & Co.; W. E. Hutton & Co.; Jackson & Curtis; Johnson, Lane, Space & Co., Inc.; Kebbon, McCormick & Co.; Kidder, Peabody & Co.; Kuhn, Loeb & Co.; Lazard Freres & Co.; Lee Higginson Corp.; Carl M. Loeb, Rhoades & Co.; Laurence M. Marks & Co.; McDonald-Coolidge & Co.; Merrill Lynch, Pierce, Fenner & Beane, Merrill, Turben & Co.; Moore, Leonard & Lynch; F. S. Mosley & Co.; The Ohio Co.; Paine, Webber & Co.; Parrish & Co.; Reinholdt & Gardner; Riter & Co.; E. H. Rollins & Sons Inc.; Schwabacher & Co.; Singer, Deane & Scribner; Stein Bros. & Boyce; Stern Brothers & Co.; Stone & Webster and Blodget, Inc.; Stroud & Co., Inc.; Spencer Trask & Co.; Tucker, Anthony & Co.; Union Securities Corp.; G. H. Walker & Co.; Wertheim & Co.; and Whiting, Weeks & Stubbs Inc.

### To Be Lamson Partner

CHICAGO, ILL.—Edward F. Thompson, Jr., will shortly become a partner in Lamson Bros. & Co., 141 West Jackson Boulevard, members of the New York and Chicago Stock Exchanges.





## Monsanto Chemical Sells Preferred Shares

Public offering of an additional issue of 35,000 shares of cumulative preferred stock, series C, no par value, $4 dividend, of Monsanto Chemical Co. was made March 4 by Smith, Barney & Co. at a price of 105½ per share plus accrued dividend from date of issuance. Since dividends will accrue on the new stock from date of issuance only, whereas the outstanding series C stock carries the regular dividend from Dec. 1, which was the last dividend date, the new stock will have a different market from the outstanding stock until the ex-dividend date for the June 1 dividend after which both issues of series C preferred should have one market. With this additional series C preferred stock, the company will have outstanding a total of 110,000 shares of this series.

The net proceeds from the sale of the additional shares, after deducting the estimated expenses of the company, will be added to the cash funds of the company.

Sales have materially increased in the past two years largely as a result of the war in Europe and the defense program in the United States. While the company can make no predictions regarding future sales under the war program, it believes however that the effect of war measures such as Government restrictions, requirements, priorities and allocations may be more to change the relative importance of particular products and of consuming industries than to curtail the total volume of products at present manufactured and sold by the company. The Company has undertaken to construct or to furnish consultant service in connection with the construction for the Government of a number of plants to manufacture products required for the war program and to operate the plants for account of the Government when completed.

The series C preferred stock is redeemable at $100 per share and accrued dividends plus a premium of $7.50 per share if redeemed on or prior to March 31, 1946 and a premium of $5 per share if redeemed after that date.

### Heighway and White Now With Hornblower & Weeks

(Special to The Financial Chronicle)

CHICAGO, ILL. — Oliver H. Heighway and John Gerald White have become associated with Hornblower & Weeks, 39 South La Salle St. Mr. Heighway was formerly manager of the municipal trading department for Knight, Dickinson & Co.; in the past he was with the Harris Trust & Savings Bank. Mr. White was previously with Otis & Co., Blair Securities Co., Stifel, Nicolaus & Co., and Mackubin, Legg & Co.

## NYSE Nominating Com. Gets Names For Slate

A total of 18 names have been suggested to the Nominating Committee of the New York Stock Exchange for the positions to be filled at the annual election on May 11. The occasion was the first of three meetings this month of the Nominating Committee, which members and partners were invited to attend. The slate of nominees will be posted on April 13.

*Chairman:*

George R. Kantzler, E. F. Hutton & Co., and Robert L. Stott, Wagner, Stott & Co.

*Three governors, members of the Exchange residing and having their principal places of business within the Metropolitan area of the City of New York:* Robert P. Boylan, at E. F. Hutton & Co.; Robert D. Danks, Ernst & Co.; Robert J. Hamerschlag, Hamershlag, Borg & Co.; George R. Kantzler, E. F. Hutton & Co.; Harold C. Mayer, Bear, Stearns & Company; H. Van Brunt McKeever, Goodbody & Co.; John Rutherford, at Reynolds, Fish & Co., and Frederick C. Whaley, Whaley & Potter.

*Two governors who shall be allied members or non-members residing and having their principal place of business within the Metropolitan area of the City of New York, who shall be general or limited partners in member firms engaged in a business involving direct contact with the public:* Oliver R. Grace, Sterling, Grace & Co.; Thomas J. Hickey, Vilas & Hickey; Maynard C. Ivison, Abbott, Proctor & Paine, and Murray D. Safanie, Shearson, Hammill & Co.

*Three governors who shall be members or allied members or non-members of the Exchange residing and having their principal places of business outside of the Metropolitan area of the City of New York, who shall be general or limited partners in member firms engaged in a business involving direct contact with the public, of whom not less than one shall be a member of the Exchange:* Sydney P. Clark, E. W. Clark & Co., Philadelphia; R. W. Courts, Jr., Courts & Co., Atlanta; Edward H. Hilliard, J. J. B. Hilliard & Son, Louisville; Wm. Wallace Lanahan, W. W. Lanahan & Co., Baltimore; James J. Minot, Jackson & Curtis, Boston, and Buford Scott, Scott & Stringfellow, Richmond.

Walter W. Stokes, Jr. is Chairman of the Nominating Committee and Charles S. Hirsch, Jr. is Secretary. Other members of the Committee are Newcombe C. Baker, Austin Brown and Holstein De Haven Fox.

## F. J. Young To Buy Cordoba City Bonds

F. J. Young & Co., Inc., New York, have been authorized to purchase $4,210,500 Municipality of Cordoba (Argentine) 7% external sinking fund gold bonds of 1927, due Aug. 1, 1957, or certificates of deposit therefor, and $966,000 Municipality of Cordoba (Argentine) 10-year 7% external sinking fund gold bonds of 1927, due Nov. 15, 1937, or judgments in respect thereof, rendered by the Federal Court of Cordoba on behalf of individual bond holders.

The offer of purchase is subject to F. J. Young & Co. Inc. being able to purchase an aggregate of not less than $4,141,200 principal amount (not including unpaid interest or additional claims arising from the Readjustment Plans of 1934) of bonds, certificates of deposit and/or judgments, without distinction as between the issues. The purchase will be made at stipulated net flat prices giving effect to different payments on account of interest received by respective holders.

Holders of these securities who wish to accept the offer are urged to forward their securities to The Continental Bank & Trust Co. of New York, corporate trust department, 30 Broad Street, which is acting as agent for F. J. Young & Co. Inc. with respect to the offer. Funds have been deposited in New York to satisfy this offer of purchase, and after March 31, 1942, if and when the required amount of securities have been deposited in acceptance of the offer The Continental Bank & Trust Co. will forward checks to depositors in the amounts to which they are entitled. The offer expires Mar. 31, 1942. However, any securities deposited may be held subject to the right of purchase at the prices stipulated until May 31, 1942. If at that time F. J. Young & Co. Inc. is unable to arrange for the purchase of the securities, all securities deposited with the bank will be returned without charge for expenses.

### Protecting Capital And Income In War Years

A most interesting and attractive booklet, entitled "Protecting Capital and Income in War Years and After," a study of the record of insurance stocks as investments during World War I, has just been issued by Wyeth & Co., 647 South Spring Street, Los Angeles, Calif. It is logical to assume, the study states, that insurance stocks will again during the present war provide investors the same degree of protection and profit as in the first World War when the major companies in this field provided superlative protection for both the capital and income of their stockholders. Comparative figures of premium income, earnings, cash dividends and liquidating value of the 10 largest fire insurance companies for 1914-1922 are graphically illustrated. Copies of the booklet may be had from Wyeth & Co. upon request.

### Form May, Borg & Hess

Franklin T. Birdsall and Monroe F. Hess, partners in the dissolved firm of Birdsall & Hess, have become partners in L. S. May & Company and the firm's name has been changed to May, Borg & Hess. The new organization will be located at 39 Broadway, New York City, in the offices formerly held by Birdsall & Hess.

Partners are L. Sylvester May, Franklin T. Birdsall, both members of the New York Curb Exchange, Joseph E. Sylvester, Sol Frank, John S. Borg and Monroe Hess.



### Shields Inaugurates Weekly Stock Letter

Inauguration of a weekly preferred stock letter which features for the first time an index of preferred stocks to include noncallable, high-grade preferreds, high-grade and second-grade industrial preferreds and high-grade and second-grade utility preferreds, is announced by Shields & Co., 44 Wall Street, New York City, members of the New York Stock Exchange, as the result of a long and careful study of this important phase of the stock market. This is the first time, it is believed, that a preferred stock letter and index have been made available, reflecting in detail the trend of the listed and unlisted markets and also serving as a guide in determining the pricing of new issues of preferred stocks.

The first issue of the letter, which is in printed form, appears under date of Feb. 26 and includes a review of the market for preferred stocks with a discussion of new issues and the pricing thereof in relation to market factors and yields.

According to the announcement, the value of this new market letter is to be found in: its novelty; the fact that houses generally have eliminated market letters; that the new market letter fits in with the new methods of doing business in the Street today; and the importance of having a practical index as a guide to new prefererd stock financing.

It is planned to distribute this letter weekly to a select group of dealers throughout the country. It is expected that these dealers will list with the firm the preferred stocks in which they have an interest.

### Security Loans Arranged By N. Y. Curb Exchange

Since June 18, 1941, the Department of Transactions and Quotations of the New York Curb Exchange has undertaken on request to borrow securities or to negotiate loans between firms to expedite delivery and to avoid buy-ins. Until recently, however, the Exchange says, this service seems to have been little known. The department is appealing to the cashiers of member houses to instruct their loan clerks to assist the Exchange when possible. Any houses which are willing to loan securities through the Exchange are requested to communicate directly with the department.

Often the request for the loan of a security is made because a stock is tied up in transfer awaiting legal papers or because the sale has been made for a Canadian account and delivery can be made only after the granting of an application for a permit. Again stock has been borrowed to help specialists to speed up odd-lot transactions.

The staff has been successful in locating a great deal of the stock to be borrowed in New York City, but it has also borrowed from Cincinnati, from St. Louis, and even from the Pacific Coast.