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Our Reporter On "Governments"

The certificate of indebtedness issue went over—went over with a bang, in fact. . . . That was to be expected and the activities of investment bankers in publicizing the offering made a sure thing even surer. . . . But the sale of $1,500,000,000 securities due six months from now means little. . . . It doesn't do more than dent the financing problem of the Treasury. . . . And as far as permanent war-time borrowing is concerned, it just re-emphasizes the need for long-term operations. . . .

The certificate of indebtedness offering received more attention than any other recent flotation by the Government. . . . As a result, the vital angles of the Treasury's borrowing task have been obscured temporarily. . . . But when you're discussing the over-subscription figures and the wide distribution of the certificates, remember these points:

(1) The certificates will mature in six months and Secretary Morgenthau will be compelled then to pay off the issue or refund it. . . .

(2) Between now and the end of the fiscal year—June 30—the Treasury must raise, through borrowing, around $5,900,000,000. . . . That's exclusive of the $1,500,000,000 just raised, of course. . . . In blunt terms, then, the financing job ahead for just the next two and one-half months is of considerably greater significance than the success of another Government offering (especially, a short-term one). . . .

This isn't meant as a criticism of the certificates of indebtedness issue, for the banks needed a short-term security and the Treasury, by selling one, is helping to round out the Government list and maintain the liquidity of the money market. . . . But it is meant as a warning to give the certificate issue only the attention it deserves—which is minor. . . .

New Types of Issues

For months, Secretary Morgenthau's assistants have been studying new methods of war-time financing. . . . For months, we've received "feelers" from various sources on the advisability of adopting the tap method of financing; the possibility of dividing the market into "special groups," each destined to receive a special type of Government bond; the probable reception to a really long-term bond designed particularly for insurance company portfolios. . . .

Now that the certificate offering is out of the way, it seems logical that the Treasury will try one of the new methods under consideration for so long a period. . . .

The Federal Reserve Board of Governors is reported strongly in favor of trying the tap method of financing late this spring or early this summer. . . . One story is that the Treasury will issue two bonds—one carrying a long maturity (say, in the '70s) and the other carrying a relatively short maturity (say, in the '50s). . . .

Both issues would be available for sale for several weeks and maybe, for a number of months. . . . The securities would be non-transferable, with the short-term bond obviously designed for bank portfolios and the longer-terms obviously designed for insurance companies and similar institutions. . . .

For a clue to what may be offered here, you may find it helpful to study the way England has been handling the tap method of financing during the last two years. . . . Report is the Federal Re-

(Continued on page 1532)

OUR REPORTER'S REPORT

With the municipal bond market having displayed strong recuperative powers in recent weeks, that section of the investment market has held the center of the stage this week.

In the forefront of such public offerings have been those for the account of public housing authorities, the latter spurred out no doubt by the recently rendered opinion of the Treasury Department that such issues marketed before enactment of the new Revenue Act will be exempt from taxation.

Housing authority loans accounted for the bulk, by far, of the $85,260,000 aggregate of such issues which were placed for bids, contributing $74,800,000 of the total.

The largest of the public housing undertakings, involving $22,210,000 of notes of the Boston public housing agency, are up for bids today, with indications that the issue will attract considerable competition from banking interests.

The bulk of the housing loans were marketed yesterday in the amount of $54,600,000 for a grouping of several cities. The major financing in this group was in the amount of $11,200,000 for the Washington, D. C., Authority.

Because of the nature of this paper, however, most of it being of short maturity, the general investment public has not had much opportunity to turn to it as an outlet for investment funds.

Housing loans have been placed largely with banking institutions, which have found them readily suitable for inclusion in investment portfolios.

American Tobacco On Way

One of the largest single corporate financing undertakings

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Greatest Responsibility After Winning War Is Preserving System Of Free Enterprise: Schram

Next to winning the war, and winning the peace "the greatest responsibility which we have is to preserve our American way of life which revolves around the system of initiative and enterprise," said Emil Schram, President of the New York Stock Exchange, in an address before the Nashville Chamber of Commerce, at Nashville, Tenn. on April 13. "The test of that system," Mr. Schram added "is the creation of more and more wealth, and not the dissipation or confiscation of existing wealth. This is the philosophy which we must defend. This is the fundamental premise of the democracy we are struggling to uphold."

Earlier in his remarks Mr. Schram declared that "our private enterprise system is demonstrating its unlimited capacity and utility in this period of the nation's greatest need. It is our willing and eager servant, applying its energies and resources swiftly and sweepingly to the winning of the war. In the fullest sense, it is at the disposal of the country in this emergency. This is as it should be. This is what is expected of it." "When the emergency is over," Mr. Schram went on to say, "the American people will, I am convinced, restore that measure of freedom and independence which this system requires. This will mean release from unnecessary restraints and obstructions. It will mean a renascence of freedom. I say to you in all earnestness that this is the only method by which we can meet the cost of this war, solve our post-war economic problems, resume our progress as a nation and thus reopen to our people the opportunities which are their birthright." In part Mr. Schram continued:

In an address in New York, some weeks ago, I predicted that American industry and business would, in this year, play their part so brilliantly, in productive efficiency, that the American people would see to it that our system of private initiative and enterprise is preserved, no matter how cunning the forces and influences that may seek to undermine it. This conviction is strengthened as I see our industrial organization performing prodigious feats of production with a minimum of confusion and of waste. As a result, there is developing in America a new respect for the businessman and the industrialist—for all those who know how to produce the things which we so urgently need to win the war. There is a growing awareness of the indispensable usefulness of an efficient industrial machine.

It is by making full and intelligent use of the equipment which has been created under our form of productive democracy that we shall carry the war to a triumphant conclusion. But I am equally confident that this system, permitted to function freely, will be found entirely adequate in the post-war crisis. The essential fact to be kept in mind is that the productive and organizing capacity which are being demonstrated in this great war effort can be our only reliance after the fight has been won. . . .

The simple truth is that our industrial and agricultural capacity has never been put to any real test, such as now appears inevitable. Neither has

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The Amazing Achievement of the Chicago City Railways and the Chicago Railways Companies

(Controlled by the Chicago Surface Lines System)

By WALTER DYCKMAN

The idea that bonds in receivership are to be scorned has been directly contradicted by the amazing performance of the Chicago City Railways and the Chicago Railways controlled by the Chicago Surface Lines System.

This company has been in receivership for the past fifteen years and during all this time it has not only paid the interest on its First Mortgage 5% bonds of 1927 each year in full but has also paid $22,000,000 out of earnings toward the reduction of its funded debt. The company also has $36,600,000 cash on hand.

This is truly an amazing achievement when one considers the business depression that has existed during the greater part of the period.

The Chicago Surface Lines System is the largest Street Railway system in the world. During 1941 689,282,697 revenue passengers were carried. All during receivership the seven cent fare, which was established in 1923, has been in effect. It has now been announced, however, that the Illinois Commerce Commission has granted permission to increase the fare to eight cents on April 20th. This will show an increase of approximately $6,892,626 in passenger revenue. The Commission in its order also placed a valuation on the surface line properties of $128,000,000 on the basis of incomplete evidence.

After fifteen years of almost continual negotiations it now seems likely that an early reorganization of the Chicago Traction lines is well on the road to completion.

There are three classes of bonds of this system upon which the principal has been reduced:

Chicago City Railway First Mortgage 5% 1927 ($850) 15%.

Chicago Railway First Mortgage 5% 1927 ($750) 25%.

Calumet and South Chicago Railway First Mortgage 5% 1927 ($650) 35%.

The Chicago City Railway First Mortgage 5s of 1927 and the Chicago Railways First Mortgage 5s, 1927 are well secured first mortgages and both have the same interest dates, the only exception being that the former has had 15% paid on the principal and the latter 25%.

The $850 bonds, therefore, seem to have an advantage over the $750 bonds from a speculative point of view for the reason that if the reorganization and unification plan is delayed there may be a possibility that the principal on the $850 bonds will be still further reduced by payment of $100 per bond which would make both bonds $750 bonds.

The Chicago City Railways 5s of 1927 are unlisted and have a more active market over-the-counter than the Chicago Railways 5s of 1927 which are listed on the New York Stock Exchange. The Certificates of Deposit of the latter are listed on the New York Curb Exchange.

Both bonds are now selling in the lower fifties, yet in 1936 and 1937 their highs were around 85.

With the outlook for 1942 possibly being the best for the company in many years, due to the

(Continued on page 1536)

Name Watson IBA Gov. For Michigan Group

DETROIT, MICH.—Richard T. Purdy, Chairman of the Michigan Group of the Investment Bankers Association of America, announces the election of Philip K. Watson, Vice-President and Director of Campbell, McCarty & Co., as the Michigan member of the Board of Governors of the IBA for a three-year term starting at the close of the 1942 convention. Mr. Watson will succeed John W. Watling of Watling, Lerchen & Co., the present Michigan Governor, whose three-year term expires at the close of the 1942 convention. The announcement also states:

Mr. Watson has been in the investment banking business in Detroit for nearly 20 years, serving as Vice-President of the Bank of Detroit and of the Guardian Detroit Co. He has been a member of the firm of Campbell, McCarty & Co. for the past 10 years. He has served on various committees of the Michigan Group of the IBA and at the present time is a member of the Executive Committee.

Fla. Finan. Statements

Financial statements covering the cities of St. Petersburg and West Palm Beach, Florida have been prepared for distribution by Allen & Company, 30 Broad Street, New York City. Copies of these statements will be sent by Allen & Company upon request.

Barysh In Midwest

Max Barysh, manager of the trading department for Ernst & Co., 120 Broadway, New York City, members of the New York Stock Exchange and other leading exchanges, is taking a three weeks' business trip through the middle west.

Henry Arnold Now With Clair S. Hall & Co.

CINCINNATI, OHIO — Clair S. Hall & Co., Union Trust Building, announce that Henry J. Arnold is now associated with them in charge of their municipal and corporate trading department. Mr. Arnold, who is well known in trading circles, was formerly manager of the municipal bond and unlisted trading department of W. L. Lyons & Co. Prior thereto he was a partner in W. P. Clancey & Co. and was in the bond department of the Bank of Commerce & Trust Company of Cincinnati.

Henry J. Arnold

Mr. Arnold is active in the National Security Traders Association having been President of that organization from 1935-1936.

Chicago Bond Traders Appoint Directors

CHICAGO, ILL. — Henri P. Pulver, President of the Bond Traders Club of Chicago, announces that the officers of the club have selected the following directors for the ensuing year:

Carl X. Blomberg, E. W. Thomas & Co.; Ralph G. Randall, Mason, Moran & Co.; Bradford W. Shaw, Blair, Bonner & Co.; Thompson M. Wakeley, A. C. Allyn & Co. Inc.

The officers and directors of the club have appointed the following Committee Chairmen:

Program: Richard W. Simmons, Lee Higginson Corp.; Publicity: Fred E. Ungeher, Rogers & Tracy, Inc.; Finance: John D. McHugh, Ames, Emerich & Co. Inc.; Membership: F. Girard Schoettler, Wayne Hummer & Co.

The Board of Directors has submitted to the membership for a vote the following addition to the constitution and by-laws:

"The Board of Directors, whenever the United States of America is at war, may waive all or any part of the dues of any member while he is engaged continuously in the Military Service of the United States."

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Reentered as second-class matter February 25, 1942, at the post office at New York, N. Y., under the Act of Mar. 3, 1879.
Subscriptions in United States and Possessions $26.00 per year; in Dominion of Canada, $27.50 per year; South and Central America, Spain, Mexico and Cuba, $29.50 per year; Great Britain, Continental Europe (except Spain), Asia, Australia and Africa, $31.00 per year. NOTE—On account of the fluctuations in the rate of exchange, remittances for foreign subscriptions and advertisements must be made in New York funds

Pyne-Kendall To Merge With Reynolds-Fish Co.

Arrangements are being completed for a merger of Reynolds, Fish & Co. with Pyne, Kendall & Hollister, to become effective May 1. Both firms are members of the New York Stock Exchange.

The business of the enlarged firm will continue under the name of Pyne, Kendall & Hollister-Reynolds, Fish & Co. At present the main office of Pyne, Kendall & Hollister is located at 60 Wall Street, New York City, and that of Reynolds, Fish & Co. at 120 Broadway. Offices of the merged firm will be located at 120 Broadway, it is understood. Arrangements as to personnel in connection with the merger will be announced later.

Don't Turn On Water

A dealer sends us a picture from "Business Week" of April 4, showing the new Philadelphia offices of the SEC. They are located in the recently drained swimming pool of the Penn Athletic Club. He says he is sure all the investment fraternity wishes them the best of luck in their new home and only hopes that the vibrations set off by the mental giants constituting their personnel don't start the water flowing again.

M. J. Hickey On Board Of Luscombe Airplane

CHICAGO, ILL.—Matthew J. Hickey, Jr., President of Hickey & Co., Inc., 135 South La Salle St., investment dealers, has accepted the position of Chairman of the Board of the Luscombe Airplane Corporation of West Trenton, N. J., with the approval of Leo T. Crowley, Alien Property Custodian for the Government of the United States.


Matthew J. Hickey, Jr.

The Luscombe Airplane Corporation has been completely reorganized, with the ouster of Leopold H. P. Klotz, a native of Lichtenstein, Nazi-dominated principality, as an aftermath of an investigation begun last February by the Treasury Department. The Luscombe Corporation has now opened negotiations with the Navy to manufacture airplanes and parts for the U. S. Navy and the plant will be enlarged and its facilities converted for this work.

Mr. Hickey announced that he had accepted the position in furtherance of the war effort in behalf of the Government and will serve without salary. He will continue his status in the investment business as before. Hickey & Company will continue to function in the future as it has in the past, with Mr. Hickey directing the business as heretofore.

Mr. Hickey is also Director of the Chicago Rivet & Machine Co. and Director and Trustee of Allerton Hotel.

Jeanes, Haines With Graham, Parsons & Co.

PHILADELPHIA, PA.—Graham, Parsons & Co., 1421 Chestnut Street, members of the New York Stock Exchange, announce that Henry S. Jeanes, Jr. has been appointed manager of their Philadelphia office and that Harold A. Haines has also become associated with them. Both men were formerly with G. M.-P. Murphy & Co., Mr. Jeanes for eight years as manager of that firm's Philadelphia office, Mr. Haines as sales manager.

THE STOCK MARKET

Historical statistics of stock market price swings show that the declining price trend of the past few years constitutes the longest bear market in over 50 years. While the great bear market of 1929-32 was only some 33 months long, the downtrend since the 1938 peak has been in progress for over 41 months and if one assumes that the downtrend dates from the 1937 peak, the bear market has been in progress for more than five full years.

That this decline has been caused in very large measure by psychological influences is clearly evident from the fact that corporation earnings and dividend payments have been in a steady uptrend ever since 1938 or for virtually the entire period of the bear market. The divergent trends as between stock prices and corporation earnings is shown in the schedule below:

Year—	*Stock Prices	*Corporation Earnings
1937 (high)	194.40	11.49
1938 (high)	158.41	6.01
1939 (high)	155.92	9.11
1940 (high)	152.80	10.92
1941	133.59	11.41
1942 (current)	100.00	

*Dow-Jones 30 industrial stocks.

As may be noted, while the earnings level has risen steadily for four years to that of the 1937 high, prices have declined to the lowest level reached during the entire period which was at the bottom of the 1937-38 decline. In short, latest full year earnings are at the 1937 bull market peak level while current prices are at the 1938 bear market low which, incidentally, is the lowest level for the past seven years.

Both the extended duration of the stock market decline and the relationship of the current low price level to the rate of corporation earnings are strongly suggestive of an oversold market. And at the same time, study of these figures makes it obvious that there is ample room for a market rise of substantial proportions, even assuming some decline in the rate of earnings this year. On the other hand the threat of adverse war news over the months ahead is a near term obstacle in the way of rising prices.

Under these circumstances, the investor who is considering the purchase of common stocks as a long term investment has three choices with respect to the timing of his investment—(1) He can buy now on the grounds that the current low price level, as the result of the extended decline of the last several years, represents a better than average buying opportunity; (2) he can wait until the war outlook seems clearer, which offers the possibility of buying at a lower level but which also involves the risk of buying at a higher level; (3) he can stagger his purchases over a period of two or three months, investing equal dollar amounts every week or two and thereby making sure of a good *average price* on his total investment.

Of these three choices, the third is perhaps the safest and soundest for the average investor as it avoids the difficulties and risks of trying to take advantage of short term market fluctuations and it gives complete assurance of a fair *average price* at a time when the general level of stock prices is abnormally low.—*W. F. Shelley, Massachusetts Distributors, Inc.*

Joseph Miller Joins Staff Of Sutro & Co.

(Special to The Financial Chronicle)

LOS ANGELES, CALIF.—Joseph J. Miller and Harold V. Blickensderfer have become associated with Sutro & Co., Van Nuys Building. Mr. Miller was formerly in business for himself in Los Angeles, and prior thereto was with McCabe, Fewel & Co. and Smith, Camp & Riley, Ltd. Mr. Blickensderfer was with M. H. Lewis & Co. and in the past was municipal manager for the Metropolitan Securities Co. of Pasadena.

Firm To Be Doolittle, Roth & Schoellkopf

BUFFALO, N. Y.—Dudley M. Irwin, Jr., is today being admitted to general partnership and William Schoellkopf to limited partnership in the firm of Glenny, Roth & Doolittle, Liberty Bank Building, members of the New York Stock Exchange, and the firm name is being changed to Doolittle, Roth & Schoellkopf. Messrs. Irwin and Schoellkopf were formerly partners in the dissolved firm of Schoellkopf, Hilbert & Co.

Hilbert & Co., NYSE Firm, Formed In N. Y.

Effective upon the dissolution of Schoellkopf, Hilbert & Co., today, the new New York Stock Exchange firm of Hilbert & Co. will be formed with offices at 120 Broadway. Partners of the new firm will be Webb Hilbert, William T. Emmet, the Exchange member, John P. Cronin, general partners, and R. T. von Palmenberg, limited partner. The general partners were all formerly partners in Schoellkopf, Hilbert & Co. In the past Mr. von Palmenberg was associated with Mr. Hilbert as a partner in Hilbert, Condon & Bassett.

Geddes To Reacquire Stock Exchange Seat

Donald G. Geddes, a partner of the New York Stock Exchange firm of Clark, Dodge & Co., since 1899, has arranged to re-acquire a Stock Exchange membership, it was disclosed on April 9. He would purchase the membership of Daniel R. Collins, and his membership application will be acted upon on April 23. Mr. Geddes was a member of the Exchange from 1899 to 1922. The announcement of the Exchange says:

He was a member of the Committee of Five which administered the closing and subsequent reopening of the Stock Exchange in 1914, at the outset of World War I. Other members of that Committee were Ernest Groesbeck, H. G. S. Noble, H. K. Pomroy and S. F. Streit.

Mr. Geddes served as an advisor to the Exchange's Board of Governors from September, 1934, to May, 1938. He began his business career with Chase & Higginson, members of the New York Stock Exchange. That firm retired from business two years later and Mr. Geddes entered the employ of Clark, Dodge & Co., in 1890, becoming a partner in 1899.

Mr. Geddes' directorates include the Western Union Telegraph Co., and Manning, Maxwell & Moore, Inc. He is President and a Director of Chartered Investors, Inc.

Stock Tape To Print Bids, Offers On Bonds

The New York Stock Exchange announced on April 10 that beginning April 13, the stock tape would, as conditions permit, carry bids and offers in a selected list of active bonds. "The method of printing these quotations," says the Exchange, "will be similar to that employed in printing stock quotations except that in order to make the bond quotations readily distinguishable from stock quotations the word "BOND" will be printed in conjunction with the symbol." The Exchange added:

As an interval will occur between the dispatch of these quotations from the Floor and their appearance on the tape, members should bear in mind that the quotations on the Floor may change during such interval.

PERSONNEL ITEMS

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

(Special to The Financial Chronicle)

CHICAGO, ILL.—**Archer Hamilton Roop** has become connected with **A. C. Allyn and Company, Inc.,** 100 West Monroe St. Mr. Roop was formerly with Paul H. Davis & Co. for many years.

(Special to The Financial Chronicle)

CHICAGO, ILL.—**John Chiaro,** formerly with Hickey & Co., has joined the staff of **Traction Securities, Inc.,** 105 South La Salle St.

(Special to The Financial Chronicle)

CLEVELAND, OHIO—**Leonard Otto Duhn,** formerly with the First Cleveland Corporation, has mecome affiliated with **Borton & Borton, Inc.,** Union Commerce Building.

(Special to The Financial Chronicle)

CLEVELAND, OHIO—**Perry T. Blaine** has become associated with **P. E. Kline, Inc.,** Union Commerce Building. Mr. Blaine was formerly with Jackson & Curtis and Johnson, Kase & Co.

(Special to The Financial Chronicle)

DETROIT, MICH.—**Charles R. Brand,** formerly with American Industries Corp., is now with **Paine, Webber & Co.,** Penobscot Building.

(Special to The Financial Chronicle)

LONG BEACH, CALIF. — **Rex May,** formerly with Merrill Lynch, Pierce, Fenner & Beane and Banks, Huntley & Co., has been added to the staff of **Bankamerica Company,** Security Building.

(Special to The Financial Chronicle)

LONG BEACH, CALIF.—**Clayton B. Weed** has become associated with **Franklin Wulff & Co., Inc.,** 115 Pine Ave. Mr. Weed was previously with Merrill Lynch, Pierce, Fenner & Beane, and in the past was local manager for M. H. Lewis & Co.

(Special to The Financial Chronicle)

LOS ANGELES, CALIF.—**Donald C. Poussette** has joined the staff of **Schwabacher & Co.,** 515 West Sixth St. Mr. Poussette was previously with Amerex Corp.

(Special to The Financial Chronicle)

LOS ANGELES, CALIF.—**William Earle Hamilton,** formerly with Pacific Company of California, has become connected with **Wyeth & Co.,** 647 South Spring St.

NEW YORK, N. Y.—**Wm. Vander Clock,** formerly with Harriman Ripley & Co., Inc., is now associated with **Van Alstyne, Noel & Co.,** 52 Broadway, in their sales department.

Avers Exchange Is Loser By Refusing To Agree To Commission Splitting

April 13, 1942.

Editor, "Commercial & Financial Chronicle,"
New York, N. Y.

Dear Sir:

You have been publishing letters written by over-the-counter dealers suggesting how New York Stock Exchange members can benefit in various ways, one in particular, a split-commission arrangement.

I don't see why any unlisted dealer should be so kind as to help Exchange members. What do Exchange members do for the unlisted dealer? Answer—nothing. What do they do to hamper the unlisted dealer? Answer—plenty.

Being a trader for an unlisted dealer I would not favor a split commission for the simple reason that when my house has a listed order to execute, in 75% of the cases I can find a buyer or seller among other unlisted dealers at the last sale price; or if there were no sales on that day I usually find a trading opportunity at or between the bid and asked price, thereby getting all the commission involved.

My experience with trading listed bonds with other unlisted houses is even more successful than that with stocks. My Government bond executions are 100% over-the-counter.

The Stock Exchange is a private club so why butt in with their affairs, but if they butt in with your affairs then be ready to fight. I believe the unlisted dealer is now better organized than in the past and is better able to continue in business.

Yours very truly,
A PITTSBURGH DEALER.

Huff On Trip

Robert H. Huff, President of Butler-Huff & Co. of California, 210 West Seventh Street, Los Angeles, has been visiting in New York City and is leaving today for St. Louis where he will remain for one week. He will return to his desk in Los Angeles on April 26 after leaving St. Louis.

Riter Co. To Absorb Scholle Brothers

The investment business of Scholle Brothers, 40 Wall Street, New York City, members of the New York Stock Exchange, will be taken over by Riter & Co., 48 Wall Street, New York City, members of the New York Stock Exchange and other leading exchanges, as of May 1. Morton H. Fry, senior partner of Scholle Brothers will become a partner in Riter & Co., which will move to the present offices of Scholle Brothers.

Frank Franey With Newhard, Cook & Co.

(Special to The Financial Chronicle)

ST. LOUIS, MO. — Frank V. Franey and A. A. Michenfelder have become associated with Newhard, Cook & Co., Fourth & Olive Street, members of the New York and St. Louis Stock Exchanges. Mr. Franey was formerly assistant manager of the bond department of Francis, Bro. & Co., with which Mr. Michenfelder was also connected.

Horace I. Poole To Join Eisele & King

Horace I. Poole has become associated with Eisele & King, members of the New York Stock Exchange, in their New York office at 39 Broadway. Mr. Poole has conducted his own investment business in New York City since 1936, Horace I. Poole & Co., Inc.

James L. Sullivan Is With Dempsey-Tegeler

(Special to The Financial Chronicle)

ST. LOUIS, MO.—James L. Sullivan has become associated with Dempsey-Tegeler & Company, 407 North Eighth Street, members of the New York Stock Exchange. Mr. Sullivan was formerly a partner in Francis, Bro. & Co.

Facts & Figures

Hoit, Rose & Troster, 74 Trinity Place, New York City, specialists in over-the-counter securities, have just issued a tabulation of the first quarter 1942 bank earnings for New York City banks. Copies of this interesting tabulation, which forms the first statistical supplement to the firm's "Facts & Figures," may be had from Hoit, Rose & Troster upon request.

Tomorrow's Markets Walter Whyte Says—

Tuesday's reaction carried stocks into buying zone. Market in critical area again. Support evident in issues must hold. Coming developments in war picture vital to market trend.

By WALTER WHYTE

Seven days ago the market showed signs of a top, temporary perhaps, but a top just the same. It was on the subsequent setback from this top that I thought certain stocks would be attractive enough to take positions in.

* * *

Since this was written, the market did react and is now not only back to approximately the lows of the current swing, but in some cases below it. In doing this, it brought all the stocks mentioned last week into the buying range. Only one, Chrysler, broke through its critical level. The others, while flirting with their low points, are up to this writing still above them.

* * *

For example, Atchison made a low of 34, which is also its stop, but so far it has not broken it. International Harvester, recommended at 43, with a stop at 41½, got down to 42¼. Its stop is still 41½. Union Carbide also sold down to the support area, 58½-59½, but here, too, the 57 price stands out like a sore thumb as figure not to be broken. Western Union reacted to the base and even hit the critical figure, 24, a few times. But so far it too has kept above it.

* * *

Let me hasten to add, that while I still like these stocks (I would not have recommended them otherwise), I do not expect any immediate reversal of trend. On the contrary, the best I can look forward to is another sinking back into a period of lethargy, while these stocks rebuild their technical strength. It is possible that an increased short position may hasten a rally, but if so, it will be of short duration only. On the downside, so long as any of these manage to keep their heads above their stop prices, they should be held.

* * *

These stops were calculated on basis of technical support. If they don't hold, neither will the market. And if the market doesn't hold, you can look forward to another series of dreary market days.

* * *

Looking at the market from a technician's viewpoint, its behavior is nothing to cause undue worry. It rallied in the last two weeks to where it showed it could and declined from what to all intents and purposes was an obvious top. So far so good. Its technical action was normal.

* * *

Yet normality presupposes a basic picture which is equally normal. We know that it is not so. The ability of the market to forecast coming events is no longer present. No market, no matter how well controlled, can foresee the changing tides caused by war; particularly such a war as this is.

* * *

For example, Britain has just lost another battle, this time a political one. India has refused to cooperate on the basis Sir Stafford Cripps proposed. In the past every political defeat by Britain was shortly followed by a military defeat.

* * *

It is no secret that a giant Jap armada is now off the coast of Ceylon and India. And Winston Churchill himself has admitted in the House of Commons that no Allied force in the Bay of Bengal is available to meet the challenge. The conclusion would appear to be obvious that it is only a question of days when the fears of an invasion of India will be realized.

* * *

As if that wasn't enough, we see Vichy France laying the ground work for more active collaboration with Hitler. By itself this would not be so important, if it weren't for the disposition of the French fleet. Naturally, such actualities and the threats of possibilities are hardly ammunition for a bull market to feed on.

* * *

Foresight is a grand thing, yet who can foretell what the events of tomorrow will bring. Certain stocks look up; others look down, but in neither case is there enough volume to make any important difference. Yet what few yardsticks we still have cannot be discarded. One yardstick says that when a market reaches a predetermined level and hesitates, a reaction is indicated. Another yardstick says that when this reaction gets down to a certain point, and stocks begin to back and

(Continued on page 1532)

RAILROAD SECURITIES

One more investment group which had long been considered to represent the utmost conservatism in the railroad field has tottered under the impact of an unexpected court decision. On April 2 the United States Circuit Court of Appeals handed down a decision, reversing an earlier lower court decision, finding Delaware, Lackawanna & Western not liable for Federal income taxes on the rental income of various of its leased lines. Railroad men have long pointed with pride to the consistent record of this class of security in good times and bad (one statistical agency points to the continuity of dividends for a period of 45 years or more of some two-thirds of the well-known guaranteed stocks as contrasted with the record of mortgage bonds in the same period) and it now seems possible that the sanctity of dividends on even the strongest issues may be broken. It is ironical that this uncertainty should arise just as the credit and investment standing of the railroad industry as a whole is so strikingly on the mend. The question is by no means settled, as it will unquestionably be taken to the Supreme Court, but there is no denying that the recent decision strikes an ominous note.

The controversy arises over the fact that for the most part the leases now in effect were written before there was any thought of Federal corporate income taxes. Therefore, while the leases generally call for payment of all expenses and taxes in addition to sums necessary for interest and dividends on the lessor's securities, the instruments rarely specifically call for payment of income taxes as part of the rental. Many of the lessees have claimed that the income tax is not their liability but must be paid by the lessor out of the rental, or any other income, it receives. In some cases the lessees have refused to pay the taxes ("Lackawanna" was in this class) and in other cases the income taxes have been paid by the lessees under protest. In either event the ultimate liability for back income taxes will fall on the lessors if the Circuit Court is upheld in its "Lackawanna" decision.

One of the reasons for the general surprise at the Court's decision is that the leases involved in this particular litigation were considered among the strongest extant with respect to the tax protection afforded security holders. To the layman's mind the reasoning whereby this protection was swept aside appears, to say the least, labored. We would specifically cite the lease of the Syracuse, Binghamton & New York wherein it is provided in part, "And that the said party of the second part *(referring to Lackawanna) will, during the enjoyment of the demised property and estate under this lease, pay and discharge all taxes and assessments which are or may be imposed, levied or assessed on any of the property * * * or on the income or profits of the said business * * *." One could hardly be blamed for taking this as an assumption of liability for income taxes by the lessee. The Court finds, however, that this clause "on first impression may seem to come within the category of income taxes, but again, these taxes are not on the income of the business of the lessors who are not conducting the business, but on that of the lessee who runs the railroads."

*Our insert.

It is reported that other railroads with leased line problems look on the "Lackawanna" litigation as a test case, and that even an endorsed guarantee of payment of dividends at a specified rate will not afford protection against tax curtailment of dividends. The burden of the taxes, when paid by the lessee, was in many instances becoming insuperable, particularly as there have been rulings imposing an additional tax on any tax allowance so made. To illustrate in round figures, railroad A leases the properties of railroad B for $500,000 annually. There might be an income tax of $150,000 on this rental income. If the lessee, railroad A, pays this tax it has been held that the $150,000 constitutes additional rental income and as such is also taxable. This procedure could be carried out to absurdity in a never-ending cycle.

Unless there is a reversal of the Circuit Court decision, there would appear to be no alternative other than wide-scale consolidation of leased lines with their lessees. Holders of the affected leased line stocks would have little choice but to accept negotiations looking to this end. Under the proposed new tax measure guaranteed common stocks would be faced with the possibility of a reduction of more than 50% in their annual dividends if the lessor must pay the income taxes. Where heavy preferred stock issues are outstanding the cut might be even more drastic and might conceivably necessitate complete suspension of common payments. Moreover, where back taxes are payable, it is likely that stock holders of all classes will be faced with loss of income until these are liquidated. It behooves all holders of guaranteed stocks carefully to examine the terms of their leases in the light of the recent Court decision, to determine how the reasoning behind the decision is apt to affect their future dividends. Also, when and if, this new development is to result in consolidations, negotiations will likely center largely around the earning power and strategic importance of individual properties.

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—40⅜, low—14¾, last—36¾.

Sutro Bros. Co. Partner

John I. Taeni will be admitted to partnership in Sutro Bros. & Co., 120 Broadway, New York City, members of the New York Stock Exchange and other leading exchanges, as of May 1.

THE BOND SELECTOR

MINNESOTA & ONTARIO PAPER CO.

First Mortgage Income 5s, 1960

Bonds of New Company Well Backed By Working Capital and Amply Secured by Earnings

Traded over the counter and currently selling around 91½, Minnesota & Ontario Paper Company 5s, 1960, offer the investor a yield of 5.75% to maturity and a good chance of appreciation.

Minnesota & Ontario Paper Company was organized on March 1, 1941, to take over in reorganization the assets and properties of a corporation of the same name which went into receivership in 1931. The business of the company, including that of subsidiaries, consists of the manufacture of newsprint and related products, kraft and specialty papers, paper bags, sulphite pulp and Insulite (an insulating material). Lumber and other forest products are also marketed.

The company and its subsidiaries own hydro-electric and hydraulic power plants, paper and pulp mills, insulite mills, saw mills, planing mills, box, shook and crating factories, timber lands and all other facilities necessary for a completely integrated paper unit. Plants have an annual capacity of 256,000 tons of newsprint paper, 34,000 tons of kraft, 250,000,000 feet of insulating material and over 125,000,000 feet of finished and unfinished lumber. Power plants have a combined generating capacity of 105,000 horsepower.

Principal manufacturing and power units are located at International Falls, Minnesota, and Fort Frances and Kenora, Ontario. The plant at International Falls has an annual newsprint capacity of 78,000 tons, that at Fort Frances of 89,600 tons and that at Kenora of 89,900 tons. The company's own timber supply in Minnesota and Ontario embraces a forest area of approximately 50,000 square miles.

The presently outstanding First Mortgage and Collateral Income 5s, 1960, were issued as a result of the reorganization plan to holders of the old Series A, B, and C mortgage bonds and unsecured notes. Approximately 90% of these old bonds have been exchanged for the new. Under the reorganization plan, holders of the old mortgage bonds, all series, received $500 in new 5% bonds and 40 shares of new common stock. In addition cash payments in adjustment of interest were made in amounts of $7.50 on each $1,000 of old Series A bonds, and $5 on each $1,000 of old Series C bonds. Holders of the old 6% unsecured notes received 30 shares of new stock and $7.50 in cash. The old preferred and common stockholders received nothing in the reorganization.

Under the reorganization plan, $12,200,000 of the subject First Mortgage and Collateral Income 5s, 1960, were issued, and at the end of 1941—nine months later—the amount of bonds outstanding had been reduced to $9,757,000. Interest is payable only as earned but is fully cumulative up to a maximum of 5% annually; in other words, whether or not full 5% is earned and paid each year, the company is obligated for the full amount and any deficiency accumulates and is payable out of future earnings and any funds existing in the sinking fund. The full 5% is currently being earned, was paid in 1941 and will be payable on May 1, 1942.

The sinking fund requirements are substantial. The company is obligated to set aside 50% of consolidated net earnings before depreciation, depletion and obsolescence, after deducting $400,000 as a reserve for additions and replacements of physical property. Since the bonds were issued, $2,443,000 have been retired by the sinking fund.

The company's operating record for 1941 was eminently satisfactory from the bondholders' viewpoint. Net sales increased 25% over 1940—from $17,598,000 to $22,029,000 — and net operating profit of $3,378,000 represented an improvement of 100% over the $1,698,000 reported in 1940. Fixed charges in the 1941 calendar year were earned 7.10 times before income taxes compared with 2.43 times in 1940. After income taxes, the figures were, respectively, 4.26 and 2.28. The following gives pertinent data in the income accounts for 1941 and 1940:

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Bank and Insurance Stocks

This Week—Insurance Stocks

Accumulating evidence that heavier taxes for 1942 will affect corporation dividends generally is finding reflection in rising yields on insurance stocks, on the premise that lower dividends will reduce investment income and thereby expose insurance company dividends to possible reductions.

On April 9th, for example, General Foods at its annual meeting indicated intention to reduce its dividend. Such leading companies as DuPont, General Motors, Chrysler, Consolidated Edison, UGI, Public Service of New Jersey, American Tobacco, etc., already have reduced payments compared to last year. Reductions are also regarded as probable in the near future, and scale of year-end extras is expected to be lower for various leading companies.

Since the general insurance company practice is to limit dividends to within investment income alone, it therefore becomes of interest to note what margin of protection current dividend scales of insurance stocks is being given by investment income.

In this connection, it should be borne in mind that insurance companies have a constant inflow of new money represented by premiums written, and that this premium income is being sharply stimulated by the sustained high level of Defense production and shipments and rise in insurable values generally. Income from new money invested acts as an important offset to reduction in return from presently invested funds.

It should be remembered, also, that companies having large holdings of bonds and high-grade preferred stocks, with light holdings of common stocks, are less likely to incur appreciable reduction in investment income. Because investing policies vary and distribution of invested funds differs from company to company, the effects on individual companies have to be studied separately, and a generalization is of little value. It is noticeable, nevertheless, that during the past two years even the more pronounced "stock investors" among the fire companies have built up their ratio of cash and bonds relative to stock holdings.

Allowing for these limitations in generalizing, it is of interest to note that 52 leading fire companies registered a 7% gain in investment income for 1941, and that for 1941, these companies' total dividends in proportion to investment income were 77.2%. In other words, a cushion of 22.8% of investment income exists, theoretically, before dividends, both regular and extra, would be just covered by investment income. This does not allow, of course, for the increased income derived from investment of increased premiums.

Thirteen leading casualty companies registered a 9% increase in investment income in 1941, and for 1941, these companies' total dividends were 89.8% of investment income, indicating a cushion of 10.2%. Since casualty companies as a group have traditionally carried a high ratio of cash and bonds, their investment income enjoys a high degree of stability, and is strengthened, moreover, by their higher leverage of invested funds to stockholders funds.

No one knows just how heavy the inroad on corporation dividends by taxes will be; but it would appear that these margins of fire and casualty companies' investment income over their current dividends, both regular and extra, afford a reasonable degree of protection.

Nevertheless, the question arises as to how much of a reduction investment income could show and still just cover the regular dividends of the above groups of fifty-two fire and thirteen casualty companies. The fire group's regular dividends alone are 64.6% of 1941 investment income, allowing a margin of 35.4%; while the casualty group's regular dividends are 75.8% of 1941 investment income, a margin of 24.2%.

From these figures, it now becomes apparent that many of the companies could have increased extra dividends last year, in view of the larger investment income and satisfactory margin of coverage over prevailing rates. Some of the companies did in fact do so, but such increases appeared amply warranted by the increased coverage. As a general proposition, therefore, it appears that most companies anticipated the outlook for decreased investment income in 1942 and ploughed back the increase in 1941 investment income rather than increase extras to the extent justified by increased investment income. This, of course, imparted strengthened stability even to the scale of extras.

The question is often asked, what would be the average yield on insurance stocks if extras were completely eliminated? A group of twenty issues at closing prices April 10th yielded an average of 4.70% on full scale of regulars and extras; and 3.87% on scale of regulars alone. Thus, the extras of this group make a difference of about 1% in yield at current levels.

If this question is asked in order to judge how much further yields on insurance stocks should rise in order to be discounting possible 1942 reductions, care should be taken to consider the above high coverage by investment income alone. Insurance stock yields should not be judged by bare comparison with the general run of yields. The basic reason why yields of 5%-10% and even higher are available on various classes of common stocks is investor suspicion of stability of dividend rates. An insurance stock average yield of 4¾% today may be much more real than ephemeral high yields on industrials much more vulnerable to dividend reductions in 1942.

Indicating the degree of investor confidence in stability of insurance company rates, the average yield of the above group of twenty issues in the past five years has never been above 5%, the highest point being 4.83% (June 10, 1940) and the lowest 3.23% (Jan. 8, 1937).

Although insurance stock investment income and dividends, therefore, are subject like everything else to the deflationary effect of heavier taxes, the above data indicates better than average protection of present dividend rates, which with the aid of increased premium income will act as important offsets to higher taxes for 1942.

Continuing our coverage of the 1941 statements, the following tabulation lists "consolidated" liquidating values and operating earnings of leading parent companies:

CONSOLIDATED GROUP EARNINGS

	Liquidating Value		Operating Earnings				
			Und'g Gain		Inv. Income		Annual
	Dec. 31, 1941	Dec. 31, 1940	1941	1940	1941	1940	Divs.
Aetna (Fire)	$61.04	$63.03	----	$1.10	$2.77	$2.49	$1.80
Agricultural	85.14	89.50	$0.67	2.44	4.82	4.12	3.25
*American (Newark)	15.88	16.24	0.62	0.57	0.85	0.84	0.60
Boston	644.00	693.30	15.03	16.26	33.14	31.78	21.00
Continental Ins.	39.64	41.62	1.31	1.42	2.53	2.36	2.20
Fidelity Phenix	41.74	43.86	1.78	1.65	2.84	2.55	2.20
Fire Association	77.74	84.02	—1.09	2.25	4.38	3.93	2.50
Firemen's (Newark)	15.20	14.82	0.90	0.22	0.96	0.84	0.40
*Glens Falls	39.40	40.26	2.73	1.89	2.16	1.95	1.80
Home Insurance	25.83	27.51	0.62	0.30	1.81	1.61	1.60
Ins. Co. of N. A.	76.42	78.69	2.70	2.37	4.23	3.81	3.00
National Union	210.82	208.01	6.67	4.41	8.67	8.51	5.00
New Hampshire	47.20	50.03	—0.89	0.64	2.24	2.01	1.80
Prov. Washington	37.44	39.07	1.44	1.63	1.95	1.85	1.40
Security (New Haven)	46.73	47.52	1.96	1.11	2.40	2.24	1.40
Springfield F. & M.	131.92	135.91	3.69	2.87	6.02	5.76	4.75

*Before taxes on operating earnings.

Quarter Century Club Of NYSE Honors Two

William Gaudioso and Nelson Johnston, former employees of the New York Stock Exchange for 47 years and 37 years, respectively, were guests of honor today at a meeting of the employees' Quarter Century Club, and were presented with appropriately inscribed watches by John V. Freudenberger, President of the club.

Mr. Gaudioso retired on March 26 at the age of 65, and Mr. Johnston on March 1, at the age of 61.

The Securities Salesman's Corner

A BOND SALESMAN LOOKS AT "TAXES"

The writers of this column wish to admit right at the outset that they don't wish to pose as experts on the subject of taxes. We are going to say our little piece because we believe that many a securities dealer and salesman will be able to understand what we are talking about. They have had the same experiences as we are going to relate. We also believe that it will be a relief to approach this subject from another standpoint rather than that of these so called experts who have been writing reams of unintelligible gibberish, as far as we are concerned, on one of the most "balled up" propositions before the country today.

With us, it's a question of practical experience in dealing with the EFFECTS of certain tax laws upon investors in general. We securities salesmen talk and deal with the people who pay most of the income taxes and other taxes as well. In other words, putting some of our observations up against those of our present crop of "class room theorists," might be likened to a story we heard the other day.

A teacher in a city school asked the class a question in arithmetic. He said: "There are 40 sheep in a meadow and five go over the fence. How many are left?" Johnny, who was a city boy, spoke up: "There will be thirty-five left." A little fellow in the back of the room spoke up: "I don't think that answer is right teacher," said he. "Why not?" replied the teacher. "Well," said the youngster, "I was raised in the country and if either you, or that city kid, ever saw a flock of sheep in a meadow, you'd know darn well that if five of them climbed over the fence all the rest would follow — there wouldn't be any left."

How many times have some of you heard this sort of remark from your clients? "What's the use of my buying that stock, or that bond, or even that piece of real estate. If I make a profit I'll have to pay almost half of it out in taxes, but if I lose, it will be all my loss." Here is human nature in action. Despite all the theories of the bright boys who wrote the so-called "Capital Gains" tax law, there is one thing they did not think about. Morals, ethics, the right or wrong of it, be hanged, IN THE LONG RUN IT'S SELF INTEREST THAT IS PLACED FIRST WITH THE MAJORITY OF HUMAN BEINGS; and any day that this is changed you'll have Utopia here; then we won't need any tax experts, or for that matter any taxes either.

As a revenue producer this capital gains tax is practically worthless. It is reported that it brings in about $17,000,000 per annum. This is just about enough to finance our governmental expenditures for four hours of one day at their present rate. Meanwhile this unrealistic tax law, stifles private enterprise, hypnotizes investors, freezes capital and adds to the stagnation of hundreds of millions of dollars worth of private wealth at a time when it is urgently needed for the nation's business and industrial expansion.

Then again, how many times have you advised a customer to sell a security, which good judgment would indicate should be sold, and be faced with this, "No, I won't sell, I'll keep it. If I sell now, my taxes on the profit will be excessive, so I'll hold on." Later on subsequent events proved that the security should have been sold. The stock declined below its acquisition cost. Another investor's capital and confidence has been impaired and only because an entirely extraneous circumstance interfered with the proper judgment of values. In this way healthy market activity is restricted and this is also an unfavorable condition for the country to be faced with during times like these we are now going through.

Despite all the talk about the dangers of inflation there are millions of property owners in this country that could well stand to see some modest rise in the market prices of their real estate holdings. There are also many millions of investors that could also stand an improvement in the market values of their securities. Market activity and a chance for a "profit," might not be the whole answer to the present low state of the market and the morale of this nation's investors. But one thing is certain, it wouldn't hurt any and it might help a lot. It would be worth a trial at least, for there would be little lost to the Treasury if this tax were repealed.

Then there is another important consideration that will be of direct benefit to the Treasury itself. Here again we say to the "experts," "Go out in the field, see the people as they are, not as you wish them to be. Watch what happens to the average American when he finds that his property or his stocks have increased in market value. See the change in his attitude toward paying the higher taxes which you must now collect. Watch how much more readily he parts with his cash for Defense Bonds." Patriotism is always a real American's first consideration, but you'll find that even Patriotism can express itself on tax day a lot more freely and readily when stock prices are up and holdings worth more *rather than continually declining to "new lows" every day in the week.*

It looks like this capital gains tax is on the way out. Let us hope so. Wall Street has been advocating its repeal for many years. Maybe if we keep quiet and let the experts finally take credit for this long belated step—at last it will be done. These days if you want anything done by the "experts" you have to make it appear as if they originated the idea themselves. If so, no one will care who gets the credit, just as long as we see better markets, higher real estate and security prices, and more taxes in the long run, for the national treasury.

Next week, we'll have a few more things to say, on another phase of this tax question.

Note: As long as the tax on capital gains remains in force, salesmen will find another logical argument for the purchase of very low priced speculations by their clients whose incomes run into the upper brackets.

Junior bonds of bankrupt railroads have been especially attractive in the past few months. Buy 100 of these $2.00 bonds for $2,000, if they go to $3.00 there is a 50% profit on the transaction. Taxpayers in the upper brackets could pay their high capital gain tax on this large percentage of profit and still find their net gain worth the risk.

The Bond Selector

(Continued from page 1526)

	Yrs. End. Dec. 31 1941	1940
	—(add 000)—	
Net sales	$22,029	$17,598
Cost of sales	11,671	14,068
Selling, etc., expenses	1,967	1,830
Net operating profit	3,378	1,698
Bond interest	561	610
Income tax and conting.	1,595	92
*Balance	1,223	996
Times charges earned	7.10	2.43

*After depreciation and depletion: 1941, $1,505,000; 1940, $1,386,000.

At the end of 1941, net plant stood at $26,726,000 after depreciation reserve of $7,951,000, and net timber account amounted to $2,498,000, a total of $29,224,000 of net physical property. Bonds outstanding at the same time of $9,757,000 consequently represented only 34% of such carrying value of property.

Net working capital at Dec. 31, 1941, totalled $8,789,000, equivalent to $900 per $1,000 of the 5% bonds then outstanding. Cash of $3,790,000 alone was in excess of total current liabilities of $3,167,000. Government securities amounted to $1,095,000, so that total cash items were $4,885,000, or 1.5 times current liabilities. Inventories stood at $4,630,000.

It is expected that earnings will hold up well in 1942, and amortization of outstanding bonds through action of the heavy sinking fund presages strength in the market for these bonds.

The common stock of the company is also an attractive speculation because of the large return, increased earnings and book value.

New York Stock Exchange Weekly Firm Changes

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

Transfer of the Exchange membership of N. Dorsey Robinson to Morton D. Joyce will be considered by the Exchange on April 23.

The proposal that Ray Clark act as alternate on the floor of the Exchange for Leo Kirsch will be considered on April 23.

Ehrick B. Kilner retired from partnership in Carreau & Co., New York City, as of March 31.

Interest in DeHaven & Townsend, Philadelphia, of the late William B. DeHaven ceased on Feb. 10, and of the late B. Frank Townsend, Jr., as of April 6.

Andrew S. Mills and James L. Sullivan retired from partnership in Francis, Bro. & Co., St. Louis, Mo., as of April 2.

Edward C. Stoddard withdrew from partnership in Hicks & Price, Chicago, as of March 31.

Aymar Johnson, partner in Johnson & Wood, New York City, died on April 6.

Del Monte With Davies

(Special to The Financial Chronicle)

SAN FRANCISCO, CALIF. — Guido del Monte has become associated with Davies & Co., Russ Building, members of the New York and San Francisco Stock Exchanges. Mr. Del Monte was formerly manager of the Green Street office of Bacon & Co.

Investment Trusts

The inner workings of investment company management have always been a mystery to the uninitiated. The SEC criticized the trusts for their failure to make clear their management aims and operations to their stockholders. Such criticism was in many instances justified, and the trusts, realizing this, are making great efforts to clarify their actions and the reasons for them.

In the process it has been made possible for stockholders and others to get a look deep down inside and see what makes the investment companies run. Studies of the leverage investment company sponsored by Lord, Abbett & Co. — Affiliated Fund, Inc.—have provided many points of interest.

Leverage—a capitalization consisting of debentures as well as common stock—is the only fundamental difference between Affiliated Fund, Inc. and the mutual investment companies. But the leverage feature which greatly amplifies the market action of the common stock also makes necessary amplified investment action on the part of the management.

If, for example, the Fund had assets of $20,000,000 invested entirely in common stocks, and its capitalization consisted of $10,000,000 of debentures plus the capital stock outstanding, then the total net asset value of the capital stock would be $10,000,000. Assuming the common stock portfolio of the Fund moved approximately in line with the stock market, a 5% change in the stock market would mean a 5% change in the assets of the Fund, or $1,000,000. But since the capital value of the Fund's debentures would remain unchanged at $10,000,000 the entire change of $1,000,000 in assets would be imparted to the common stock and would amount to a change of 10%—just twice the change in the stock market and twice the change in the Fund's total assets.

This amplification of market movement imposes upon the management the necessity of taking greater-than-usual investment action. Merely to reduce the market action to normal in times of market decline it is necessary to offset the entire amount of outstanding debentures by portfolio holdings of cash, government bonds, or other equally stable assets. To take full advantage of the leverage provided by the capitalization it is necessary for the management to make sweeping changes from full investment in common stocks in periods of prolonged market rises to only half-investment or less in declines, and vice versa.

When such extreme changes in investment are necessary dealers and investors interested in the company are in greater need than usual for full knowledge of the operations. To meet this need Lord, Abbett & Co., the sponsors, in addition to furnishing weekly copies of the portfolio "makeup sheet" to dealers requesting it, have adopted a policy of reviewing the current operations from time to time. In these reviews they tell not only what the management has been doing but also why.

In a current release discussing the most recent operations the following report was made:

"For approximately two years the Fund has followed a management policy of high liquidity. Why? Simply because all the studies, research and comprehensive indices developed by Research & Management Council, Inc. indicated a persistent deflation of equities. For many months the reports of Research & Management Council, Inc., to the Directors forecast that the Dow-Jones Industrial averages would break through 100. A highly liquid position therefore, was maintained. With the decline in the averages to about 105, following Pearl Harbor, and with some indications that the deflationary trend had overrun itself, approximately $1,000,000 was employed for the purchase of certain bonds and some stocks in late December.

"With the turn of the year, however, and with a slight rally in the averages to approximately 110-111, the danger signals again appeared with the result that more cash and treasuries were acquired. As of March 31st, the composition of the portfolio was as follows:

Common Stocks	27.51%
Corporate Bonds	14.79%
Government Bonds	29.86%
Cash and Other Assets	27.84%
	100.00%

"No additional sales of portfolio securities are anticipated for the purpose of further liquidity. In fact, at the regular March meeting of the Board of Directors, the report of Research & Management Council, Inc. was reasonably optimistic in tone—a distinct contrast to the consistently pessimistic character of the reports of the preceding months.

"It is the opinion of Research & Management Council, Inc. that while we may see lower prices during the second quarter, a sustained recovery will begin this year, and the Dow-Jones Industrial averages will close higher on Dec. 31, 1942 than on Dec. 31, 1941. Forecasting the stock market is a dangerous vocation, but it's part of the business of Re-

(Continued on page 1530)

Municipal News & Notes

While seeking to tax outstanding State and municipal bonds, the Treasury specifically excludes obligations of the local housing authorities now outstanding. This stand was revealed in a letter received by Lehman Brothers, investment banking firm of New York City, from the Treasury Department. The letter follows:

"Local housing authorities are, of course, not instrumentalities of the United States, and the matter of the tax status of their obligations must therefore be determined independently of that of Federal instrumentalities. The United States Housing Act of 1937 provides, however, that the interest on obligations of local housing authorities 'shall be exempt from all taxation now or hereafter imposed by the United States,' which provision distinguishes these obligations sharply from the ordinary obligations of State and local governments, with respect to which exemption from Federal income taxation has been extended by statute only on an annual basis.

"It appears, therefore, that outstanding obligations of local housing authorities occupy a special position and they are consequently not included in the scope of the Treasury Department's recommendation that the interest on outstanding State and local obligations generally should be subjected to Federal income taxation. The Treasury's recommendation does, however, apply to future issues of local housing authorities."

Housing Bonds Books Closed

Lehman Brothers, head of the syndicate which offered $17,350,000 New York City Housing Authority refunding bonds, announced last Friday that the issue had been sold and the books closed. This issue came out late in January and was knocked down but not out by Secretary Morgenthau's Cleveland speech on Jan. 24, beginning to sell again as the market regained its breath. It is considered probable that the Treasury's above quoted statement provided the impetus necessary for disposition of the more than $2,000,000 balance in the account.

Housing Notes Offered

Local public housing agencies of 10 cities and three counties considered bids yesterday for the purchase of $54,629,000 temporary loan notes maturing at various intervals from Sept. 30, 1942, to May 4, 1943. The largest of this group is $25,000,000 notes of the Boston public housing agency dated Apr. 29, 1942, and due Nov. 4, 1942. Next in size is a Washington, D. C., agency issue of $11,230,000 carrying the same date and maturity as the Boston notes.

Two more housing agencies are receiving tenders today for an aggregate of $22,210,000 notes. The Baltimore public housing agency, larger of the two, will offer $21,330,000 notes dated Apr. 29, 1942, and due Nov. 4, 1942. The Middletown, Conn., housing agency will offer the balance of the aggregate of $880,000 notes dated April 29, 1942, and due May 4, 1943.

N. Y. State Local Finance Law Approved

Governor Lehman signed this week a measure dealing with the financial affairs and management of municipalities, school districts and district corporations. It sets up a new Local Finance Law, effective July 1, 1943, constituting Chapter 33-a of the Consolidated Laws. This lengthy measure, known as the Moffat Bill, becomes Chapter 424, Laws of 1942. It is the result of considerable study by a committee of which Mr. Moffat is the head.

N. Y. State Road Bond Issue Frozen

Legislative action was completed last week on a bill which forbids expenditures of any moneys from the $60,000,000 New York State highway-parkway fund during the war, unless the expenditure is specifically certified by the Governor as "necessary to the interests of national defense." The measure permits minor expenditures for drafting post-war highway and parkway building programs.

N. Y. Port Authority Finances Termed Sound

The Port of New York Authority was declared last week to be in good financial position "to withstand the effect of wartime restrictions on automobile traffic." The investment banking firm of R. W. Pressprich & Co., 68 William Street, New York City, studying the financial affairs of the Authority, which is responsible for operation of New York bridges and tunnels, said that "if other revenues are maintained" the Authority could lose up to 58% of its 1941 revenue from passenger cars and yet cover 1942 operating expenses.

"As the interest and sinking fund requirements vary for some later years, the losses in current revenue which can be sustained in any one year differ somewhat," the firm said. "The Authority, however, has certain reserve funds which could be used in case of necessity, and these are not taken into consideration in the calculation."

Philadelphia Tax Delinquencies Decline

When it is taken into consideration that 27% of Philadelphia's real estate tax was delinquent in 1933, the 1941 delinquent rate of only 6.7% looks very good indeed.

There has been a gradual but steady improvement in current tax collections since 1933 and if the present trend continues, as the Municipal Research Bureau points out, it is expected that collections will be back to normal in two years. A certain percentage of the levy is likely to be uncollectible each year. In the early twenties the unpaid figure ranged from 4.7 to 5.9%.

The effect of on-time payment of real estate taxes is to help stabilize the city budget. With real estate values improving, corresponding increase in current realty tax returns may be looked for.

The sharp decline in real estate assessments and tax income during the depression years was one of the main causes of the city's financial ills that resulted in debt accumulations and imposition of the wage tax to meet operating expenses.

Kentucky Municipal Electric Systems Authorized

Under a State law enacted this year, all Kentucky cities and other local governments will be able to establish municipal electric systems and contract with the Tennessee Valley Authority for current, the International City Managers' Association reports.

The new law, considered one of the most comprehensive enabling acts in the country, provides that local governments may acquire existing electric properties owned by private utility companies by negotiation, agreeing to purchase at the price set by a valuation board of company and municipal representaives, or by condemnation proceedings.

The localities also can construct, lease and otherwise acquire properties needed to establish the municipal electric systems.

Revenue bonds are specified as the source of financing the municipal electric system, and both interest and payments of principal must come out of utility earnings. The electorate votes on the bonds, which are not classed as a debt of the municipality.

Wisconsin Cities Cutting Bond Debts

A significant development in Wisconsin in the last 10 years is a pronounced trend among cities toward elimination of bonded indebtedness. Since the end of 1931, according to "The Municipality," official organ of the League of Wisconsin Municipalities, the total outstanding city bonded debt has dropped from $92,820,717 to, at the end of 1940, $56,205,111.

The policy of the city of Milwaukee in cutting down its bonded indebtedness has been so successful—its amortization fund now almost equals the total indebtedness—that it has overshadowed steps in the same direction taken by other cities. It is worth recording, therefore, that there are many smaller cities which do not have any general obligation bonds.

Alaskan Purchase Price Amply Repaid

Alaska's strategic advantages to the United States in the war with Japan have become obvious to all, and official figures available long before the attack on Pearl Harbor showed that the territory has returned in fish, minerals, furs, lumber and other products about 200 times the $7,200,000 for which the United States bought it from Russia under a treaty signed in Washington 75 years ago.

But at the time of the acquisition the purchase price, less than two cents an acre for a land with an area of 590,884 square miles, more than twice the size of Texas, was widely regarded in this country as a waste of money.

Indianapolis Schedules Revenue Bond Sale

The success of the $17,500,000 Cleveland transit system revenue bond sale last week augurs well for the $6,000,000 Indianapolis gas utility revenue bond offering next Thursday. Blyth & Co., Inc., head of the combined group that purchased the Cleveland bonds, reported that the issue "went out the window." This may indicate that the so-called revenue obligations of municipalities and agencies are entering upon a period of wider popularity. The near future might well witness a definite pick-up in the volume and a broadening of the market for this type of tax-exempt security. These obligations present relatively attractive yields, which probably is responsible for the hearty response now being acknowledged by investors.

National Tax Collections For 1941 Reach Peak

Tax collections during 1941 totaled $17,000,000,000 or $131 for every man, woman, and child in the nation. This figure includes all divisions of government: local, State and national. To operate all of these branches it took more than 6,800,000 employees. There were 340,000 police alone, according to the Census Bureau, or about 23 army divisions. State governments collected a total of $4,499,-000,000, an unprecedented high. Other divisions reported better collections, with the exception of general property taxes.

States Oppose Federal Gas Tax Increase

The States face a serious problem of maintaining arterial highways now vital to war transportation, to say nothing of road debt service or of constructing new roads, now that the decline in State gasoline taxes has just begun to be felt, the House Ways and Means Committee was told Monday by representatives of the States and various automobile, truck and highway officials who opposed any further increase in the Federal motor fuel tax.

Speaking on behalf of his own and other states, Hal G. Sours, Ohio's director of highways, said state revenues for road purposes were starting on the downward trend as a result of a one-third gasoline rationing in the eastern states and several western states, and that drastic reductions in revenues—running as high of 60%—were to be looked for in some states.

Mr. Sours advocated that the Federal tax be left at 1½ cent a gallon so that the states would have this added field with which to maintain roads and service their highways debts. This stand was supported by the American Association of State Highway Officials, through its President, G. Donald Kennedy, Lansing, Mich.

West Virginia Sells Bonds

As an illustration of the firmness which has returned to the municipal market in recent weeks, the State of West Virginia sold $1,000,000 road bonds on Tuesday at a net interest cost of about 1.538%. A similar issue was awarded by the State on Jan. 27, just a few days after Mr. Morgenthau's little talk in Cleveland, at a net interest cost of about 1.73%.

Municipal bond men point to the strong bidding for higher grade "names" as an indication of the belief of many buyers that tax exemption will not be ended at least this year. Earlier this year municipals receded considerably when it was rather generally assumed that there might be action along that line at this session of Congress. Some city bonds since have got back pretty close to their record highs established last year.

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.

April 16 (Today)

$700,000 Maine (State of)
Last July the State awarded an issue to Blyth & Co., Inc., and C. F. Childs & Co., both of New York, jointly. The First Boston Corp. was the runner-up in the bidding.

April 21

$2,000,000 Massachusetts (State of)
Lehman Bros. of New York headed the syndicate which obtained the award of the bonds offered last November. Second highest bid was submitted by Tyler & Co. of Boston.

$670,000 Amarillo, Tex.
This city awarded a smaller issue last September to Fox, Reusch & Co. of Cincinnati.

$3,550,000 Norfolk, Va.
Halsey, Stuart & Co., Inc., of New York, obtained the award of the bonds offered in May, 1941. The Union Securities Corp. of New York, and associates, second highest.

April 23

$6,000,000 Indianapolis, Ind.
This current offering consists of gas utility revenue bonds. On May 29, 1941, the city awarded hospital bonds to the Harris Trust & Savings Bank of Chicago, while Lazard Freres & Co. of New York, and associates, headed the various unsuccessful bidders for the $250,000 issue.

April 28

$6,800,000 Allegheny Co., Pa.
Lazard Freres & Co. of New York, headed the successful syndicate in April, 1941. Next best bid was entered by Harriman Ripley & Co., Inc., of New York, and associates.

Porter King Retires

MONTGOMERY, ALA.—Porter King has withdrawn from partnership in King, Mohr & Hendrix, First National Bank Building, as of April 1st, and has retired from business. The firm announces that the Mobile office has been closed, but it is continuing under the same name of King, Mohr & Hendrix in Montgomery and Birmingham.

Our Reporter's Report

(Continued from first page)

projected under the Truth in Securities Act is now definitely on its way to market in the shape of the American Tobacco Company's $100,000,000 program just filed with the SEC.

The issue, to run for 20 years and carry a coupon of 3%, is expected to appeal to banks, trust funds and other institutional investors.

But that the debentures are expected to carry wide appeal to the individual investor is suggested by the scope of the syndicate which will handle the task of marketing.

This group will include 146 underwriting houses and some 600 distributors throughout the country. The banking group contemplates signing up for the deal on April 21 and is understood to have the offering projected for one week from today.

International Harvester

Everything was in readiness for the secondary offering of 225,000 shares of International Harvester Company common stock on Tuesday, until the further decline in the general market developed.

With 52 underwriters in the distributing group, offering of the stock for the estates of two large holders was planned to follow the close of the market.

But when International Harvester slipped more than a point with the general decline in stocks, to within striking distance of its 1942 low, it was decided to postpone the sale pending more satisfactory market background.

Into The "Sock"

Buyers of United States Treasury Savings Bonds are showing an increasing tendency to hold them, latest reports on presentations for redemption reveal.

In the early days of sales of Defense Savings Bonds, that is "Baby Bonds," in 1939 for example, the ratio of redemptions ran as high as 5½% of the total sold in some months.

But in the closing months of 1941 and through the first two months of the current year, the redemption ratio was down close to 2%. In the latter part of February and March the ratio was higher but still under 3%, due to redemptions to secure funds for tax payments.

It is now calculated that sales for the year will run between eight and nine billions. On this basis, the total of redemptions, if the current ratio holds, should fall well below $200,000,000.

Speculators Take Profits

The speculator who is successful lives by the rule that a profit is not a profit until it is taken. And, accordingly, those who have been dabbling in speculative railroad bonds seem to be guided by that line of reasoning.

True, there have been developments which have tended to take the edge off the long side of speculative carrier obligations, such as the War Production Board's ruling on new equipment allowances, or quotas.

But judging by the action of these bonds, which had been a fountain of strength recently, traders who had built up goodly paper profits needed only an excuse for converting these into cash.

Analysts To Hear Pogue

The April general meeting of the New York Society of Security Analysts, Inc. was addressed by Joseph E. Pogue, Vice-President of the Chase National Bank and widely known authority on the petroleum industry. Dr. Pogue included in his discussion a consideration of the effect on the oil industry of factors such as the transportation difficulties resulting from enemy operations, the rationing of gasoline, the rubber shortage, and taxes.

Faroll Bros. Move In Cgo.

CHICAGO, ILL. — Faroll Brothers announce the removal of their offices, as of April 18, from the Board of Trade Building to 208 South La Salle Street, where they will occupy ground floor space with entrance in the lobby. Their new telephone number will be Andover 1430.

Must Preserve Free Enterprise: Schram

(Continued from First Page)
this country ever made anything like full use of its creative resources, of man power and of brain power. Hence, before we can understand our capacity to produce, we must undergo a fundamental change in our habits of thought. What I mean is that this war effort requires more than a mere conversion of industrial plants to war production—it requires also a conversion of concepts.

I suppose few business men in this country have ever learned to think in terms of a limitless demand for their industrial goods or in terms of a limitless demand for workers to make them. But the fact is that today the market for war goods is precisely so—it is unlimited. Therefore, it would seem that the first important thing to be done, in bringing about the needed metamorphosis in economic thought, is for the Government to take off the "check rein" and to give business its head; the necessary thing in the war effort is for business itself to complete the transition from profit incentive to victory incentive.

While every ounce of concentration of resources and of energy is demanded for the successful prosecution of the war, it is important that we look beyond these stressful times to the era that will follow; an era of secured and revitalized democracy; new frontiers of business development; new markets for the American products of peace and goodwill. But it is also necessary that we keep the fact uppermost in mind that it is only by a victorious defense of our democratic processes can we accomplish these objectives. We will not have won the war if, in defeating the forces of aggression, we permit our free institutions to be wrecked or undermined. Speaking as a farmer, we must preserve the "seed corn" of our peace-time economy so that the post-war planting will be made more fruitful.

In considering the structure of the economy which must follow after the war, it is absurd to talk about our national economy becoming less capitalistic, if by that it is meant more abundant supplies can be obtained with relatively smaller capital resources. When one considers the immense amount of capital which will be required to meet our post-war demands to reckon with the satisfaction of human needs, it becomes apparent that all thinking which does not take these factors into account is entirely without meaning. Our post-war economy will require, as its basic prerequisite, enormous amounts of the savings of the people to capitalize future economic progress. I have never looked upon government spending, whether for war or for peace-time needs, in any sense other than as "economic blood letting." With this in mind, I believe it essential that private capital resources be carefully strengthened for use as economic "blood transfusions" when the war has been won.

It has been said that this is a war between standards of living. This is so, but the conflict between standards of living means one thing to us, quite another thing to our enemies. We are willing to lower our standards of living, to militarize ourselves completely for the duration of the war, because we realize that this course is necessary now if we are to resume, afterwards, the process of elevation. We have abiding faith in our capacity under the form of productive democracy to improve our way of life, without limit. This is what we are fighting for.

We, in this country, have been accustomed to think of our national income in terms of anywhere from 60 to 90 billion dollars a year. We are seeing this income rise rapidly under the stimulus of the war effort. According to current estimates, it will run well above 100 billion dollars in 1942. Who would be so bold as to put a definable limit to which our wealth-creating capacity can be stretched.

We look forward, after victory, to the release of a gigantic pent-up demand for the products which we are, on an ever-increasing scale, denying ourselves during the war. The possibilities which the end of the war will open up to us stagger the imagination.

I do not suggest that the transition from war to peace, and from war-time production to peace-time development of commerce and industry, can be accomplished without great difficulty. But I am saying that the surest preparation which we can make is to fix resolutely upon the only policy to which our great productive and organizing capacities will respond.

The American system, in which we are justifiably taking great pride just now, is quite equal to any burden which it may have to carry, provided we understand just what our system is and just what it feeds upon; provided the whole country is rallied behind an unequivocal national policy that recognizes the fundamentals which give that system its rugged strength and its vitality.

To put it more clearly, we need today an unambiguous reaffirmation of our faith in the American principles. I cannot think of anything that would give a greater lift to our national spirit than an authoritative expression of adherence to the American system of private initiative and enterprise.

We cannot complacently rest on the assumption that such a definition of policy is unnecessary. As we all know, ambitions and objectives entirely out of harmony with American principles are entertained in some quarters. There are some among us who make no secret of their conviction that we must plunge into some form of planned collectivism. There are still others who, while they may not like the idea of a planned collectivism, feel that it is inevitable, and there are still others who wonder just what our national policy is, or whether such policy as we may have is based upon confidence in our American system. The theory is being plausibly put forth by a very articulate and influential minority group that our free system is unequal to the task ahead.

Let me say again that the economic potentialities of this country have never been fully appreciated or realized. Already our war production is surpassing what were regarded as extravagant estimates only a short time ago. This enormous expansion is no accidental development. It is a characteristic of our enterprise system.

Our people have learned by bitter disillusionment and costly mistakes that there are no substitutes for the productive processes. Nostrums, no matter how fancy the packages they come in, do not work. It augurs well for the future that we gained this experience the hard way. It ought to put us on our guard when the planners seek again to tempt us into easy paths.

To those of you who are wondering what you can do to protect our system of intiative from the dangers to which I have alluded, let me say this: we have witnessed in the last few months a remarkable demonstration of the power of public opinion in this country. The people are in revolt against inertia, against incompetence, against defeatism and against those forces and influences that jeopardize their cherished institutions. Time and again, a command or an admonition has come from the people and has been instantly obeyed. Wherever there is an expression of the national will, we may be sure that it will prevail.

Discussing the national debt and the ability of the country to meet it, Mr. Schram had the following to say in his address:

No one can guess what our national debt will amount to when this war has been won. It is being increased by more than $21,000,000,000 during the current fiscal year, according to the prediction made in the President's budget message to Congress. That will bring the total to roughly $70,000,000,000. Another increase of approximately $40,000,000,000 is expected for the fiscal year beginning next July 1. In other words, on the basis of present estimates, the debt will have risen to about $110,000,000,000 by June 30, 1943. It is entirely possible that, should the war last that long, we will have an aggregate debt of approximately $150,000,000,000 by the middle of 1944. It may eventually run to $200,000,000,000, or even higher, depending upon the speed and energy with which we can turn our maximum powers upon the enemy.

Whatever the cost of victory may be, the American people are prepared to pay it. Of that there can be no doubt. There is only one choice for us, as between freedom or slavery. As has been said many times in the last five months, war is never cheap—but it is a million times cheaper to win than to lose.

Investment Trusts

(Continued from page 1527)
search & Management Council, Inc. and that's the way it looks to them.

"In view of this opinion, it is anticipated that the liquid assets of the Company—always considered of a temporary nature—will be utilized in the near term future."

This is just one example of one way in which the investment companies are trying to improve their relations with the general public. For a long time it was feared that if the companies revealed their operations stockholders who disagreed with the steps taken might liquidate their holdings, and that others, in lieu of buying the investment company securities, might merely try to follow their management in operating a private portfolio. It remains to be seen whether or not these fears were valid, but thus far they seem to have been groundless. Apparently the average investment company security buyer considers the management's judgment superior to his own on the whole.

Investment Company Briefs

"In the eventful period of approximately 21 months since Dunkirk, the Dow-Jones Industrial Stock Average declined (from 111.84 at the close on June 10, 1940 to 101.05 at the close on March 26, 1942) by almost 10%. The offering price of Dividend Shares stood at the same level at the close of March 26, 1942, as at the close on June 10, 1940. In addition, 7 quarterly dividend payments totalling 11.7 cents per share were made on Dividend Shares during the period. These provided an annual average return on the offering price June 11, 1940, at the rate of 6.82%."—Calvin Bullock's "Bulletin."

From a National Securities & Research Corporation bulletin:

"While the impact of actual war has unquestionably scared or confused a great many investors it has *definitely clarified the situation* for the able professional. The moment war was declared a little foresight indicated that the war economy would include:

(a) A huge war industry program.
(b) Sustained peak activity for companies engaged in necessary war work.
(c) Diminution, disruption and, in some cases cessation, of consumer goods industries caused by production quotas, priorities, etc., thus disrupting consistent earnings records and imperiling dividends and interest payments.
(d) More and higher taxes all around.
(e) Higher costs of doing business and higher living costs.

"These facts meant that investment funds should be *concentrated* in the industries and companies most likely to be benefited by our war economy, companies that would earn enough money to *pay* large taxes yet meet interest requirements and sustain dividends.

"The management of National Securities & Research Corporation recognized its responsibilities and opportunity and immediately checked holdings against the conditions likely to be met under a full war economy. The portfolio of each fund was then adjusted to the war economy with full consideration given to the investment objective of the respective fund. Such portfolio changes were considerable, and in one fund involved 50% of the issues. An important contributing factor to the success of the adjustments was the ample yet limited size of the various funds. No large blocks of individual issues had been accumulated, as flexibility has always been a requirement."

The Board of Directors of Manhattan Bond Fund has declared ordinary distribution number 15 amounting to eleven cents per share and an extraordinary distribution of three cents per share both payable April 15, 1942 to holders of record as of the close of business April 6. The Company reports that this total payment of fourteen cents per share compares with eleven cents for the corresponding date in 1941.

The Fund also reports that during March it disposed of its remaining holdings of Central States Power and Light Corporation 1st 5½s, 1953 through tender to the issuing company at 100 and accrued interest. The Board of Directors has added to the list of bonds approved for purchase United Light and Railways Company Debenture 5½s, due 1952.

Directors of Boston Fund have declared a regular quarterly dividend at the rate of 16 cents a share, payable May 20, 1942 to shareholders of record April 30, 1942. This dividend is derived entirely from undivided earnings representing income of the Fund from dividends and interest on securities owned. A dividend of the same amount per share was paid in the same quarter of last year.

The investment portfolio of Chain Store Investors Trust has now been entirely liquidated and the assets of the Trust consist solely of cash. The liquidating value of shares of beneficial interest, after allowing for known expenses of operation, but before reserves for contingencies, is approximately $13.37 per share.

In accordance with the plan outlined in their letter to shareholders dated March 19, 1942, the Trustees are at this time making a liquidating cash distribution to holders of shares of beneficial interest in the amount of $13.00 per share. Checks covering this distribution are enclosed with this letter. The balance of cash, amounting to 37 cents per share, will for the present be held by the Trustees as a reserve for possible contingencies pending final determination of taxes and other obligations. It is the expectation of the Trustees that this reserve will prove more than ample, and that, after such determination, a second, and final, distribution can be made to shareholders upon surrender of certificates representing their shares of beneficial interest in this Trust. Surrender of certificates at the present time is not necessary.

SEC Applications For Broker Dealer Registry

The following applications for registration as brokers and dealers have been made the SEC on the dates indicated:

March 16, 1942—E. P. White, 1722 South Cincinnati Street, Tulsa, Okla., Ellsworth Page White, sole proprietor.

March 19, 1942—John M. Hayner, 435 Forest, Shreveport, La., a sole proprietorship; Clarence Willard Robinson, City Bank Building, Shreveport, La., doing business as C. W. Robinson, a sole proprietorship.

March 21, 1942—Ader & Berley, 11 Park Place, New York, N. Y., Alexander Berley and George S. Ader, partners.

March 23, 1942—Wesley Hall & Company, 1007 Fifth Avenue, San Diego, Calif., C. Wesley Hall, sole proprietor.

March 26, 1942—Euler and Company, 1518 Walnut Street, Philadelphia, Pa., Joseph D. Euler, sole proprietor; J. B. Greer, 617 City Bank Building, Shreveport, La., a sole proprietorship.

March 27, 1942—John Culbertson, 1815 Cedar Street, Casper, Wyo., a sole proprietorship; Flannery-Jackson & Company, Inc., 506 Union National Bank Building, Youngstown, Ohio, J. Carroll Manning, an officer, in addition to Joseph C. Flannery, Stacy T. Jackson, and Arthur Morgan; Leo Jacobs, 1673 Walton Avenue, New York, N. Y., a sole proprietorship; Hamilton Russell Platner, 209 Ford Street, Ogdensburg, N. Y., a sole proprietorship.

March 28, 1942—Gordon Graves & Company, 30 Broad Street, New York City, Gordon R. Graves, sole proprietor, Robert B. Stringfellow, Richard B. Cowan and Harold A. Penningroth having withdrawn as partners; W. R. Snead, 112 Atkins Street, Shreveport, La., a sole proprietorship.

March 30, 1942—Vanderpoel Adriance, Jr., 14 Wall Street, New York City, a sole proprietorship; Hammond & Spencer, 316 South Cheyenne, Tulsa, Okla., John Whitten Hammond and Thomas Dougherty Spencer, partners; Russell Sage Medley, 409 Melton Street, Longview, Tex., a sole proprietorship.

March 31, 1942—Rose L. Morey, 83½ West Pearl Street, Nashua, N. H., a sole proprietorship; G. L. Ohrstrom & Co., 40 Wall Street, New York, N. Y., George Lewis Ohrstrom sole proprietor; Syle and Company, 19 Rector Street, New York, N. Y., Leslie F. Tarbell, sole proprietor, John J. Fitz Gerald having withdrawn from partnership in the firm.

Fire & Casualty Data

An interesting booklet has been prepared by Mackubin, Legg & Company, 22 Light Street, Baltimore, Md., members of the New York and Baltimore Stock Exchanges, giving comparative data on the principal fire and casualty insurance stocks as of Dec. 31, 1941. Also included are comparative tables of net premiums written in 1940 and 1941. Copies of the booklet may be had from Mackubin, Legg & Co. upon request.

Stott Renominated As N. Y. Exch. Chairman

The Nominating Committee of the New York Stock Exchange announced on April 13 the nominations for positions on the Board of Governors to be filled at the annual election on May 11. Robert L. Stott, a partner of the specialist firm of Wagner, Stott & Co., was renominated to be Chairman of the Board of Governors for another one-year term. He has been a Governor of the Exchange since 1935 and a member of the Exchange since 1929.

Of the nine Governors whose terms of office expire with the coming election, three were renominated. They are Robert J. Hamershlag, a partner of Hamershlag, Borg & Co.; George R. Kantzler a partner of E. F. Hutton & Co., and James J. Minot, senior partner of the Boston firm of Jackson & Curtis. One retiring trustee of the Gratuity Fund was also renamed—John K. Starkweather, senior partner of Starkweather & Co.

The full list of nominations follows:

For Chairman of the Board of Governors

Robert L. Stott, Wagner, Stott & Co. For the term of one year.

For Nine Members of the Board of Governors

Three members of the Exchange residing and having their principal places of business within the metropolitan area of the City of New York:

Robert J. Hamershlag, Hamershlag, Borg & Co. For the term of three years.

George R. Kantzler, E. F. Hutton & Co. For the term of three years.

Raymond Sprague, Raymond Sprague & Co. For the term of three years.

Three allied members or nonmembers residing and having their principal places of business within the metropolitan area of the City of New York, who are general or limited partners in member firms engaged in a business involving direct contact with the public:

John C. Maxwell, Tucker, Anthony & Co. For the term of one year.

Murray D. Safanie, Shearson, Hammill & Co. For the term of three years.

Radcliffe Swinnerton, R. Swinnerton & Co. For the term of one year.

Three 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 are general or limited partners in member firms engaged in a business involving direct contact with the public, of whom not less than one is a member of the Exchange:

Percy W. Brown, Hornblower & Weeks (Cleveland). For the term of three years.

William W. Cabell, Branch, Cabell & Co. (Richmond). For the term of three years.

James J. Minot, Jackson & Curtis (Boston). For the term of three years.

For Two Members of the Gratuity Fund

John Rutherfurd, at Reynolds, Fish & Co. For the term of three years.

John K. Starkweather, Starkweather & Co. For the term of three years.

For Five Members of the Nominating Committee

Three members of the Exchange:

Robert W. Keelips, Ware & Keelips. For the term of one year.

Coleman B. McGovern, Gude, Winmill & Co. For the term of one year.

Charles A. Sulzbacher, L. F. Rothschild & Co. For the term of one year.

Two allied members of the Exchange:

Charles S. Garland, Alex. Brown & Sons (Baltimore). For the term of one year.

Ranald H. MacDonald, Dominick & Dominick. For the term of one year.

Geo. Voevodsky With Paul H. Davis & Co.

(Special to The Financial Chronicle)

CHICAGO, ILL.—George Voevodsky has become associated with Paul H. Davis & Co., 10 South La Salle Street, members of the New York and Chicago Stock Exchanges. Mr. Voevodsky was formerly Vice-President of V. P. Oatis & Co., Inc., and prior thereto for many years was with Brown Brothers Harriman & Co.

Case For Selected RRs

Distribution is being made by Halsey, Stuart & Co. Inc., 201 South La Salle Street, Chicago, Ill., of a new folder entitled "The Case for Selected Railroad Bonds." The booklet argues for a more open-minded approach to the investment merits of selected railroad bonds, particularly on the part of those whose investment experience has been gained almost wholly during a period when other types of bonds have had priority in the investment markets.

The booklet presents the pro and con of major railroad problems and concludes that "(1) There will always be a place in the field of transportation for at least the better situated railroads and, at the worst, for certain important traffic loads.: (2) The new importance of military preparedness growing out of the changed world situation points toward added importance, and possibly some increased traffic, for the rails. (3) The 'war prosperity' of the railroads should, if long continued, go far toward entrenching the carriers so that they would be better able to combat substantial reverses if they later develop; likewise, improved operating methods and revised shipping and travel habits brought about by the war might rebound to their advantage in a later period. (4) Existing more understanding and sympathetic attitude toward the railroads on the part of both the public and the regulatory bodies suggests more equitable consideration of the just claims of the railroads than has sometimes been evident in the past. (5) Really remarkable progress has been made in the operating efficiency and strengthened capital position of many of the railroads in recent years."

Three groups of bonds are recommended for those who put security of principal and reasonably assured income first in their selections, namely, "(1) the mortgage obligations of strong companies whose solvency has not been in question even during the most difficult days of the depression period, (2) the senior mortgage obligations of selected marginal railroads which give promise of maintaining their income and prior lien status even under adverse future conditions, and (3) the fixed interest obligations of selected lines whose organization has been completed and whose lien position and earnings protection have been completed and whose lien position and earnings protection have been improved by reason of reduction in capitalization."

In addition to those general aspects of the railroad situation, suggestions are given for the selection of specific companies and the obligations of those companies measuring up to strictly investment requirements.

Pacific Coast Business Readjusting For War Of Several Years' Duration

Newest survey of key business opinion on the Pacific Coast reveals expectation of over-all moderate activity gains during the next six months, while adjustments are being made on the basis that the war will last about two and a half years.

Strassburger & Co., pioneer San Francisco stock brokers, have just completed their 13th semi-annual questionnaire survey, supplementing its weekly index of Pacific Coast Business Activity.

For the coming six months the survey brought out that:

(1) Business is expected to gain 4.2% over the same period a year ago. This would be a new high for the coming fall season but would be about 7.4% below the six months recently ended.

(2) Employment will gain only 1% but payrolls will jump 7.2%.

(3) Business leaders are basing their plans on the war lasting about 2½ years more.

(4) Activity would decline but moderately if a favorable peace were suddenly achieved.

(5) A 6.3% rise in the general price level is predicted.

The length of war anticipated by business men ranged from one year to "five years at least." Public utility and transportation men expect the war to last longest, about four years, whereas merchants and those in the lumber business are basing business projections on a war lasting under two years.

The effect of a quick peace favoring the United Nations brought out the expected answers in many cases. For example, merchants, petroleum men, and those connected with printing, publishing and advertising would expect their business to improve. Lumber, manufacturing, and food product concerns would feel a drop in new orders immediately, but for awhile after peace they would be working on business already booked. Consequently, although a decline would take place, it probably would not be an immediate collapse.

One executive pointed out that the war stimulation has brought an influx of population to the Pacific Coast, much of which will be permanent. Hence, any postwar decline in business will be supported by filling the normal needs of an enlarged population.

Much comment was evoked relative to future levels. Many leaders were resigned to accept current price ceilings, but several indicated that increased costs of labor and taxes would call for an upward revision of prices as already fixed by the Office of Price Administration.

In connection with price controls, a number of individuals suggested that the passage of labor legislation resembling the Smith Bill was necessary if price inflation was to be held down.

This survey is less optimistic than the twelfth semi-annual poll conducted last fall. At that time, 74% of those replying to the questionnaire predicted an increase in business activity; this time only 56% are bullish on business. Unquestionably, one large factor in the relatively pessimistic forecast is the realization on the part of businessmen that a period of consolidation and readjustment is immediately ahead. Sharp gains have been made since last October, available employment has been utilized and capacity operations are the rule. It will now be a possibility that general activity will slow down temporarily as industry makes the transition from producing for normal consumer needs to total all-out war production. Both plant and worker must be converted—such conversion will mean a temporary overall reduction in total output, relative to the tremendous activity of the last six months.

Scope of Survey

Questions asked in the thirteenth semi-annual Strassburger survey were:

1. What percentage change do you expect during the coming six months ending Sept. 30, 1942, as compared with the half year ended Sept. 30, 1941:

a. In the rate of activity in your business field on the Pacific Coast?

b. In total employment in your business?

c. In total payrolls in your business?

2. Upon what length war, from present date, are you basing your business projections?

3. If the war ended with peace dictated by the United Nations, what would be the effect on your business?

4. If applicable to your business, what do you anticipate the trend of prices to be?

5. Additional comments.

Employment and Payrolls Forecast

Little change is anticipated in total employment, a 1% gain being forecast. Obviously, although aviation, shipbuilding, and other heavy war industries will expand as much as possible, workers will have to be taken from other nonwar fields to supply labor for the all-out program.

Payrolls will rise about 7.2% according to the survey. It is interesting to note that this prediction is in line with the combined forecast of (1) the 1% increase in employment, and (2) a 6.3% rise in the general price level.

Executive Comment

Several steel fabricators pointed out that their businesses would decline because of priorities. In one case, raw materials are not available in spite of an A-1-A priority rating. On the whole, however, there was very little complaint about the conduct of the system of priorities.

"The canned food industry," as one observer puts it, "will gain sharply on an overall basis, but Government allotments will reduce commercial business, especially with regard to tonnage. Increased commercial prices will make up for loss in tonnage, however."

Two rather optimistic predictions are these: (1) "Long term effect of war activity on the Pacific Coast will mean permanent increase in population of this area," and (2) "Victorious end of war would, to some extent, restore our export business, but reduce domestic volume — each about equalizing the other."

A typical comment from consumer's durable goods manufacturers was the following: "Business will decline as our goods are durable capital goods. We are gradually converting to war business."

On the realistic side are these quotations from two Bay Area executives: "War must be won quickly, or our national financial policy will ruin business and us," and "The war will last a long time —losses very great—inflation is certain—as result of large government borrowings."

Northwest Optimistic

Stimulus of the War Program is having its greatest relative effect in the Pacific Northwest. Gains for the period ahead in Washington and Oregon are forecast at 8.9% above last year. This compares with the 4.2% gain predicted for the entire West Coast area.

Apparently the period of adjustment is expected to slow down Los Angeles business. Ordinarily very optimistic because of the ever-increasing influx of new population into Southern California, Los Angeles executives are reversing themselves for the period immediately ahead. Decline of about 3% is anticipated reflecting the effect of the changeover period, curtailed travel resulting from rubber shortage, and other disrupting influences of the war situation.

San Francisco Bay and Sacramento-San Joaquin Valley Areas predict average gains in business.

Little change is forecast in overall employment, but Valley employers anticipate the sharpest rise in payrolls. The Northwest is second in this respect, with San Francisco next and Los Angeles in fourth position.

Coal & Iron Co. Attractive

According to a circular just issued by Schooonover, deWillers & Co., Inc., 120 Broadway, New York City, the current situation in Philadelphia & Reading Coal & Iron Co. 5s of 1973 and 6s of 1949 offers exceptionally attractive possibilities, particularly for retail. (The company is in the process of reorganization.) Copies of the circular may be had upon request from Schoonover, deWillers & Co.

Oil Royalties Interesting

An interesting list of current offerings of oil royalties as filed with the Securities and Exchange Commission has been prepared by Tellier & Company, 42 Broadway, New York City, members of the Eastern Oil Royalty Dealers Association. Copies of the list may be had upon request from Tellier & Co.—ask for Schedule "A."

STANY S. F. Bonds Called

The Security Traders Association of New York announces that more of the sinking fund bonds have been called — last digits eliminated are 17, 27, 37, and 97.

Federal Taxation Of Local Housing Bonds

In reply to a letter from Lehman Brothers inquiring whether the recent recommendations of the Secretary of the Treasury that the interest on outstanding State and municipal bonds be made subject to Federal income taxation included bonds of local housing authorities, the Treasury Department has replied as follows:

> Local housing authorities are, of course, not instrumentalities of the United States and the matter of the tax status of their obligations must therefore be determined independently of that of Federal instrumentalities. The United States Housing Act of 1937 provides, however, that the interest on obligations of local housing authorities "shall be exempt from all taxation now or hereafter imposed by the United States," which provision distinguishes these obligations sharply from the ordinary obligations of State and local governments, with respect to which exemption from Federal income taxation has been extended by statute only on an annual basis.
>
> It appears, therefore, that outstanding obligations of local housing authorities occupy a special position and they are consequently not included in the scope of the Treasury Department's recommendation that the interest on outstanding State and local obligations generally should be subjected to Federal income taxation. The Treasury's recommendation does, however, apply to future issues of local housing authorities.

Tomorrow's Markets Walter Whyte Says—

(Continued from page 1525)

fill, that a rally is in the making and the stocks which ran highest on the previous rally, and did not break resistance levels on the subsequent decline, will turn around and repeat their previous performance. This never works out so often that it can be called a rule. As a matter of fact, nothing in the market works out often enough to be reduced to a formula, yet it works often enough to watch for it. On setbacks, however, certain points called resistance levels make their appearance. It is these that constitute so called stops.

* * *

Now I know, that stops in present day markets don't mean much. The spreads between bids and offers are so wide that even carefully conceived stops may prove a hazard rather than a help. Still, with the market so thin and the world in flames, it is the only insurance a speculator has. So until something better comes along all purchases should be stopped. These may be mental or actual. The choice is immaterial. If the stops are taken, losses will result, but better small losses now than big losses later.

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.]

Our Reporter On "Governments"

(Continued from First Page)

serve authorities approve of England's system and are interested in adopting something like it for United States consumption. . . .

Next Deal?

Until later this month, we'll have no definite news on the date of the next borrowing, for not even the Treasury knows when it will enter the market again. . . . There must be some borrowing in May, of course. . . . Although, if the Treasury confines its operations to another certificate of indebtedness issue and relies for the balance of the funds needed on discount bills and war bond sales, we can consider May another month of "breathing spell" for the long-term market. . . .

Best guess now is that May will be skipped—except insofar as short-terms are concerned. . . . Then, in June, Secretary Morgenthau will re-enter the long-term market with a truly long-term bond. . . . If the tap method of financing is adopted, the long-term market certainly will be used to some extent. . . .

Significant Figures

Just to give you an idea of how important it is for the Treasury to place its war-time borrowing on a "permanent," long-term basis, consider these estimates:

Between now and June 30, 1943, the public debt is expected to rise to $110,000,000,000. . . . By the end of 1943, the debt is expected to be at the legal limit of $125,000,000,000 (the one just set by Congress). . . . In the 12 months beginning July 1, 1942, the Treasury is expected to borrow from the public at least $33,000,000,000 and possibly several billions more. . . .

Certificates of indebtedness and discount bills and note issues may help solve the money market problem and round out bank portfolios. . . . But they're of virtually no significance when you think of these figures on borrowing-to-come. . . .

And carrying these statements to their logical conclusion would mean:

(1) The long-term market must be put into shape to absorb several long-term bond issues of unprecedented size. . . .

(2) Prices must be maintained at a level to allow the Secretary to finance in the long-term market at a 2½% interest rate—or even less. . . .

(3) The market must be geared to a long-term offering that will be bought on a large scale by all institutional investors. . . .

You can interpret these statements in terms bearing directly on your own portfolios. . . . From an intermediate point of view, they might be said to indicate that long-term securities today are in an upward trend. . . . Unless the news from abroad becomes so bad, that under the weight of fear-offerings alone, prices slip, we should see a steady-to-stronger price trend for some weeks. . . .

Inside The Market

So much talk around about the proper spreads between taxables and tax-exempts that even if the two lists were in balance, there would be reason to anticipate some revisions. . . . Direction is toward a wider spread with the change favoring the tax-exempts. . . .

Without setting any definite figures—say, forecasting a spread of 50 basis points on the 15-year taxables vs. tax-exempts as against a present spread of 25 basis points—you can feel confident about purchases of tax-exempts whenever purchases are indicated. . . .

Certificates quoted at a slight premium—with quotations in terms of 64ths, instead of 32nds. . . . No profit available in these. . . . Short-term stuff must be bought on a basis of holding to maturity or it shouldn't be bought at all. . . .

Most dealers optimistic about the near-term price outlook, despite date—it's spring and the war is on—and fact that they haven't heavy positions. . . .

Fact that positions are light is one reason for feeling optimistic. . . .

Wachob-Bender Elects

OMAHA, NEB. — Wachob-Bender Corporation, 212 South 17th Street, specialists in municipal and corporation bonds, announces the following changes in its officers: Frank J. Bender, President, is now also Chairman of the Board; J. Cliff Rahel has become First Vice-President and Treasurer; M. J. Warren and E. T. Volz are Vice-Presidents, and E. A. Fricke, Secretary.

Kenneth Crittendon With Merrill Lynch, Pierce

(Special to The Financial Chronicle)

CINCINNATI, OHIO—Kenneth S. Crittendon has become associated with Merrill Lynch, Pierce, Fenner & Beane, Union Trust Company Building. Mr. Crittendon was formerly for many years with Westheimer & Co. in charge of the Grain Department.

Wallace With Otis

(Special to The Financial Chronicle)

DENVER, COLO. — Thomas R. Wallace has become associated with Otis & Company, first National Bank Building. Mr. Wallace was formerly with Merrill Lynch, Pierce, Fenner & Beane and prior thereto was with Earl M. Scanlan & Company and for nine years was sales manager for John G. Perry & Co., Inc.

A. D. Braham With OPM

A. D. Braham, formerly of the Investment firm of A. D. Braham & Co., Inc. announced that he has joined the staff of Economists in the Division of Analysis & Review of the Office of Price Administration, Washington, D. C. Mr. Braham was a former member of the New York Produce Exchange, Commodity Exchange of New York and Winnipeg Grain Exchange.

Norman Lewellyn Killed

Major Norman Lewellyn, who recently was decorated for gallantry in action with the U. S. Army Air Force in the Philippines, was killed in an airplane accident off the coast of India. Major Lewellyn was formerly associated with the Bankers Bond Co. in Louisville, Ky.

Paper Co. Looks Good

The current situation in First 5s of 1960 and common stock of the Minnesota & Ontario Paper Company is particularly interesting, according to a circular just issued by Adams & Company, 231 South LaSalle Street, Chicago, Ill. Copies of the circular, containing detailed information, may be had from Adams & Co. upon request.

UP-TOWN AFTER 3

PLAYS

"The Moon Is Down," by John Steinbeck; directed by Chester Erskin; presented at the Martin Beck Theatre, New York, by Oscar Serlin. Cast includes Ralph Morgan, Otto Kruger, Whitford Kane, Leona Powers, Jane Seymour, William Eythe, and others. . . . Despite the fact that the story deals with the invasion of an unnamed country by an unnamed power, it is a quiet drama that stresses a philosophy of passive resistance rather than exciting military heroics. Coming from a Steinbeck, who gave us the hard-hitting "Grapes of Wrath," this is a strange play. It asks us to believe that the invader is sinned against as much as sinning. True, the play has its dramatic moments and the competent cast purposely underacts to stress them. Yet in times like these when our emotions are so definitely involved it is difficult to regard the enemy with a "Forgive-them-for-they-know-not-what-they-do" attitude. In "The Moon Is Down," the conquerers are not brutal tyrants. They are pleasant, polite, even reasonable. It almost seems that the townspeople are the villians of the piece. Colonel Lanser (Otto Kruger) is a soldier who "suffers from civilization." He doesn't like his job but, being a soldier, does it. Mayor Orden (Ralph Morgan) is a gentle man of gentle words who though refusing to assist the invaders does nothing to fight them. The under officers are just boys away from home, lonesome and anxious for companionship. But their attempts to make friends with the natives are met with cold aloofness, stones, and sabotage. It is only when the British begin dropping dynamite by parachute that the reluctant colonel orders the shooting of the Mayor as a hostage. For a play that deals with an invaded Norway and an implacable enemy, Germany, though neither is named, it is disappointing. The two hostile forces seldom meet face to face. Reasonableness, gentleness and philosophic dissertations are common to both sides. Mr. Steinbeck obviously feels that a silent hate and passive resistence will eventually conquer. He sums it up in the theory that "herd men win battles, but free men win wars." . . . **Autumn Hill," by Norman Mitchell and John Harris, presented by Max Liebman, at the Booth, New York. Cast includes Beth Merrill, Jack Effrat, Elizabeth Sutherland, Clyde Franklin, and others. Staged by Ronald Hammond. . . .** A melodrama that winds its weary way without excitement. A lady dies, promising to leave her companion her New England home. But the will can't be found so the place goes to the next of kin, a young man who is the son of the sister the dead lady hated. However, he turns out to be different than pictured. He insists on keeping the companion. Everything might have worked out well if the young man didn't persist in competing with the Federal printing press. For he makes counterfeit money in the cellar. That's about all there is to it. At best it isn't much of a play and at worst, well, there isn't much excuse for it.

NEW YORK NIGHT LIFE

Last week the resplendent Cotillion Room opened its new show, consisting of Leonard Elliott, satirist; Yvonne Bouvier, singer, and Myrus, described as "cafe society mind reader." Elliott, a tall curley-headed chap, is a dynamo of crazy actions. What he does is so insane as to be indescribable. He pokes fun at stuffy opera singers; nancy lyric poets and affected concert performers with equal facility. It was this same Elliott who was once the sedate secretary to the "Wall Street Journal's" K. C. Hogate. Don't know what kind of a secretary he was but I do know, what was journalism's loss is now show business' gain. Miss Bouvier, an attractive blonde, sings well, if not distinguishably. And finally, there is the mysterious Myrus. How he got his name, only he knows, for he is an unassuming typical John Doe unlike a Swami as anything I can think of. Yet, whoever heard of a mind reader with a monicker like John Doe? But whatever his name, he is good. He asks the audience to write its questions on slips of paper, fold and give them to him. Then without reading them, he tears them up and not only answers the questions but outlines the problem that brought up the questions. The result is almost uncanny.

For some reason New York's West Side doesn't have many good restaurants. The reason may be mass production as against East Side restaurant's personalized attention. However, Riccardi's (132 W. 43d) is one of the exceptions. It's a pleasant place, specializing in Italian food and at prices that leave you enough to get home on. . . . **Recommended For Diversion Seekers . . .** The comic antics of Paula Laurence, who opens at the Ruban Bleu tonight. . . . The smooth dance music of Stanley Melba's outfit at the Cotillion Room. . . . Ann Lano's Latin dansants Wednesday nights at 640 Madison Avenue. . . . The rollicking carefree atmosphere at the chi-chi-El Morocco, where the twinkling electric stars look down on actual stars of the movies, the theatre and the business world. . . . The revival of Charlie Chaplin's "The Gold Rush," just as funny today as it was back in 1925. . . .

Carey With Sattley

(Special to The Financial Chronicle)

DETROIT, MICH. — William C. Carey has become associated with H. V. Sattley & Co., Inc., Hammond Building. Mr. Carey was formerly with J. J. Jennings & Co. and in the past conducted his own investment business in Detroit.

George Barnet Joins MacRae & Arnold Staff

(Special to The Financial Chronicle)

SEATTLE, WASH.—George T. Barnet, a member of the Seattle Stock Exchange, and formerly with the local office of Dean Witter & Co. for a number of years, has become associated with MacRae & Arnolds, 1411 Fourth Avenue Building.

Calendar of New Security Flotations

OFFERINGS

AMPCO METAL, INC.

Ampco Metal, Inc., has filed a registration statement with the SEC for 166,667 shares common stock, $2.50 par

Address—Milwaukee, Wis.

Business—Company is engaged principally in the production and sale of aluminum bronze; also produces and sells a companion line of other bronzes, and furnishes other non-ferrous alloys meeting certain specifications

Underwriting—Van Grant & Co., Detroit, Mich., is the principal underwriter; names of the other underwriters will be supplied by amendment. Underwriting commission is $1.50 per share

Offering—The common stock registered will be offered to the public at a price of $7.50 per share

Proceeds will be applied as follows: $319,000 to pay for certain equipment and tools; $50,000 to payment of outstanding bank loan; purchase of $500,000 principal amount of U. S. Government tax anticipation notes, and balance for working capital

Registration Statement No. 2-4969. Form S-2. (3-18-42)

Offered—April 9, 1942, by Van Grant & Co., Alexander & Co., Ryan-Nichols & Co., Sills, Troxell & Minton, Inc., Bond & Goodwin Inc. of Ill. and Enyart, Van Camp & Co.

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.

SATURDAY, APRIL 18

BELLANCA AIRCRAFT CORP.

Bellanca Aircraft Corp. filed a registration statement with the SEC for 57,412 shares common stock, $1 par. Further details as to the financing, including details of distribution, application of proceeds, underwriters, if any, etc., are to be supplied by amendment to registration statement. SEC withheld much of material filed by company, presumably in conformity with military censorship policy

Registration Statement No. 2-4975. Form S-2 (3-30-42)

HONOLULU RAPID TRANSIT CO., LTD.

Honolulu Rapid Transit Co., Ltd., has filed a registration statement with the SEC for 75,000 shares of 6% cumulative convertible preferred stock, $10 par; and 75,000 shares common stock, $10 par, latter reserved for issuance on conversion of the preferred stock

Address—1140 Alspai St., Honolulu, Hawaii

Business—Company is a public utility engaged in providing urban transportation service to the city of Honolulu, rendered by trolley coaches and gasoline buses

Underwriting—None

Offering—The preferred stock is offered to company's common stockholders of record April 30, 1942, for subscription at $10 per share, on the basis of three shares of preferred stock for each five shares of common stock, to be evidenced by transferable warrants which expire May 29, 1942. Such of the preferred stock not subscribed to on or before May 29, 1942, or not sold on or before June 30, 1942, will be retained by the company, subject to issue and sale, either at private or public sale, at not less than $10 per share

Proceeds will be applied to reduction of outstanding bank loans, aggregating $1,650,000

Registration Statement No. 2-4973. Form S-2 (3-30-42)

HYGRADE SYLVANIA CORP.

Hygrade Sylvania Corp. filed registration statement with SEC for 50,000 shares $4\frac{1}{2}$% cumulative convertible preferred stock, $40 par; and 105,000 shares common stock, no par, the latter reserved for conversion of the preferred stock

Address—60 Boston St., Salem, Mass.

Business—Engaged in manufacture and sale of electric incandescent lamp bulbs, radio receiving tubes, fluorescent lamps and fixtures, and other electronic products and certain chemical products directly or indirectly related to the foregoing. Regular and special products, to a large and increasing extent, are being supplied to the military services and for other war uses

Underwriters of the preferred stock, and the number of shares which each has agreed to underwrite, are as follows:

Jackson & Curtis, Boston	14,000
Lee Higginson Corp., Boston	10,000
Estabrook & Co., Boston	7,500
Merrill Lynch, Pierce, Fenner & Beane, New York	7,400
Putnam & Co., Hartford, Conn.	2,000
Hale, Waters & Co., Inc., Boston	1,600
Graham, Parsons & Co., New York	1,500
Whiting, Weeks & Stubbs, Inc., Boston	1,500
Yarnall & Co., Philadelphia	1,000
Minsch, Monell & Co., Inc., New York	1,000
Brush, Slocumb & Co., San Fran.	500
Herbert W. Schaefer & Co., Balt.	500
Stein Bros. & Boyce, Baltimore	500
Van Alstyne, Noel & Co., New York	500
Wyeth & Co., Los Angeles	500

Offering—The preferred stock will be offered to the public, at a price to be supplied by amendment to registration statement. The underwriting commission is $2 per share

Proceeds will be used for additional working capital

Registration Statement No. 2-4974. Form A2 (3-30-42)

ONTARIO NICKEL CORP., LTD.

Ontario Nickel Corp., Ltd., filed a registration statement with the SEC for 2,400,000 shares common stock, $1 par

Address—372 Bay St., Toronto, Canada

Business—This mining company owns six lease patents of mining claim in Strathy Township, Ontario, which is inactive at present. Also, holds an option to purchase certain mining properties in the Sudbury District, Ontario. Company plans to dismantle a portion of the mining plant set up on the Strathy property and move it to the Sudbury property and to produce nickel concentrates from the ore contained in the Sudbury ground, which will be marketed

Underwriting and Offering—The common stock will be sold to the public at the market, by George H. Johnson, Toronto

Proceeds will be used for development work, purchase of machinery and equipment, and for working capital

Registration Statement No. 2-4976. Form S-3 (3-30-42)

SUNDAY, APRIL 19

CANADA DRY GINGER ALE, INC.

Canada Dry Ginger Ale, Inc., filed a registration statement with the SEC for: 25,173 shares $5.50 cumulative convertible preferred stock, no par; an indeterminable number shares common stock $5 par (including Scrip Certificates for fractions of shares), to be reserved for issuance on conversion of the preferred; and Subscription Warrants (Full and Fractional) evidencing, in the aggregate, rights to subscribe for such 25,173 shares of preferred stock

Address—100 E. 42nd St., New York, N. Y.

Business—Engaged, directly or through subsidiaries, in the manufacture and distribution of ginger ale and other carbonated beverages in the U. S. and Canada, and in the distribution, and to a small extent the manufacture, of alcoholic beverages in the U. S.

Underwriting and Offering—The preferred stock will first be offered to company's common stockholders for subscription, in the ratio of one share of preferred for each 24 shares of common stock held. The stock of record date, date of expiration of the subscription offer, and the subscription price per share, will be supplied by amendment

The unsubscribed portion of such 25,173 shares preferred stock will be underwritten and offered to public, at a price to be supplied by amendment; underwriters are Union Securities Corp., New York, and Hornblower & Weeks, New York

Proceeds will be used to pay outstanding $1,100,000 bank loans, balance for working capital

Registration Statement No. 2-4977. Form A2 (3-31-42)

CARPENTER PAPER CO.

Carpenter Paper Co. filed a registration statement with the SEC for 5,000 shares of common stock, $1 par value

Address—Ninth & Harney Sts., Omaha, Neb.

Business—Company is engaged in the warehousing for sale at wholesale of paper and paper products of various description, distributed in 17 States west of the Mississippi River.

Underwriting—None

Offering—The 5,000 shares of common stock are being offered only to a group of officers and employees of the company, approved by the Board of Directors, at not more than $23 per share.

Proceeds will be used for working capital

Registration Statement No. 2-4978. Form A-2. (3-31-42)

INSURANCE INVESTORS FUND, INC.

Insurance Investors Fund, Inc., filed a registration statement with the SEC for an aggregate of $500,000 of cumulative periodic investment trust certificates and single total payment investment trust certificates

Address—824 Insurance Bldg., Seattle, Wash.

Business—This investment trust purchases stock of certain insurance companies, which is held by the trustee in a pooled fund Holder of a certificate in the fund receives in cash, at the end of ten years, the value of his proportionate interest in the fund as it then stands

Underwriting and Offering—The certificates wil be offered to the public by the company, at the market

Proceeds will be used for investment purposes

Registration Statement No. 2-4980. Form C-1. (3-31-42)

INSURANCE SECURITIES, INC.

Insurance Securities, Inc., has filed a registration statement with the SEC for participating agreements upon the single payment plan, series T, and accumulative plan, series D, in the face amount of $1,750,000, being the maximum aggregate deposits to be made thereunder

Address—416 13th St., Oakland, Cal.

Business—It is the purpose of this investment trust to sponsor a trust fund which provides a vehicle for investment both by smaller and larger investors in the common stocks of a group of 35 of the leading insurance companies in the United States

Underwriting and Offering—The participating agreements will be sold to the public by the company, at the market

Proceeds will be used for investment purposes

Registration Statement No. 2-4979. Form C-1. (3-31-42)

SOUTHWESTERN PUBLIC SERVICE CO.

Southwestern Public Service Co. filed a registration statement with the SEC for: $18,500,000 of first mortgage and collateral trust bonds, due Feb. 1, 1972; $5,500,000 serial notes, due in equal annual amounts from Nov. 1, 1943, to Nov. 1, 1953, inclusive; and 85,000 shares of 6% cumulative preferred stock, $100 par value

Address—Dallas, Texas

Business—This company and its subsidiaries are engaged principally in the generation, transmission, distribution and sale of electricity, serving certain communities in Texas, New Mexico, Oklahoma, Louisiana, Arkansas and Arizona. Under a plan of integration and simplification proposed to be consummated under section 11 of the Holding Company Act simultaneously with the consummation of the present proposed financing, the company proposes to effectuate the following transactions: Merger of Community Power & Light Co. and General Public Utilities, Inc. (the two present parent companies of the company) into the company; liquidation of Texas-New Mexico Utilities Co.; recapitalization and partial liquidation of Gulf Public Service Co.; purchase of Panhandle Power & Light Co., Cimarron Utilities Co. and Guymon Gas Co.; and refunding of the entire outstanding funded debt of the company itself. Upon completion of the transactions involved in foregoing, it is expected that the company will have no parent

Underwriting—Dillon, Read & Co., of New York, is the principal underwriter; the names of the other underwriters will be supplied by amendment

Offering—The bonds, serial notes and 6% preferred stock, will be sold to the public, at prices to be supplied by amendment

Proceeds from sale of the new securities will be added to the company's general funds and will be applied to effectuate the various financial transactions involved in the plan of integration and simplification, and the refinancing of the company's outstanding funded debt

Registration Statement No. 2-4981. Form A-2. (3-31-42)

TUESDAY, APRIL 21

INTERNATIONAL HARVESTER CO.

International Harvester Co. filed registration statement with SEC for 225,000 shares common stock, no par

Address—180 N. Michigan Ave., Chicago, Illinois

Business—Company normally manufactures and sells four different types of products, (a) wheel and crawler type tractors and power units, (b) a wide variety of agricultural implements, (c) light and heavy duty motor trucks, and (d) miscellaneous products, principally steel and binder twine. The three principal phases of company's war effort are production of commercial types of trucks, tractors and other equipment for the Government; production of military adaptations of commercial types of these items; and production of totally new products for military purposes

Underwriting—Clark, Dodge & Co., New York, and Lee Higginson Corp., Chicago, are the principal underwriters; names of other underwriters will be supplied by amendment

Offering—The shares registered are already outstanding and are to be offered to the public for the account of following stockholders: Administrators of the Estate of Mary Virginia McCormick, deceased, 150,100 shares; Executors of the Estate of Harold F. McCormick, 74,900 shares. Public offering price by amendment

Proceeds will be received by the selling stockholders

Registration Statement No. 2-4982. Form A-2. (4-2-42)

Amendment filed on April 13, 1942, naming the underwriters for the public offering of 225,000 shares of no par common stock, as follows:

	No. Shs. Underwritten
Clark, Dodge & Co., New York	22,500
Lee Higginson Corp., Chicago	22,500
A. C. Allyn & Co., Inc., Chicago	3,000
Bacon, Whipple & Co., Chicago	3,000
A. G. Becker & Co., Inc., Chicago	2,500
Biddle, Whelen & Co., Philadelphia	2,000
Blair, Bonner & Co., Chicago	5,000
Blyth & Co., Inc., New York	8,000
Alex. Brown & Sons, Baltimore	2,000
Central Republic Co., Inc., Chicago	2,500
E. W. Clark & Co., Philadelphia	2,000
Curtiss, House & Co., Cleveland	2,000
Paul H. Davis & Co., Chicago	2,000
Dillon, Read & Co., New York	12,000
Dominick & Dominick, New York	4,000
Drexel & Co., Philadelphia	3,000
Eastman, Dillon & Co., New York	2,500
Estabrook & Co., Boston	2,000
Farwell, Chapman & Co., Chicago	2,000
First of Michigan Corp., Detroit	2,000
Glore, Forgan & Co., Chicago	8,000
Goldman, Sachs & Co., New York	4,000
Graham, Parsons & Co., Phila.	2,000
Harriman Ripley & Co., Inc., N. Y.	8,000
Harris, Hall & Co., Inc., Chicago	3,000
Hayden, Miller & Co., Cleveland	2,000
Hayden, Stone & Co., New York	2,000
Hemphill, Noyes & Co., New York	2,500
Hornblower & Weeks, New York	2,500
W. E. Hutton & Co., New York	3,000
Illinois Co. of Chicago	2,000
Jackson & Curtis, Boston	2,500
Kebbon, McCormick & Co., Chicago	2,000
Kidder, Peabody & Co., New York	4,000
Lazard Freres & Co., New York	3,000
Laurence M. Marks & Co., N. Y.	2,000
Merrill Lynch, Pierce, Fenner & Beane, New York	4,000
Morgan Stanley & Co., New York	12,000
F. S. Moseley & Co., Boston	5,000
Newhard, Cook & Co., St. Louis	2,000
Paine, Webber & Co., New York	2,500
Shields & Co., New York	3,000
Smith, Barney & Co., New York	10,000
Stone & Webster and Blodget, Inc., New York	3,000
Spencer Trask & Co., New York	4,000
Tucker, Anthony & Co., New York	2,500
Union Securities Corp., New York	3,000
White, Weld & Co., New York	3,000
Whiting, Weeks & Stubbs, Inc., Boston	2,000
The Wisconsin Co., Milwaukee	3,000
Dean Witter & Co., San Francisco	4,000
Wood, Struthers & Co., New York	3,000

WEDNESDAY, APRIL 22

SHENANGO VALLEY WATER CO.

Shenango Valley Water Co. filed registration statement with SEC for 7,000 shares 5% cumulative preferred stock, $100 par

Address—Sharon, Pa.

Business—This subsidiary of Consumers Water Co. supplies water service principally in the city of Sharon, Mercer County, Pa.

Underwriting and Offering—The 5% preferred stock will first be offered to holders of the outstanding 6% preferred stock, in an exchange offer, details of which will be supplied by amendment. Such of the shares of 5% preferred as are not issued under the exchange offer will be underwritten and sold to the public, at a price to be supplied by amendment. H. M. Payson & Co., Portland, Me., is the principal underwriter; names of the other underwriters will be supplied by amendment

Proceeds will be used to redeem all of the outstanding unexchanged 6% preferred stock, to pay the cash adjustment called for by the offer of exchange, to pay whole or part of outstanding $236,000 of notes payable of company, and to provide funds for completion of plant additions and improvements

Registration Statement No. 2-4983. Form A-2. (4-3-42)

SUNDAY, APRIL 26

MAPLE-KISSENA REALTY CORP.

Voting trustees of company filed a registration statement with the SEC for Voting Trust Certificates covering 7,315 shares of capital stock, $1 par

Addresses—Voting trustees: c/o Axel J. Swensen, 149 Cherry Ave., Flushing, New York. Corporation: 70 Pine St., New York, N. Y.

Business — Corporation operates the Yorkshire Gardens Apartment Building, in New York City

Offering—The voting trustees propose to issue voting trust certificates representing such capital stock to evidence extension of the voting trust agreement from June 10, 1942, present expiration date, to June 19, 1947

Registration Statement No. 2-4984. Form F-1 (4-7-42)

WEDNESDAY, APRIL 29

THE AMERICAN TOBACCO CO.

The American Tobacco Co. filed a registration statement with the SEC for $100,000,000 of 20-year 3% debentures, due April 15, 1962.

Address—111 Fifth Ave., New York, N. Y.

Business—Company and its subsidiaries are engaged in business of manufacturing and selling cigarettes, smoking and chewing tobaccos, and cigars. Principal product of company is "Lucky Strike" cigarettes

Underwriters, and principal amount underwritten by each, are as follows:

Morgan Stanley & Co., N. Y.	$5,000,000
A. C. Allyn & Co., Chicago	500,000
Almstedt Brothers, Louisville, Ky.	100,000
Auchincloss, Parker & Redpath, Washington	150,000
Bacon, Whipple & Co., Chicago	200,000
Baker, Watts & Co., Baltimore	200,000
Baker, Weeks & Harden, N. Y.	200,000
Bear, Stearns & Co., New York	150,000
A. G. Becker & Co., Inc., Chicago	600,000
Biddle, Whelen & Co., Phila.	100,000
Blair & Co., New York	600,000
Blair, Bonner & Co., Chicago	200,000
Blyth & Co., New York	4,100,000
Bodell & Co., Providence	250,000
Boettcher & Co., Denver	100,000
Bosworth, Chanute, Loughridge & Co., Denver	100,000
Alex. Brown & Sons, Baltimore	400,000
Burns, Potter & Co., Omaha	100,000
Butcher & Sherrerd, Philadelphia	100,000
H. M. Byllesby & Co., New York	150,000
Central Republic Co., Chicago	500,000
E. W. Clark & Co., Philadelphia	400,000
Clark, Dodge & Co., New York	1,500,000
Coffin & Burr, Boston	500,000
Courts & Co., Atlanta	100,000
Curtiss, House & Co., Cleveland	100,000
J. M. Dain & Co., Minneapolis	100,000
Paul H. Davis & Co., Chicago	150,000
R. L. Day & Co., Boston	200,000
Dick & Merle-Smith, New York	500,000
R. S. Dickson & Co., Inc., Charlotte, N. C.	200,000
Dixon & Co., Philadelphia	100,000
Dominick & Dominick, N. Y.	1,500,000
Drexel & Co., Philadelphia	2,000,000
Francis I. du Pont and Chisholm & Chapman, New York	150,000
Eastman, Dillon & Co., New York	1,500,000
Elkins, Morris & Co., Phila.	400,000
Equitable Securities Corp., Nashville	400,000
Estabrook & Co., Boston	1,250,000
Clement A. Evans & Co., Atlanta	100,000
Evans, Stillman & Co., New York	150,000
Fahey, Clark & Co., Cleveland	100,000
Farwell, Chapman & Co. Chicago	150,000
Ferris & Hardgrove, Seattle	100,000
Field, Richards & Co., Cincinnati	100,000
First Boston Corp., New York	4,100,000
First of Michigan Corp., Detroit	300,000
First Trust Co., Lincoln, Neb.	100,000
Folger, Nolan & Co., Washington	150,000
Robert Garrett & Sons. Balt.	100,000
Glore, Forgan & Co., Chicago	1,000,000
Goldman, Sachs & Co., N. Y.	4,100,000
Graham, Parsons & Co., Phila.	400,000
Green, Ellis & Anderson, N. Y.	200,000
Hallgarten & Co., New York	750,000
Harriman Ripley & Co., N. Y.	4,100,000
Harris, Hall & Co., Chicago	750,000
Hawley, Shepard & Co., Cleve.	150,000
Hayden, Miller & Co., Cleveland	400,000
Hayden, Stone & Co., N. Y.	750,000
Hemphill, Noyes & Co., N. Y.	1,500,000
Hill & Co., Cincinnati	100,000
J. J. B. Hilliard & Son, Louisville	150,000
Hornblower & Weeks, New York	1,500,000
W. E. Hutton & Co., New York	1,500,000
Illinois Co., Chicago	200,000
Indianapolis Bond & Share Corp., Indianapolis	100,000
Jackson & Curtis, Boston	600,000
Janney & Co., Philadelphia	100,000
Johnson, Lane, Space & Co., Savannah	100,000
Kalman & Co., Inc., St. Paul	150,000
Kean, Taylor & Co., New York	300,000
Kebbon, McCormick & Co., Chic.	200,000
Kidder, Peabody & Co., N. Y.	4,100,000
Kirkpatrick-Pettis Co., Omaha	100,000
Laird, Bissell & Meeds, Wilmington	150,000
W. W. Lanahan & Co., Balt.	150,000
W. C. Langley & Co., New York	500,000
Lazard Freres & Co., New York	2,650,000
Lee Higginson Corp., New York	2,650,000
Lehman Brothers, New York	4,100,000
Carl M. Loeb, Rhoades & Co., New York	150,000
W. L. Lyons & Co., Louisville	100,000
Mackubin, Legg & Co., Baltimore	150,000
Laurence M. Marks & Co., N. Y.	500,000
Mason-Hagan, Inc., Richmond	200,000
A. E. Masten & Co., Pittsburgh	150,000
McDonald-Coolidge & Co., Cleve.	150,000
Mellon Securities Corp., Pitts.	4,100,000
Merrill Lynch, Pierce, Fenner & Beane, New York	1,500,000
Merrill, Turben & Co., Cleveland	150,000
Milwaukee Co., Milwaukee	200,000
Mitchum, Tully & Co., San Fran.	200,000
Moore, Leonard & Lynch, Pitts.	300,000
F. S. Moseley & Co., Boston	2,650,000
Maynard H. Murch & Co., Cleve.	100,000
W. H. Newbold's Son & Co., Philadelphia	250,000
Newhard, Cook & Co., St. Louis	150,000
Newton, Abbe & Co., Boston	150,000
Ohio Co., Columbus	200,000
Paine, Webber & Co., Boston	600,000
Parrish & Co., Philadelphia	150,000
Arthur Perry & Co., Boston	300,000
Piper, Jaffray & Hopwood, Minneapolis	100,000
R. W. Pressprich & Co., N. Y.	600,000
Putnam & Co., Hartford	200,000
Reinholdt & Gardner, St. Louis	150,000
Reynolds & Co., New York	250,000
Riter & Co., New York	400,000
Robinson-Humphrey Co., Atlanta	150,000
E. H. Rollins & Sons, New York	1,250,000
L. F. Rothschild & Co., N. Y.	500,000
Salomon Brothers & Hutzler, New York	750,000
Schoellkopf, Hutton & Pomeroy, Inc., Buffalo	400,000
Schwabacher & Co., San Fran.	200,000
Scott & Stringfellow, Richmond	250,000
Chas. W. Scranton & Co., New Haven	200,000
Shields & Co., New York	750,000
I. M. Simon & Co., St. Louis	100,000
Singer, Deane & Scribner, Pitts.	300,000
Smith, Barney & Co., N. Y.	4,100,000
Smith, Moore & Co., St. Louis	150,000
William R. Staats Co., Los Ang.	250,000
Starkweather & Co., New York	200,000
Stein Brothers & Boyce, Balt.	200,000
Stein Brothers & Co., Kan. City	200,000
Stone & Webster and Blodget, Inc., New York	2,000,000
Stroud & Co., Philadelphia	200,000
Lowry Sweney, Inc., Columbus	100,000
Swiss American Corp., N. Y.	350,000
Townsend, Dabney & Tyson, Bos.	100,000
Spencer Trask & Co., N. Y.	750,000
Tucker, Anthony & Co., N. Y.	750,000
Union Securities Corp., N. Y.	2,650,000
J. D. Van Hooser & Co., Lexington	100,000
G. H. Walker & Co., St. Louis	300,000
Watling, Lerchen & Co., Detroit	100,000
Webster & Gibson, Nashville	100,000
Weeden & Co., San Francisco	150,000
Wells-Dickey Co., Minneapolis	250,000
Wertheim & Co., New York	250,000
White, Weld & Co., New York	2,000,000
Whiting, Weeks & Stubbs, Inc., Boston	350,000
Wisconsin Co., Milwaukee	750,000
Dean Witter & Co., San Fran.	750,000
Yarnall & Co., Philadelphia	150,000

Offering—The debentures will be offered to the public, at a price to be supplied by amendment to registration statement. The maximum proposed offering price, based on the filing fee paid SEC by company, is 104.

Proceeds from sale of the debentures, together with other funds of company to the extent necessary, are to be applied to payment of the outstanding $12,977,000 of 2.45% serial debentures, due serially to 1948, the outstanding $16,000,000 of 2% notes payable to banks, due serially to 1945, and the outstanding short-term notes payable to banks aggregating $75,500,000 as of April 10, 1942, thus positioning company for purchases of its requirements of leaf tobacco

Registration Statement No. 2-4985. Form A-2 (4-10-42)

SATURDAY, MAY 2

EAST TEXAS SALT WATER DISPOSAL CO.

East Texas Salt Water Disposal Co. filed a registration statement with the SEC for 19,750 shares common stock, $100 par value

Address—706 Citizens National Bank Bldg., Tyler, Tex.

Business—Incorporated on Jan. 20, 1942, under laws of State of Texas. Business of company will be the gathering, storing and impounding of water containing salt and other substances produced in the drilling and operation of oil wells in the East Texas oil fields, and the prevention of the flow of such water into streams. Company's outstanding common stock is owned principally by a group of seven large oil companies.

Calendar of New Security Flotations

Underwriting and Offering—The common stock will be offered to the public direct by the company, through its officers and employees, at $100 per share. There will be no underwriting.

Proceeds will be used for working capital and corporate purposes.

Registration Statement No. 2-4986. Form A-1 (4-13-42)

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, Feb. 16 and March 5, 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 customers at its Atlantic City plant. About 99% of gross revenues are derived from electric service

Underwriting and Offering—As soon as practicable after the registration statement becomes effective, company proposes publicly to invite proposals for purchase of 49,000 shares of the new preferred stock, under competitive bidding rule of Holding Company Act. Provision is made that the remaining 13,000 shares of new preferred stock registered will be offered under an Exchange Offer, as follows: holders of the 26,263 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)

Amendments filed Feb. 27 and March 16, 1942, to defer effective date

BEAR MINING AND MILLING COMPANY

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

Address — 513 Majestic Bldg., Denver Colo.

Business—Mining and milling

Underwriter—None

Offering—Stock will be offered publicly at $1 per share, selling commission 15%

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, Feb. 25 and March 12, 1942, to defer effective date

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)

CELANESE CORPORATION OF AMERICA

Celanese Corporation of America filed a registration statement with the SEC for $7,522,000 of 3½% Convertible Debentures, due March 1, 1962, and an indeterminable number of shares of no par common stock (including scrip certificates for fractions of shares), latter to be reserved for issue upon conversion of the Debentures

Address—180 Madison Ave., New York

Business—Principal business of company is the manufacture and sale at wholesale of cellulose acetate yarns and fabrics containing such yarns under the registered trademark "Celanese" and under other trademarks owned by the company

Underwriting and Offering—The debentures will first be offered to company's common stockholders, via subscription rights, for subscription at the rate of $1,000 principal amount of the Debentures for each 183 shares of common stock held of record on the effective date of the registration statement. The subscription price per share will be supplied by amendment. The Subscription Warrants will be exercisable on or before 3 p.m. Eastern War Time on April 6, 1942. Such of the Debentures as are not subscribed for under this offer, will be sold to the public through underwriters, at a price to be supplied by amendment.

Names of the underwriters, and the maximum amount of the Debentures to be underwritten by each, are:

Dillon, Read & Co., New York	$1,222,000
Glore, Forgan & Co., New York	700,000
A. C. Allyn & Co., Inc., Chicago	50,000
A. G. Becker & Co., Inc., Chicago	75,000
Blyth & Co., Inc., New York	300,000
Alex Brown & Sons, Baltimore	125,000
Central Republic, Inc., Chicago	75,000
R. S. Dickson & Co., Inc., Charlotte, N. C.	50,000
Equitable Securities Corp., New York	50,000
Estabrook & Co., Boston	75,000
First Boston Corp., New York	450,000
Graham, Parsons & Co., Philadel.	50,000
Harriman Ripley & Co., Inc., New York	300,000
Harris, Hall & Co., Inc., Chicago	75,000
Hayden, Miller & Co., Cleveland	75,000
Hayden, Stone & Co., New York	75,000
Hemphill, Noyes & Co., New York	200,000
Hornblower & Weeks, New York	125,000
W. E. Hutton & Co., New York	75,000
Kebbon, McCormick & Co., Chicago	50,000
Kidder, Peabody & Co., New York	200,000
W. C. Langley & Co., New York	150,000
Lee Higginson Corp., New York	150,000
Lehman Bros., New York	350,000
Laurence M. Marks & Co., New York	75,000
Mellon Securities Corp., Pittsburgh	350,000
Merrill Lynch, Pierce, Fenner & Beane, New York	250,000
F. S. Moseley & Co., Boston	75,000
Otis & Co., Cleveland	75,000
Riter & Co., New York	150,000
E. H. Rollins & Sons, Inc., N. Y.	125,000
Salomon Bros. & Hutzler, N. Y.	125,000
Shields & Co., New York	300,000
Smith, Barney & Co., New York	300,000
Tucker, Anthony & Co., Boston	75,000
Union Securities Corp., New York	200,000
White, Weld & Co., New York	150,000
Whiting, Weeks & Stubbs, Inc., Boston	50,000
The Wisconsin Co., Milwaukee	125,000
Dean Witter & Co., San Francisco	50,000

Proceeds—Purpose or purposes to which the proceeds will be applied, are to be supplied by amendment

Registration Statement No. 2-4962. Form A-2 (2-11-42)

Offering Deferred—Company announced March 25 that it had postponed for the time being offering to holders of common stock of proposed bond issue, due to problem arising in connection with British stockholders

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, Feb. 19 and March 10, 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, Feb. 24 and March 13, 1942, to defer effective date

GILLHAM MINING CO., INC.

Gillham Mining Co., Inc., filed a registration statement with the SEC for 5,000 shares common stock, no par value

Address—30 N. La Salle St., Chicago, Ill.

Business—Engaged in the mining of antimony ore in Mineral Township, Sevier County, Arkansas

Underwriting and Offering—The 5,000 shares of common stock will be sold to the public at $5 per share; no underwriting involved.

Proceeds will be used for corporate purposes, including further developing and exploring of properties now owned by the company

Registration Statement No. 2-4964. Form S-3 (2-12-42)

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 outstanding 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 April 10 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, Feb. 25 and March 14, 1942, to defer effective date

ILLINOIS COMMERCIAL TELEPHONE CO

Illinois Commercial Telephone Co. registered with SEC $5,750,000 of first mortgage 3¾% 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 Stand and 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, Feb. 26 and March 16, 1942, to defer effective date

Illinois Commercial Telephone Co. on March 19, 1942, filed an amendment to its registration statement disclosing that it now proposes to offer to the public $5,750,000 first mortgage 3½% bonds, due March 1, 1972. Previously, in original registration statement filed on Oct. 24, 1941, company had proposed to sell $5,750,000 of first mortgage 3¾% bonds, due 1971, and 24,000 shares of $5 cumulative preferred stock, no par value

Proceeds from sale of the $5,750,000 of first mortgage 3½% bonds, due 1972, together with other funds of the company, are to be used to retire the outstanding $5,750,000 of first mortgage series A 3¾% bonds, due 1970

Underwriters of the 3½s of 1972, and the principal amount which each has agreed to underwrite, are: Bonbright & Co., New York, $2,875,000; Paine, Webber & Co., New York, $2,156,000; Mitchum, Tully & Co., Los Angeles, Cal., $719,000

INTERIM FINANCE CORP.

Interim Finance Corp. filed a registration statement with the SEC for 39,912 shares class A stock, $25 par; and 25,232 shares common stock, $1 par

Address—33 N. La Salle St., Chicago, Ill.

Business—Primary function of company is to loan money to enterprises whose debt and/or capital structures are being adjusted or reorganized by its wholly-owned subsidiary, H. M. Preston & Co. A secondary function is to loan money, with funds not used in its primary function, to provide "interim" or intermediate financing to enterprises until the financial positions of the borrower or a change in general capital markets open avenues for longer-term borrowing from customary sources

Underwriter—H. M. Preston & Co., Chicago, Ill., is the sole underwriter. The underwriting commission is $8 per unit

Offering—The class A stock is to be sold in units of 4 shares, at a price of $110 per unit. With at least the first 900 units, there will be included with each unit 4 shares of common stock; thereafter company reserves the right to reduce the number of common shares to be included in each unit of class A stock

Proceeds will be used for working capital

Registration Statement No. 2-4968. Form A-1. (3-18-42)

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

KLINE BROTHERS COMPANY

Kline Brothers Co. filed a registration statement with the SEC for $322,300 of 5% sinking fund notes, due May 1, 1952, and registration statement for certificates of deposit to be issued to holders of outstanding 5% notes of company, under plan of exchange

Address—132 W. 31st St., New York, N.Y.

Business—Operates 19 retail department stores located in various cities in Illinois, Michigan, Ohio, Iowa, Missouri, Pennsylvania and Georgia, selling merchandise of the character generally sold in small department stores

Offering—The new 5% notes will first be offered, par for par, in exchange for the outstanding 5% notes due Dec. 31, 1943, and May 1, 1944; latter noteholders, depositing under the exchange plan, will receive equal amount of certificates of deposit. Such of the new notes not issued in exchange for the outstanding 5% notes, will be sold to public, at 100 and accrued interest

Underwriting — Illinois Securities Co., Joliet, Ill., is the underwriter of the notes not issued under exchange plan

Proceeds will be used to retire all outstanding 5% notes of company

Registration Statements No. 2-4966 (D-1A, covering certificates of deposit) and 2-4967 (A2, covering new notes). (3-16-42)

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 April 9, 1942, to defer effective date

LIPE-ROLLWAY CORP.

Lipe-Rollway Corp. filed a registration statement with the SEC for 80,000 shares $1 cumulative convertible preferred stock, $10 par, and 160,000 shares class A stock, $1 par, latter reserved for issue upon conversion of the preferred stock

Address—208 S. Gedded St., Syracuse, N. Y.

Business—Incorporated in 1924 as W. C. Lipe, Inc., on March 16, 1942, the name was changed to Lipe-Rollway Corp. Part of the proceeds of this financing is intended to be used for acquisition by the company of all or at least a majority of the outstanding stock of Rollway Bearing Co., Inc., of Syracuse, N. Y. Business of the company, including that of Rollway Bearing Co., Inc., includes the manufacture and sale of machine tools, reamers, cutters, clutches, clutch parts, bearings, etc.

Underwriter—Barrett Herrick & Co., Inc., New York, is the sole underwriter

Offering—The preferred stock will be offered to the public at $14 per share; the underwriting commission is $2.10 per share

Proceeds will be used in part to acquire all or as many shares as possible of the outstanding capital stock of Rollway Bearing Co., Inc., the balance will be used for additional working capital

Registration Statement No. 2-4971. Form A-2. (3-23-42)

Amendment filed April 10, 1942, to defer effective date.

LINK-BELT CO.

Link-Belt Co. filed a registration statement with the SEC for 33,604 shares common stock, no par value

Address—307 N. Michigan Ave., Chicago, Ill.

Business—Company is engaged, normally, in the design, manufacture, sale and erection of elevating, conveying, material preparation and power transmission machinery and the manufacture and sale of castings

Underwriting and Offering—The shares registered are held by the company in its treasury, and are to be offered only to a selected group of officers and employees of the company at $26.48 per share

Proceeds of $888,600 will be used to reimburse the treasury of the company for the moneys expended by it in the acquisition of such shares, and to provide funds for additional working capital

Registration Statement No. 2-4960. Form A-2 (3-10-42)

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, Feb. 28 and March 16, 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

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

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

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

Effective—10 a.m. E.S.T. on Dec. 6, 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

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, Read & 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 best possible price."

Amendment filed March 10, 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. John W. Yeaman, Martinsville, Va., who was named as underwriter, withdrew on Jan. 31, 1942

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 (1-23-42)

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. Hearing at Ocala, Fla.

Request to withdraw registration statement filed April 13, 1942.

VINCO CORPORATION

Vinco Corporation has filed a registration statement with the SEC for 104,000 shares common stock, $1 par

Address—Detroit, Mich.

Business—Engaged in manufacture and sale of hardened and ground tools and gauges, including lapped high precision gauges and tools, involute spline gauges, master gears, gear tooth gauges and index plates, which now comprise the major portion of the company's business

Offering—The shares registered will be initially offered by the company to holders of its common stock for subscription, pro rata, in ratio of 2 shares for each 3 shares held; such of the shares are not issued upon exercise of the subscription rights, will be sold to the public. The stock of record date, and expiration date of the subscription offer, will be supplied by amendment.

Stock will be offered to stockholders at $3.50 per share and unsubscribed shares through underwriters at same price.

Underwriting—A. M. Kidder & Co., New York, is the sole underwriter

Purpose—Net proceeds will be initially added to working capital, to be used principally to meet the increased demand for working funds which has resulted from expansion of company's business and the further expansion of company's business expected to occur upon completion of the plant, construction of which is now contemplated by company as agent for Defense Plant Corp.

Registration Statement No. 2-4972. Form A2 (3-26-42)

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%-3¼% 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, Feb. 19 and March 5, 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)

Amendment filed March 14, 1942, to defer effective date

Tax Effect On Ins. Stocks

A detailed memorandum has been issued by Huff, Geyer & Hecht, Inc., 67 Wall Street, New York City, discussing the effect of the proposed higher income taxes on insurance stocks. The memorandum considers the present exemptions and contains an interesting comparative table of 1941 operating earnings adjusted for effect of the proposed higher taxes. According to Huff, Geyer & Hecht, under the most drastic proposals of the Treasury, providing for normal taxes and surtaxes aggregating 55% on corporation earnings, the aggregate 1941 operating profits of the 84 fire and casualty insurance companies considered would be reduced by only 9.1%, if the privilege of deducting capital losses from other taxable earnings is retained, or only 13.9% if capital losses are made non-deductible.

Copies of the memorandum, and also a leaflet giving comparative figures on several insurance stocks which the firm recommends, may be obtained from Huff, Geyer & Hecht upon request.

NYSE Borrowings

The New York Stock Exchange announced on April 4 that the total of money borrowed as reported by Stock Exchange member firms as of the close of business March 31 aggregated $330,361,019, a decrease of $9,391,439 as compared with the Feb. 28 total of $339,752,458.

The following is the Stock Exchange's announcement:

The total of money borrowed from banks, trust companies and other lenders in the United States, excluding borrowings from other members of national securities exchanges reported by New York Stock Exchange member firms as of the close of business March 31, 1942, aggregated	$330,361,019
The total of money borrowed, compiled on the same basis, as of the close of business Feb. 28, 1942, was	339,752,458

Payment On Danish Bonds

Henrik Kauffmann, Danish Minister in Washington, issued on April 9 the following statement for the information of holders of Kingdom of Denmark 20-year 6% external gold bonds, due Jan. 1, 1942; 30-year 5½% external loan gold bonds, due Aug. 1, 1955; and 34-year 4½% external loan gold bonds, due April 15, 1962; City of Copenhagen 25-year 5% gold bonds, due June 1, 1952; and 25-year 4½% gold bonds, due May 1, 1953; Danish Consolidated Municipal Loan 30-year 5½% external sinking fund gold bonds, due Nov. 1, 1955; and 25-year 5% external gold bonds, due Feb. 1, 1953; Mortgage Bank of the Kingdom of Denmark 45-year 5% sinking fund external gold bonds series IX, of 1927, due Dec. 1, 1972:

For the purpose of paying Apr. 15, 1942, coupons of Kingdom of Denmark 34-year 4½% external loan gold bonds, due Apr. 15, 1962, May 1, 1942, coupons of City of Copenhagen 25-year 4½% gold bonds, due May 1, 1953, and May 1, 1942, coupons of Danish Consolidated Municipal Loan 30-year 5½% external sinking fund gold bonds, due Nov. 1, 1955, I propose to put the particular paying-agents in funds so far as it is estimated to be necessary to make coupon payments to holders, other than residents of Denmark, of bonds of these three issues.

Apr. 15 and May 1, 1942, coupon payments will be subject to such licenses as may be granted to paying-agents by the United States Treasury.

On Auto Council

George Romney, Managing Director of the Automotive Council for War Production, Detroit, announces the appointment of James Cope, manager of the Washington office of the Automobile Manufacturers Association, as head of the Council's Washington Reporting Service. This bureau was established to answer the needs of government for industry data and to report to the automotive companies on developments affecting the industry's war efforts. It was also announced that William H. McGaughey, who has been editor of "Automobile Facts," becomes manager of the Council's public relations department, and that Harlan V. Hadley, head of the Detroit office of the "Wall Street Journal" is joining the public relations staff as director of information services.

NYSE Short Interest Higher On March 31

The New York Stock Exchange announced on April 8 that the short interest existing as of the close of business on the Mar. 31 settlement date, as compiled from information obtained by the Exchange from its members and member firms, was 513,546 shares, compared with 489,223 shares on Feb. 27, both totals excluding short positions carried in the odd-lot accounts of all odd-lot dealers. As of the Mar. 31 settlement date, the total short interest in all odd-lot dealers' accounts was 71,578 shares, compared with 76,596 shares, on Feb. 27.

The Exchange's announcement further said:

Of the 1,238 individual stock issues listed on the Exchange on Mar. 31 there were 31 issues in which a short interest of more than 5,000 shares existed, or in which a change in the short position of more than 2,000 shares occurred during the month.

The number of issues in which a short interest was reported as of Mar. 31, 1942, exclusive of odd-lot dealers' short position, was 424 compared with 447 on Feb. 27, 1942.

In the following tabulation is shown the short interest existing at the close of the last business day for each month for the last two years:

1940—	
Apr. 29	530,594
May 31	428,132
June 28	446,957
July 31	479,243
Aug. 30	474,033
Sept. 30	517,713
Oct. 31	530,442
Nov. 29	515,548
Dec. 31	459,129
1941—	
Jan. 31	498,427
Feb. 28	487,151
Mar. 31	537,613
Apr. 30	510,969
May 29	496,892
June 30	478,859
July 31	487,169
Aug. 29	470,002
Sept. 30	486,912
Oct. 31	444,745
Nov. 28	453,244
Dec. 31	349,154
1942—	
Jan. 31	460,577
Feb. 27	489,223
Mar. 31	513,546

Iron & Steel Trades Up 36% Over March, 1941

Industrial activity in Canada remained unchanged at mid-March at 164 (1937=100), while the percentage of current factory capacity utilized fell from 116 at mid-February to 115, according to A. E. Arscott, General Manager of the Canadian Bank of Commerce, Toronto.

"The iron and steel trades recorded a further increase in activity, the general rate being about 36% above that in March 1941, with the largest increase for the past month occurring in the heavy section, now concerned chiefly with government orders," Mr. Arscott's report continued. "Slight declines in the medium and light sections and in the automotive trades indicate a further restriction of civilian goods not yet fully offset by war output.

"Our wage payroll index for February was 178 (1937=100) compared with 185 for January and 141 for February 1941. The decline from January was due to the fewer working hours in the month, but compared with February a year ago manufacturing payrolls record an increase of 31% and all payrolls one of 26%.

"These increases, however, are less than those of February 1941 over the corresponding month of 1940, namely 40 and 33% respectively. In fact, the monthly rate of increase over the previous year, which rose in the autumn of 1940 and reached its height in the late spring and early summer of 1941 (namely 50% for manufacturing payrolls and 45% for those of all industries and trades) has since tapered off, until it is now more in line with the similar long-term increase in employment, largely the result of government wage regulations.

"Foodstuffs declined moderately, but not below the level of a year ago, the main recessions being in cereals, confectionery and canned goods. A slight rise is shown in the clothing group, mainly leather footwear, men's furnishings and women's clothing."

Result Of Treasury Bill Offering

Secretary of the Treasury Morgenthau announced on April 13 that the tenders for $150,000,000 or thereabouts, of 91-day Treasury bills, to be dated April 15 and to mature July 15, 1942, which were offered on April 10, were opened at the Federal Reserve Banks on April 13. The following details of this issue are revealed:

Total applied for ______ $311,219,000
Total accepted ________ 150,073,000

Range for accepted bids (excepting two tenders totaling $150,000):

High—99.960. Equivalent rate approximately 0.158%.

Low—99.922. Equivalent rate approximately 0.309%.

Average Price 99.929. Equivalent rate approximately 0.281%.

(16% of the amount bid at the low price was accepted.)

The Amazing Achievement of the Chicago City Railways and the Chicago Railways Companies

(Continued from page 1522) curtailment of automobiles and other war restrictions, alert dealers are taking advantage of the fact that present prices of these bonds seem to be considerably out of line compared to their real value.

CHICAGO SURFACE LINES SYSTEM

The following table shows proposed distribution of securities of proposed new company in exchange for outstanding securities of both the surface lines and elevated companies:

Issue—	Amount Outstanding	Mtge. Bonds	Pref. Shares	Common Shares
Chicago Railways:				
First mortgage 5s	$41,741,250	$750	---	---
Consolidated mortgage 5s A	15,696,600	---	31.0	9.0
Consolidated mortgage 5s B	16,934,405	---	11.6	30.6
Purchase money 4s	3,969,155	---	18.9	22.5
Adjusted income 4s	2,379,137	---	5.4	34.8
Capital stock	1,000 shares	---	---	90.0
Chicago City Railways:				
First mortgage 5s	27,644,550	850	---	---
Capital stock	8,999 shares	---	1.95	2.55
Calumet and South Chicago Railway:				
First mortgage 5s	3,332,550	650	---	---
Chicago City Connecting Railway:				
Sinking fund 5s	20,616,000	---	22.7	25.5
Preferred shares	250,000 shares	---	---	.42
Common shares	150,000 shares	---	---	.03

CHICAGO RAPID TRANSIT

Issue—	Amount Outstanding	Mtge. Bonds	Pref. Shares	Common Shares
Secured Claims:				
Union El. first 5s	$3,202,000	$220	15.6	2.5
Union El. cons. 5s	407,000	220	15.6	2.5
Northwest El. 5s	9,439,000	220	15.6	2.5
Metropolitan first 4s	9,999,806	150	17.0	2.0
Metropolitan ext. 4s	4,432,000	150	17.0	2.0
Chicago Rapid Tr. 6½s	10,316,200	100	13.68	9.8
Chicago Rapid Tr. 6s	8,033,400	100	13.68	9.5
General Claims:				
Chicago Rapid Tr. deb.	18,561,800	---	---	2.3
Notes payable	1,472,893	---	---	2.3
General indebtedness	3,289,615	---	---	2.3
Prior Preferred Stock:				
Series A ($100 par)	4,995,500	---	---	1.0
Series B ($100 par)	1,500,000	---	---	1.0
Common stock ($1 par)	198,629	---	---	.0314

Initial capitalization of the new company, with provision for the new First Mortgage Bonds in the same amount as the total of the present three outstanding first mortgage issues, assuming that full exchange of surface lines and elevated securities would be made, would be as follows:

Capitalization of New Company:	
First mortgage 30-year sinking fund 5s, series A	$72,718,350
First mortgage income 5s, series B	7,002,290
5% preferred stock	98,285,068
Common stock	*1,342,760 shares

*Exclusive of 5,897,104 shares reserved for conversion of preferred stock.

The court has authorized the proposed plan to be submitted by mail to the bondholders. It is understood that this was done on April 14 and it is expected that a tabulation of the vote will be submitted to the court sometime early in May.

NYSE Govs. Approve Revising Dues, Fees

The Board of Governors of the New York Stock Exchange at a meeting on April 9 approved a proposed constitutional amendment providing for a comprehensive revision of the rates of membership dues and other charges payable to the Exchange by members and member firms. The amendment, which had been recommended by Emil Schram, President of the Exchange, is now before the membership for adoption or rejection. If approved, the proposed changes will become effective after April 23. In his advices to the members under date of April 10, Mr. Schram said:

The amendment is part of a broad program which I have recommended to the Board to establish the revenues of the Exchange on a sound and equitable basis, by providing for a fairer allocation of charges among members and member firms in relation to the services and benefits received. It is not the purpose of the proposed amendment to produce any net increase in the revenues of the Exchange. Although the amendment provides for a new charge based on the commission revenues of members and member firms, proposed reductions in other charges will offset the income from this source and the rate of this new charge and the amount which the Exchange might receive during any calendar year from this source would be definitely limited by constitutional provisions.

Details of the changes which it is proposed to make in the general schedule of charges were given in our issue of April 2, page 1321. In setting out the changes on April 10, Mr. Schram said:

It should be noted that the proposed charge on commissions is to be computed on "net commissions" received and retained on business transacted on the New York Stock Exchange; in other words, introducing firms or members would pay only on the portion of the commissions received by them; a firm carrying accounts would pay only on the commissions retained after the payment of "splits" and floor brokerage; a floor broker or specialist would pay the charge on the commissions he received from other members and firms; an individual member similarly would pay on his share of commissions on Exchange business.

The program submitted is flexible. The proposed charges would be reduced as the Exchange's business revives. The Exchange is continuing its program of retrenchment, which has already resulted in material improvement in the Exchange's financial position. I believe that the Exchange must continue realistically to adjust its operations to the changing volume of our business and must continue to find means of reducing expenses, wherever reduction is possible without impairing essential services. At the same time, the allocation of Exchange charges among members and firms must be fair. It is to correct present disparities that this program is submitted.

Kennedy & Loomis Join Blyth & Co.

(Special to The Financial Chronicle)

LOS ANGELES, CALIF.—Arthur L. Loomis and Dean M. Kennedy have become associated with Blyth & Co., Inc., 215 West Sixth St. Both were formerly connected with Dean Witter & Co., Mr. Kennedy as manager of their Westwood Village office, and Mr. Loomis in the past in charge of the Beverly Hills office.

Phillips Trading Mgr. For Lyons In Cincinnati

CINCINNATI, OHIO—W. L. Lyons & Company, 115 E. Fourth Street, announce the appointment of George H. Phillips as Manager of their trading department.

Mr. Phillips is well known throughout the country among the trading fraternity, having had continuous experience in all branches of the business for the past 17 years. He joined the firm of W. L. Lyons & Company in 1938.

He is a Vice-President of the Cincinnati Stock & Bond Club, which is a member of the National Association of Security Dealers of America.

Investment Problems In War Time, Discussion

"Investment Problems in Wartime" will be discussed by Rudolph L. Weissman of Heartt and Weissman, 61 Broadway, New York City, at the New School for Social Research on Tuesday evening, April 21, at 8:20. Mr. Weissman is Chairman with A. Wilfred May of the weekly symposium, The World of Finance in Wartime, in which leading financiers and Government officials have taken part.

Allen Sapp Is With Blair In Philadelphia

PHILADELPHIA, PA.—Blair & Co., 123 South Broad Street, announce that Allen D. Sapp has become associated with their municipal bond department. Mr. Sapp is well known throughout the country as one of the leading specialists in Pennsylvania municipal bonds. For the past eight years he has been with Merrill Lynch, Pierce, Fenner & Beane and prior to that time with the municipal department of E. H. Rollins & Sons Philadelphia office as manager.

Frank J. McCall Now With J. F. Reilly Co.

Frank J. McCall has become associated with J. F. Reilly & Co., 50 Broad Street, New York City. Mr. McCall was formerly in the trading department of the New York office of J. W. Sparks & Co., where he specialized in bonds, and was in the bond trading department of Dyer, Hudson & Co. and G. H. Walker & Co. In the past he was with McClure, Jones & Co. and the Shawmut Corporation of Boston.

William Clark With Paine, Webber & Co.

(Special to The Financial Chronicle)

CLEVELAND, OHIO—William H. Clark is now connected with Paine, Webber & Co., Terminal Tower Building. Mr. Clark was formerly assistant manager of the municipal department of Merrill, Turben & Co., and prior thereto was with Mitchell, Herrick & Co. and the Cleveland Trust Co.