Final Edition

THURSDAY

APR 24 1942

In 2 Sections – Section 1

The Commercial and FINANCIAL CHRONICLE

Reg. U. S. Pat. Office

Volume 155 Number 4066 New York, N. Y., Thursday, April 23, 1942 Price 60 Cents a Copy

Our Reporter On "Governments"

Let's hit directly at the heart of banks' investment problems today and do some straight thinking. . . . The Government market recently has been so dull and unrevealing that for the moment, at least, we can afford to put aside questions of temporary price movements and concentrate on fundamentals. . . . The way things are shaping up, we won't get the next Treasury offering until the second or third week of May, so we can free our minds on that score for a while too. . . . Let us, therefore, consider some prime issues. . . .

A fundamental question which must be solved by every institutional investor these days is "proper" maturity distribution. . . . Whether or not your institution holds a respectable total of intermediate and long-term bonds, the fact is that most banks are overwhelmingly involved in the short-term list. . . . The statistical evidence shows unmistakably banks' preference for notes maturing between now and 1946, for the shortest-term bonds. . . . (The Reserve System statements of the last two weeks indicate that banks bought most of the six-month certificates of indebtedness and that about $800,000,000 of the certificates, or more than half the issue, were allotted in the New York district alone.) . . .

There is, of course, plenty of reason to expect the large New York and Chicago banks to continue emphasizing the short-term list. . . . Liquidity for these institutions is a prime need. . . . The Treasury too probably wants investors of this calibre to confine operations mostly to the short-terms, for short-term financing is cheap and Secretary Morgenthau recognizes the power of habit. . . .

But what about institutions outside of the major money centers? . . . With costs rising, with taxes skyrocketing, with the loan future uncertain, can your institution afford to continue operating on an investment portfolio yielding the returns possible on short-terms? . . . If banks are compelled to buy $20,000,000,000 to $25,000,000,000 new Government securities between now and the end of the fiscal year in 1943, can your institution maintain a "liquid", "short-term" investing policy? . . . (Those purchase figures are semi-official, incidentally.)

Logic in Change

Let's assume the answer is your "institution cannot afford to operate on a ½ to 1% annual interest return" but, you answer, "safety of portfolio must come first." . . . For obvious reasons, you question the advisability of heavy investments in longs. . . .

Consider, then, these points:

(1) The Treasury cannot permit any prolonged or severe decline in the long-term Government mart, for it is upon that market that it must depend for the major war financing task. . . .

(2) The Government has at its disposal today enough control devices to do just about anything it wishes with the level of interest rates and the price trend of high-grade bonds. . . .

(Continued on page 1618)

Security Traders Association of New York Dinner

Picture on Page 1619 of This Issue

OUR REPORTER'S REPORT

Underwriters and dealers slated to participate in the marketing of the American Tobacco Company's $100,000,000 of 20-year 3% debentures, due out tomorrow, are confident that the issue will meet decidedly satisfactory response.

For weeks it has been recognized in investment and market quarters, that the pricing of this deal for public offering would decide pretty much whether it was destined to move out rapidly, or, because of its size, develop into a "worker" that would require several weeks to place.

With a price of "par" set, and a prospective yield of 3%, preliminary inquiry from institutional sources, notably insurance companies, was accepted as assuring a relatively quick placement of the issue.

Appeal of the debentures to institutions, including banks, arises in no small degree from the indenture provisions for sinking fund sufficient to retire $3,000,000 of the issue annually, beginning next year.

Retirement of the debentures at that rate would leave only some $40,000,000 outstanding at the time of maturity. It is assumed that the position of the issue would be strengthened progressively to the extent that the outstanding total is reduced each year.

That the issue was expected to appeal to individuals and trust funds around the country was indicated by the scope of the selling group which is handling the marketing operation outside the metropolitan areas.

Finances In The War

"Wars are not won by armies and production alone," said the Economic Policy Commission of the American Bankers Associa-

(Continued on page 1618)

NYSE Sees War Bonds Arousing Interest In Investing In General Securities

The April issue of "The Exchange," monthly publication of the New York Stock Exchange, contains an article dealing with war bonds indicating that this investment may be the forerunner of interest in general securities.

The article follows:

For the second time in a single generation the American public is becoming securities minded as the result of a national crisis!

It was war in 1917-18 which converted this country into a Nation of investors . . . in the $15,000,000,000 of Liberty and Victory Loans. It is United States War Bonds which, on a far broader scale than on the first occasion, are causing the present World War to be the instrument in generating a vast public interest in securities investment.

Before World War I it was estimated that not more than 300,000 of the 100,000,000 population were stockholders of record in domestic corporations. A rough estimate of individual owners of stocks and bonds comprised not more than 2,000,000 persons. When the war was over the subscription records of the Liberty and Victory Loans indicated that these issues were owned by 15,000,000 individuals.

Tracing A Parallel

How may a parallel between "then and now" be traced? The analogy deals with a state of mind rather than with comparative volumes of investment buying. The introduction to war financing in 1917 was made against a background of a small national first-hand acquaintance with securities as *investments;* this may be emphasized to prevent confusion with the extensive speculation which occurred in "war stocks" in 1915 and 1916. After the first World War, Liberty and Victory Bonds—bought largely on bank credit by means of periodic payment plans arranged with banks—were sold heavily for a time. But when the long period of industrial growth began in 1922, the financing of it was facilitated by a previously enlarged knowledge of securities, and by reinvestment of part of the funds which originally had been loaned to the Government.

The number of investors in corporate stocks continued to increase during the 1930's. Still, in proportion to the tremendous increase of corporations with securities in the open markets, and in proportion, too, to the gain of population, the 1930's witnessed a material slackening in the public's interest in general securities.

This shrinkage was made evident by market transactions which dwindled practically from year to year; shrinkage was revealed by a decline in offerings of new investment securities. But the gradual increase of securities owners during the last 10 years is now being accelerated at a tremendous rate by the buying of War Bonds.

An accompanying factor, as a host of investors rises into view, has been noted by brokers and securities dealers. This is

(Continued on page 1618)

INDEX

The Chicago City Railways and the Chicago Railways Companies

(Controlled by the Chicago Surface Lines System)

CORRECTION

Referring to an article in last week's issue of the "Chronicle" entitled **"The Amazing Achievement of the Chicago City Railways and the Chicago Railways Companies"**, the author, in error, omitted several amendments to the proposed plan of distribution and we are therefore republishing the new proposed plan below.

CHICAGO LOCAL TRANSPORTATION CONSOLIDATION—PROPOSED ALLOCATION OF SECURITIES

Present Issue—	*New Securities* 30 Yr. 1st Mtge. Ser. A Sinking Fund 5%
Chicago Railways 1st 5s, 1927 (25% paid—$750 par value)	$750.00
Chicago City Railway 1st 5s, 1927 (15% paid—$850 par value)	850.00
Calumet & South Chicago Ry. Co. 1st 5s, 1927 (35% paid—$650 par value)	650.00

DISTRIBUTION PER $1,000 BOND OR SHARE OF STOCK

	Shs. $5 Pfd. $100 Par or Liq. Value	Shs. of Common	30-Year 1st Mtge. Inc. Ser. B 5%
Chicago Rys. cons. mtge. ser. A 5s, 1927	19.50	7	
Chicago Rys. cons. mtge. ser. B 5s, 1927	1.874	19.549	
Chicago Rys. purch. money 5s, 1927	12	5	
Chicago Rys. adj. income 4s, 1927	Do not participate		
Chicago City & Connecting Rys. collateral trust 5s, 1927	11.35	15.3075	
Chicago Ry. capital stock	Do not participate		
Chicago City Ry. capital stock	.975	1.5	
Chicago City & Connecting Rys. collateral trust preferred	Do not participate		
Chicago City & Connecting Rys. collateral trust common	Do not participate		
Chicago Rapid Transit Co. 6½s, 1944		20.1082	
First and refunding 6s, 1953	6.84	19.3425	$100
Metropolitan West Side Elev. 1st 4s, 1938		6.0656	
Extension 4s, 1938	8.5	6.1183	150
Union Elev. (Loop) 1st 5s, 1945	7.8	7.4519	220
Union Cons. Elev. 1st 5s, 1936	7.8	7.3860	220
Northwestern Elev. 1st 5s, 1941	7.8	7.5172	220
Chicago Rapid Tr. adj. deb., 1963	Do not participate as to principal—Court will set allotment against accrued interest account.		
Chicago Rapid Transit 7.8 prior pref. / 7.2 prior pref.	Do not participate		
Chicago Rapid Transit common	Do not participate		

Description of New Company's 1st Mortgage 5% Bonds Series "A"

The New Company is to authorize an open end mortgage Indenture which will provide for a direct first mortgage lien on all of the fixed property, rolling stock and other equipment, franchises, rights and privileges to be acquired from the Rapid Transit and the Surface Lines. The Indenture will also provide for a mortgage on all cash funds as well as on the New Company's earnings, revenues and income.

The Indenture will provide that so long as any of the bonds are outstanding, the New Company will not use the renewal and depreciation funds or the special renewal and equipment funds acquired from the Surface Lines and Rapid Transit or any additions thereto for any purpose except for renewals and replacements, additions and betterments, for the retirement of Series "A" Bonds and Equipment Certificates of the New Company and for

(Continued on page 1624)

Vietor, Common, Dann To Form In Buffalo

BUFFALO, N. Y.—Following the dissolution of J. C. Dann & Co. and Vietor, Common & Co. on April 30, the New York Stock Exchange firm of Vietor, Common, Dann & Co. will be formed, effective May 1, with offices in the Ellicott Square Building. Partners in the new organization will be Frederick Vietor, Robert C. Common, Nathan Oppenheimer, Jr., general partners, formerly of Vietor, Common & Co., Alexander P. Dann, Charles L. Gurney, Jr., C. R. Coster Steers, the Exchange member, general partners, and Jesse C. Dann, Jr., limited partner, formerly of J. C. Dann & Co. Mr. Steers will make his headquarters in New York City.

W. J. S. Borie Now With Burton, Cluett & Dana

PHILADELPHIA, PA.—Burton, Cluett & Dana, 1500 Walnut Street, members of the New York Stock Exchange, announce that W. J. Sewell Borie has become associated with the firm's Philadelphia office. Mr. Borie was formerly with Francis I. du Pont & Co. and Chisholm & Chapman. In the past he was Philadelphia manager for R. W. Pressprich & Co.

James Yates, Jr., With Gatch Bros., Jordan Co.

ST. LOUIS, MO.—James A. Yates, Jr., formerly connected with Francis, Bro. & Co. for many years as manager of their trading department, has now become associated with Gatch Bros., Jordan & McKinney, Inc., 418 Olive Street, members of the St. Louis Stock Exchange.

N. J. Bond Club To Hold Field Day In June

Lee W. Carroll of John B. Carroll & Co., President of the Bond Club of New Jersey, announces that after careful consideration, the Board of Governors of the Club has decided to hold a field day this year. The program will be modified in keeping with existing conditions and prizes will consist of War Savings Bonds. The outing will be held on Friday, June 12, at the Essex Fells Country Club.

L. D. Hill & R. B. Fogg Join Arthur Perry Co.

BOSTON, MASS.—L. Draper Hill and Robert B. Fogg have become affiliated with Arthur Perry & Co., Inc., 31 Milk Street. Mr. Hill, who has been in the investment business since 1922, for the past eight years has been with Tyler & Co., Inc. of which he was Vice-President. Mr. Fogg had been with Tyler & Co. for a number of years.

Walter D. Dunbar To Deal In Securities

(Special to The Financial Chronicle)

NEW ORLEANS, LA.—Walter D. Dunbar has opened offices in the Marine Building to engage in a general securities business. Mr. Dunbar was formerly Vice-President and Sales Manager of White, Dunbar & Co., Inc. Prior thereto he was sales manager for the Whitney National Bank of New Orleans and the Whitney Trust & Savings Bank.

J. Reitenbaugh With John C. Litt & Co.

John S. Reitenbaugh has become associated with John C. Litt & Co., 150 William St., New York City. Mr. Reitenbaugh was formerly Vice-President of Bond & Goodwin, Inc., in charge of the securities and syndicate departments.

To Open Carrere & Co.

John Carrere, member of the New York Stock Exchange, and Carroll Dunham, 3rd, will form Carrere & Co., a partnership, with offices at 65 Broadway, as of May 1. Mr. Carrere was previously an individual floor broker in New York.

COMMERCIAL and FINANCIAL CHRONICLE
Reg. U. S. Patent Office
William B. Dana Company
Publishers
25 Spruce Street, New York
BEekman 3-3341
Herbert D. Seibert, Editor and Publisher
Frederick W. Jones, Managing Editor
William Dana Seibert, President
William D. Riggs, Business Manager
Thursday, April 23, 1942
Published twice a week [every Thursday (general news and advertising issue) with a statistical issue on Monday]
Other offices: Chicago—In charge of Fred H. Gray, Western Representative, Field Building (Telephone State 0613). London—Edwards & Smith, 1 Drapers' Gardens, London, E.C.

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.

Albert Bauer Is Now With Whitaker & Co.

(Special to The Financial Chronicle)

ST. LOUIS, MO.—Albert H. Bauer has become associated with Whitaker & Co., Fourth and Olive Streets, members of the St. Louis Stock Exchange. Mr. Bauer was formerly with Francis, Bro. & Co. and prior thereto conducted his own business in St. Louis, Bauer Bros. Brokerage Co., for many years.

Henry Garrett Joins Central Republic Co.

(Special to The Financial Chronicle)

CHICAGO, ILL.—Henry H. Garrett has become associated with Central Republic Company, Inc., 209 South La Salle Street. Mr. Garrett was formerly with Otis & Co. and was an officer of Nichols, Garrett & Co. In the past he was connected with Central Republic Co.

Vinco Corp. Stock Offered At $5.50 Per Share

Public offering of the unsubscribed portion of 104,000 shares of additional ($1 par) common stock of Vinco Corp., is being made today by A. M. Kidder & Co., New York, at $5.50 per share. Common stockholders of record April 14, were offered the right to subscribe for two shares of the additional common for each three shares held, at $5.50 per share. Vinco Corp., as the manufacturer of tools, gauges, precision checking and production instruments and other items, is engaged in important defense work and the net proceeds from the sale of the additional shares will be used for additional working capital. For the calendar year 1941 company reported net income, after all charges and Federal income and excess profits taxes, of $355,637, as compared with $139,775 in 1940 and $23,519 in 1939.

Blizzard In Air Force; Sener Heads NSTA

Herbert H. Blizzard, of Herbert H. Blizzard & Co., Philadelphia, has resigned as President of the National Security Traders Association on receiving a commission as Captain in the Army Air Force. Joseph W. Sener of Mackubin, Legg & Company, Baltimore, Md., succeeds Captain Blizzard as head of the NSTA.

Herbert H. Blizzard

Captain Blizzard addressed the following telegram to Stanley Roggenburg, President of the Security Traders Association of New York, on the occasion of that association's annual banquet:

"Arrived to take up six weeks course of training Army Air Force knows how. Imagine being bunked in an ocean-front room at a dollar a head three in a room. Going to be stiff strict and efficient course. Brokers from various cities here. Maybe it's a convention of the NSTA and I wasn't tipped off. Four hundred officers every two weeks—after that the fire-works. Regards to all. Tip one for me. Captain Herbert Blizzard, USAAF."

Joseph W. Sener

It is understood that the investment business of Herbert H. Blizzard & Co. is being carried on by Captain Blizzard's associates.

Result Of Treasury Bill Offering

Secretary of the Treasury Morgenthau announced on April 20 that the tenders for $150,000,000 or thereabouts of 91-day Treasury bills, to be dated April 22 and to mature July 22, 1942, which were offered on April 17, were opened at the Federal Reserve Banks on April 20. The following details of this issue are revealed:

Total applied for ______ $332,677,000
Total accepted ______ 150,058,000

Range for accepted bids:

High—99.960. Equivalent rate approximately 0.158%.

Low—99.914. Equivalent rate approximately 0.340%.

Average Price 99.920. Equivalent rate approximately 0.317%.

(85% of the amount bid for at the low price was accepted.)

There was a maturity of a similar issue of bills on April 22 in amount of $150,330,000.

The Stock Market—What Next?

Chief concern in the present situation is whether the market is rounding out an important base for an extended take-off or whether it is on the verge of another nosedive.

Most of the technical indicators, except the more sensitive short term ones, continue bearish on the main trend and point toward still lower market levels. However, we wish to point out that the protracted period of almost unparalleled dullness (there have been similar periods before) has a definite meaning. Invariably such a marked contraction in volume means the exhaustion of important liquidation. Such contraction of volume coming after a major downtrend, which had its inception, according to Dow Theory, as far back as September 1939, is more likely to represent the dying gasp of a major liquidating movement rather than the forerunner of another important downswing.

And while on the subject of dullness—the characteristic ending of all bear markets—we would also point out that another equally important characteristic is belated weakness in the so-called old-line dividend paying favorites which usually give way rather easily in the final stages of bear markets and which keep on falling long after the main body of stocks have hit bottom. Thus there are in the market today at least two important characteristics which invariably accompany transition from a major bear to a major bull phase.

Certainly many issues still appear amply valued and some distinctly over valued, but the point is that numerous apparent bargains exist throughout the list and these are going begging. Cash was never more plentiful and the market was never on a more thoroughly liquidated basis. Nevertheless, it is more or less the unanimous feeling that nothing is more valuable than cash. All of which reminds us that somebody once said that fifty million Frenchmen couldn't be wrong—but they were, and how!

Clearly the market situation, generally speaking, is a study in psychology rather than a study in values. The question today is not whether this issue or that issue will reach into new low ground, but rather whether the next important price change will be up or down.—*G. Y. Billard, J. R. Williston & Co.*

"Toppers" Announce Sixth Annual Outing

The "Toppers," organization of municipal men, will hold their sixth annual outing on Friday, May 29, at the Knickerbocker Country Club in Tenafly N. J. Municipal men now in the Service who are in the vicinity are invited to join the outing as the guests of the association — twenty-five of the group's members are now serving in the armed forces.

Included in the program are golf, tennis, softball, luncheon, dinner and amusements, with appropriate prizes for the winners in the various contests.

Albert Milloy, First Boston Corp., is Chairman of the outing committee. Thomas C. Cafone, W. E. Hutton & Co., is in charge of golf; C. M. Haight, Tripp & Co., Inc., treasurer; James Heller, Lazard Freres & Co., gifts and prizes; John Stafford, Glore, Forgan & Co., softball; and Paul Wolf, Harris Trust & Savings Bank, tennis.

George Miles Joins Ira Haupt Co. Staff

Ira Haupt & Co., 39 Broadway, New York City, members New York Stock Exchange, announce that George H. Miles has become associated with them in their bond department. Mr. Miles was formerly manager of the bond department for Penington, Colket & Wisner and Foster, Marvin & Co., and was with Bull & Eldredge. In the past he was a partner in Schmeltzer, Clifford & Co. and J. H. Holmes & Co.

President To Offer Anti-Inflation Program

President Roosevelt plans to send a message to Congress and to address the Nation early next week on a general national policy regarding the cost of living and related factors, it was announced on April 20. The President's message will probably be sent to Congress on Monday (April 27) and his radio talk to the people will follow in the evening. The message is expected to cover wages, profits and taxes and it is also believed will set up a definite war labor policy.

The President revealed on April 10 that he was considering a broad anti-inflation program, and this was reported in our issue of April 16, page 1559.

PERSONNEL ITEMS

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

NEW YORK, N. Y.—**M. S. Wein & Co.**, 25 Broad St., announce that **Justin Newman** has joined them in their real estate securities department. He will specialize in title company mortgage certificates and inactive bonds. Mr. Newman was formerly with L. J. Goldwater & Co., Inc.

(Special to The Financial Chronicle)

BOSTON, MASS. — **Henry F. Merriam** has become associated with **J. Arthur Warner & Co.**, 10 Post Office Square. Mr. Merriam was formerly with H. M. Eames & Co.

(Special to The Financial Chronicle)

CHICAGO, ILL. — **Frank X. Duffy** and **Sven V. Platin** have become connected with **Thompson Ross Securities Co.**, 39 South La Salle St. Mr. Duffy was formerly with Merrill Lynch, Pierce, Fenner & Beane and, for a number of years of yaers, with Paine, Webber & Co. Mr. Platin was previously with Dempsey-Detmer & Co.

(Special to The Financial Chronicle)

LONG BEACH, CALIF. — **George A. Brown** has joined the staff of **Lester & Co.**, Security Building. Mr. Brown was formerly with Merrill Lynch, Pierce, Fenner & Beane and Banks, Huntley & Co. in charge of their Long Beach offices.

(Special to The Financial Chronicle)

LOS ANGELES, CALIF. — **Henry F. Hagemann** is now with **Hopkins, Hughey & Co.**, 609 South Grand Avenue.

(Special to The Financial Chronicle)

LOS ANGELES, CALIF.—**Robert F. Herpick** and **Henry K. Nelson** have been added to the Staff of **Dean Witter & Co.**, 634 South Spring St.

(Special to The Financial Chronicle)

PASADENA, CALIF.—**Frederic Hill Starr** has become affiliated with **Lester & Co.**, 234 East Colorado St. Mr. Starr was previously with Mitchum, Tully & Co., Merrill Lynch, E. A. Pierce & Cassatt, and Banks, Huntley & Co.

(Special to The Financial Chronicle)

PASADENA, CALIF. — **Chester H. Walker** has joined the staff of **Blyth & Co., Inc.**, 234 East Colorado St.

(Special to The Financial Chronicle)

PORTLAND, ORE.—**Ralph R. Macartney, Jr.**, for many years with E. M. Adams & Co., has become associated with **Hess & Butchart**, American Bank Building.

(Special to The Financial Chronicle)

PORTLAND, ORE.—**D. Vernon Miller**, for many years with Dean Witter & Co., has become affiliated with **Merrill Lynch, Pierce, Fenner & Beane**, 506 S. W. Sixth Avenue.

(Special to The Financial Chronicle)

SAN FRANCISCO, CALIF. — **Thomas A. Cox** is now with **Blyth & Co., Inc.**, Russ Building.

RR Situation Attractive

The Chicago "Letter" for April, issued by Carter H. Harrison & Co., 209 S. La Salle St., Chicago, Ill., members of the Chicago Stock Exchange, contains an interesting detailed discussion of the possibilities offered by securities of railroads approaching reorganization. Copies of the "Letter" may be had from Carter H. Harrison & Co. upon request.

Fred E. Busbey Gets Republican Nomination

CHICAGO, ILL.—Fred E. Busbey, President of Fred E. Busbey & Co., 10 South La Salle St., won the Republican nomination for Congress from the third District of Chicago, receiving 16,256 votes, against 3,288 for Ayers, and 7,557 for Lyle, his opponents.

March Failures Are Highest Of The Year

March business failures rose seasonally above the month preceding and also topped January, which in other years has frequently established the year's peak. However, in March last year failures reached their highest level of the year and last month's insolvencies were considerably reduced from that month. Business casualties last month, according to Dun & Bradstreet, Inc., totaled 1,048 and involved $12,011,000 liabilities as compared with 916 involving $9,631,000 in February, and 1,211 involving $13,444,000 in March, 1941.

The increase over February was common to all divisions of commerce and industry into which the insolvencies are divided with the exception of the commercial service division. Compared with last year, however, only the construction group showed an increase while the manufacturing group showed no change; the other three groups were reduced. Manufacturing failures numbered 188 last month, the same as in March, 1941, and involved $3,739,000 liabilities compared with $3,647,000 in the same month last year. Construction insolvencies rose to 77 with $896,000 liabilities from 60 with $765,000 a year previous. In the wholesale trade division failures dropped to 85 involving $1,369,000 compared with 105 involving $2,049,000 in March last year. In the retail division 650 firms failed for $4,813,000 in comparison with 800 for $6,128,000 a year ago. Commercial service failures numbered 48 with $1,194,000 liabilities as compared with 58 with $855,000 liabilities in March, 1941.

The trend of failures was not uniform in the different areas of the country. When the country is divided according to Federal Reserve Districts, it appears that seven districts had fewer insolvencies than in March, 1941, while five districts had more. Three had fewer than in February, one an equal number, and eight, more. As compared with both last year and February the improvement was almost entirely concentrated in the Eastern and Far Western Districts. Of the districts in the central areas only the St. Louis District was below the level of March, 1941, but none was reduced from last February.

New South Wales Issues Selling Out of Line

State of New South Wales (Australia) 5's due 1958 are currently selling about twelve points above the comparable and similar issue of 1957, according to F. J. Young & Co., Inc., 52 Wall Street, New York City; both bonds are listed on the New York Stock Exchange.

The last sales during the week ended April 18th were 70 on the 1958 maturity, versus 58 on the 1957 issue, according to F. J. Young & Co., which is equivalent to twelve points or more than two years interest and which appears to have been caused by the recent sinking fund operation on the 1958 bonds — the next nearest sinking fund is scheduled to operate in August, in favor of the 1957 issue.

Bond Club Of Denver Bowling League Returns

DENVER, COLO.—The Bowling League of the Bond Club of Denver announces the scores for the 12th week of the meets:

	Won	Lost	Pct.
Roystones	26	10	.722
Municipals	21	15	.583
Odd-Lots	19	17	.528
Preferreds	19	17	.528
Over-the-Counters	15	21	.417
Investment trusts	15	21	.417
Dividends	15	21	.417
Corporates	14	22	.389

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

High team series is held by the Municipals; high team game by the Municipals; high individual series by Ernie Stone with a score of 587; high individual game by Chan Lilly with a score of 237.

Fla. Road & Bridge Bonds In The War Economy

B. J. Van Ingen & Co., 57 William St., New York City, have prepared a memo on Florida's County-District Road and Bridge Bonds in the war economy. This memo supplements a booklet, "Florida's New Gas Tax Laws," recently issued by the firm. Copies of the booklet and memorandum may be had from B. J. Van Ingen & Co. upon request.

Suspended By Exchange

James Russell Lowell, New York City, has been suspended from membership in the New York Stock Exchange. Mr. Lowell, an Exchange member since 1929, has filed a voluntary petition in bankruptcy listing liabilities of $215,486 and assets of $20,272.

Vieth Acquires Interest

DAVENPORT, IOWA — Walter E. Vieth has purchased the interests of Floyd C. Duncan and Lucien A. Wood in the partnership of Vieth, Duncan & Wood, Davenport Bank Building. The firm will be continued by Walter E. Vieth under the firm name of Vieth, Duncan & Wood and A. M. MacLaughlin will be admitted to partnership.

Wesley Hall Co. Formed

(Special to The Financial Chronicle)

SAN DIEGO, CALIF.—C. Wesley Hall has formed the firm of Wesley Hall & Co. which will conduct a general investment securities business at the location previously occupied by Miller, Hall & Co. in the First National Bank Building. Mr. Hall was formerly a partner in Miller, Hall & Co., which is being dissolved because of the death of Mr. Miller.

Clare N. Phillips, Homer D. Peabody, Ruth O'Neill, Irene T. Moore, and Katherine Franz, all previously associated with Miller, Hall & Co., will be connected with the new firm.

Hackett To Be Partner

W. Joseph Hackett will become a partner in Blair S. Williams & Co., 14 Wall St., New York City, members of the New York Stock Exchange, as of May 24. Mr. Hackett will act as alternate on the floor of the Exchange for William Shippen Davis, under Section 15, Article IX of the Exchange's Constitution.

Anderson & Dorney Now With J. A. Hogle

(Special to The Financial Chronicle)

LOS ANGELES, CALIF.—Walter N. Anderson and Richard B. Dorney have become associated with J. A. Hogle & Co., 532 West Sixth Street. Mr. Anderson was formerly with E. H. Rollins & Sons Incorporated and prior thereto was in business under the name of W. N. Anderson & Co. Mr. Dorney for many years was with Sutro & Co.

Keresey And Kyle Now With Estabrook & Co.

Estabrook & Co., 40 Wall Street, New York City, announce that Edward J. Keresey and A. Kenneth Kyle are now associated with them. Mr. Keresey was formerly proprietor of Keresey Co., New York and prior thereto was with Campbell, Phelps & Co., Inc. In the past he was with Estabrook & Co.

Richard W. Grigg Joins Longan, Dunn & Philleo

(Special to The Financial Chronicle)

LOS ANGELES, CALIF.—Richard W. Grigg is now with Longan, Dunn & Philleo, 621 South Spring Street, members of the Los Angeles Stock Exchange. Mr. Grigg was formerly associated with Cavanaugh, Morgan & Co., Inc. for a number of years and prior thereto was with Schwabacher & Co.

Currier With E. H. Rollins

(Special to The Financial Chronicle)

ROCKFORD, ILL.—Laurence J. Currier has become associated with E. H. Rollins & Sons Incorporated, 231 South LaSalle Street, Chicago. Mr. Currier was formerly with Paul H. Davis & Co. and prior thereto was an officer of Jilbert & Co., William H. Flentye & Co., Inc., and Ramey, Bassett & Co.

Tomorrow's Markets Walter Whyte Says—

Last week's break through an important market indicator. Rally up to 75% possible but not to be trusted. Only major war victory can inaugurate real move.

By WALTER WHYTE

The difficulty of gauging a market that has no volume to speak of was again demonstrated in last week's price action. Two weeks ago prices, as measured by the N. Y. "Times" average, managed to go through to a new high on the move. The theory when this occurs, is that a reaction will follow. On such reactions stocks usually recognize support points, hesitate and then go up again. Following this thought through, such reaction should be used to buy stocks.

* * *

This is what this column did. It went out on a limb and recommended the purchase of various issues which, in the opinion of the writer, had not only acted better than the market when the market had rallied, but had also demonstrated this quality by refusing to act as badly as the rest of the market when it reacted.

* * *

Unfortunately, I turned my head away from the war, its complications and implications. For instead of the market stopping where by all technical yardsticks it showed it would, it went on down through the previously determined resistance points.

* * *

On the reaction, only four stocks managed to stay above their stop prices. These were Atchison at 34; International Harvester 41½; Union Carbide 57; and Western Union 24.

* * *

As this is written, these stocks are slightly above these figures, having rallied slightly in the last few days. Now the question arises: Is the break through of last week an indication of further sharp reactions or was it just another one of those things without forecasting significance?

* * *

If the first theory is to apply, then all stocks are a sale. But even if this were so, a rally of anywhere from 50% to 75% from the recent lows can be expected.

* * *

If the second theory is applied, then it must be assumed that nothing the market does from here on is to be trusted insofar as future indications are concerned.

I know as well as the next man, that the much talked of forecasting power the market was supposed to have, no longer as important as they were once. For we have a war on our hands. A war that not only breaks all precedents, but tears asunder all economic and political ties. In some cases these breaks are precedent breaking in themselves.

* * *

If you want a better picture of what I'm talking about, just pick up your daily papers and read how the Government has stepped in and brought legal proceedings against some companies because of cartel arrangements they still had with the enemy.

* * *

Obviously no one knows what the news, war, political or economic, will be until it become news. And even when it hits the front pages, the matter of interpreting marketwise is still to be settled. And there only the market itself can solve the problem. So in the final analysis it is market action which in the long run will determine trend.

* * *

If this is so, then the break through of last week is bad news. It means just one thing—prices by their own action have signalled that they are headed for lower levels. But a signal is seldom followed by immediate performance. A time lag of anywhere from one week to possibly a month is not only possible but is indicated. It is during these time lags that markets frequently begin throwing what later prove to be false indications.

* * *

For one, the market may go into a period of hibernation during which what appear to be bases are slowly built up; a condition that leads to many false premises. Or it may even rally. Either or both of these conditions may be witnessed at the same time in different portions of the markets. But the outstanding fact, that the market has by its previous break through signaled a continuation of a down trend, or the beginning of a new down trend, is frequently overlooked.

* * *

It is therefore important to remember that what happened in the past, should gauge your actions in the

(Continued on page 1620)

RAILROAD SECURITIES

The Baltimore & Ohio Secured 4s, 1944, have been attracting progressively more favorable attention in recent months, with speculators and investors particularly impressed with the pronounced market stability since Pearl Harbor. Periods of general weakness such as followed the initial Japanese attack and the more recent return of Laval to power in France have naturally had some effect on these notes. Nevertheless, any weakness that has developed has been relatively narrow, and of very short duration. Moreover, after any such sell-offs the notes have displayed marked resiliency. These notes originally carried a 4½% coupon and matured in 1939. Under Baltimore & Ohio's Chandler Act readjustment the maturity was extended for five years and the interest rate reduced to 4%.

The Secured 4s, 1944, are outstanding in the amount of $50,000,000 of which $13,490,000 is held by the RFC and $36,510,000 by the public. They are secured by pledge of $38,000,000 face value of the company's Refunding & General 6s and 232,000 shares of first preferred, 332,000 shares of second preferred and 566,000 shares of common stock of the Reading Company. The status of the bonds is bolstered by the favorable depression record of Reading Company. The latter is one of that select group of carriers that was able to maintain profitable operations and common stock dividends consistently throughout the depression decade. Even at the current common dividend rate of $1.00 (compared with 1941 earnings of $4.67 a share) the income from the pledged Reading stock covers approximately 85% of the annual interest requirements on the notes. A dividend of $1.50 on Reading common would be just about sufficient to afford full support for the notes without any consideration being given to the obvious earning power of the $38,000,000 Baltimore & Ohio Refunding & General 6s pledged. As it is, the income from the pledged Reading stock would afford a current return of more than 4.50% on the aggregate market value of the notes taken at recent levels of around 75.

While the collateral position of the notes is alone sufficient to arouse the interest of investors, and this is currently being bolstered by the wide improvement in the earnings and finances of Baltimore & Ohio itself, the major factor in the outstanding market performance of the notes has obviously been the belief that the company itself may be an important buyer over the next few years. Under the Chandler Act readjustment consummated a few years ago the company agreed that for the years 1939-1943, 75% of net income, after deduction of a capital fund and all current and accrued contingent interest, would be diverted to a sinking fund for the retirement of outstanding debt. After 1943 the sinking fund is reduced to 50% of net until a total of $100,000,000 face amount of debt has been retired. As the Secured 4s, 1944, represent the earliest sizable maturity of the company it is generally expected that they will be the major beneficiaries of the program. Fairly generally the roads that have embarked on debt retirement programs have concentrated on possibly troublesome near maturities without regard for lien position.

After deduction of 2½% of gross for the capital fund and after paying off all accumulations of contingent interest for past years, the management announced that there would be $3,554,502 available for the sinking fund from 1941 earnings. If this fund were all applied to retirement of the Secured 4s, and figuring an average price of around 80, it would be possible to buy in more than $4,400,000 face value this year. It is indicated that payments into the fund next year will be far heavier. For one thing, accumulations of contingent interest have now been cleared up so the interest deduction from 1942 earnings will be only for current accruals. If 1942 earnings hold to 1941 levels the sinking fund operating in 1943 would amount to $11,600,000. Maintenance of the same level of earning through 1943, and holding to the proposition that the company will concentrate on the 1944 maturity problem, would allow retirement of more than 90% of the publicly held notes by maturity, at an average price of 80. This potentiality obviously would constitute an important market factor, and engenders considerable confidence in the present price structure even in recurring periods of general market weakness.

SITUATION WANTED

Unlisted Security Trader—twenty years of all around experience, formerly partner in an Over-the-Counter securities firm. Married. Box L 22, The Financial Chronicle, 25 Spruce St., New York, N.Y.

In Armed Forces

John E. McGovern, partner in Norris & Kenley, Chicago, has been commissioned a Captain in the Aviation Corps and has been ordered to Harrisburg, Pa. Mr. McGovern in the first World War had joined an aviation school and was later commissioned a First Lieutenant.

Edwin L. Gilroy, Vice-President of Webber, Darch & Co., Chicago, has reported for duty as Lieutenant Commander in the United States Naval Reserve. Mr. Gilroy, who served in the last war as an ensign aboard the U. S. S. Wachusetts, has been appointed an instructor in navigation at the Midshipmen's School at Abbott Hall on the campus of Northwestern University.

Walter B. Pierce of W. B. Pierce & Co., New York City, has been recommissioned in the U. S. Marine Corps where he served in the last war.

Elected To Membership In N. Y. Dealers Ass'n

At a meeting of the Board of Governors of the New York Security Dealers Association, John F. Wark, Merrill Lynch, Pierce, Fenner & Beane, and Herbert Singer, Luckhurst & Co., Inc., were elected to membership in the Association.

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—40⅝, low—14¾, last—37¾.

THE BOND SELECTOR

REPUBLIC OF BOLIVIA EXTERNAL BONDS

War Time Demand For Minerals And Financial Aid From United States Bolster Bolivia's Dollar Position

Mining is by far Bolivia's most important industry and tin the chief mineral mined. The great Patino and Hochschild tin mines have become of prime importance to the United Nations since the tin districts of Malaya fell into Japanese hands. Under contracts signed between Bolivia and the United States, we agreed to purcnase about half of Bolivia's tin output over a period of five years beginning with 1941. Originally envisaged as an annual tonnage of about 18,000 tons, more recent events have caused plans to be jumped to 52,000 tons of tin to be treated in a smelter now under construction in Texas. Presumably this additional tonnage will come largely from Bolivia, other sources being in enemy hands or under contract to others. The United States will also buy Bolivia's annual copper production of 6,500 tons and all the tungsten the country can produce.

Although defaults occurred on Bolivia's foreign debt prior to 1877, between that year and 1930, all foreign obligations were met promptly. Since 1931, however, debt service, with the exception of the Match Loan, has been again in default. Although there is in existence an active Bondholder's Committee, no plan has been consummated for resumption of service on the external debt. The problem depends in good measure on the country's dollar position and this has improved greatly during the past year. The excess of merchandise exports to the United States over imports totalled $15,358,000 in 1941. In 1940, there was a deficit of $2,095,000. To what extent Bolivian foreign trade has improved is further shown by trade returns just received from Bolivia which place total exports in the first 11 months of 1941 at about $55,400,000, compared with $45,508,000 in the same 1940 period, and $30,232,000 in 1939, according to Standard & Poor's. There is every reason to expect that there will be no early interruption in this favorable trend, and consequently Bolivia's exchange position should continue to improve.

In addition to contracts whereby the United States has agreed to purchase most of Bolivia's metals output and the favorable trade balances referred to above, several other developments have occurred which are encouraging to the bondholders and others having a stake in Bolivia's finances. The most important of these has been the signing of a series of economic and financial agreements and the settlement of the long-standing dispute between the Bolivian Government and Standard Oil of New Jersey.

Although precise information is lacking on the amount of financial aid rendered Bolivia by the United States, it is certain that the total is relatively impressive. Lend-lease assistance provided under the contract signed in December, 1941, probably involved between $10,000,000 and $15,000,000. At the end of January, when Bolivia broke off its relation with the Axis powers, Bolivia and the United States signed a $25,000,000 development program providing for the creation of a Bolivian Development Corporation with the backing of a $10,000,000 Export-Import Bank credit. Since one of the great problems in Bolivia's economy has been adequate highway connections between various sections, construction of a 225-mile highway linking the agricultural and mining centers will be the first project under this $10,000,000 credit. These latter credits are in addition to an initial loan from the Export-Import Bank of $5,500,000 for development of the country's oil industry; this initial amount will be increased as needed.

The dispute between Bolivia and Standard Oil of New Jersey arose over the Government's expropriation of the company's Bolivian properties in 1937. It was recently announced that Bolivia has agreed to pay Standard Oil $1,500,000 plus 3% interest from March 13, 1937, in settlement of all claims.

With customs revenues accounting for 60% of total Government receipts the general improvement in Bolivia was accompanied by a sharp increase in Government collections. The total for the first nine months of 1941 (the latest figures available) was Bs. 711,063,000, or nearly double the 1940 figure for the corresponding period. The 1942 budget may be boosted 27% to Bs. 912,000,000, but from all available indications the Government will have no difficulty in finding this additional revenue.

The principal weakness in Bolivia's financial structure is a relatively high public debt amounting to Bs. 4,744,242,000 at the end of 1940. This total includes Bs. 4,163,371,000 of external debt, the bulk of which is represented by long term dollar bonds. Including unpaid interest, the dollar obligations amounted to $104,084,000 at the end of 1940. These dollar bonds consist of four issues and are traded exclusively over the counter. The following are the bonds and their current prices and recent ranges:

	Outstd. Mil. $	Last Coupon Paid	1942 Price Range	Current Market
6s, Oct. 1, 1940	1.3	10/1/30	18 -10	14½
8s, May 1, 1947	22.2	11/1/30	13½- 5	12½-13
7s, July 1, 1958	13.4	7/1/30	11 - 5	10 -11
7s, Mar. 1, 1969	22.7	9/1/30	11 - 5	10 -11

As mentioned previously, all these dollar bonds have been in complete default since 1931 except for a payment of $10.14 on the 8s, 1947, which was made in December, 1941, on account of the May 1, 1931, coupon. This disbursement, however, was a peculiar case affecting this particular issue and had no bearing on the overall debt picture. There is little question that it will be some time before any definitive action is taken for settlement of Bolivia's external debt. This problem, however, is the last remaining one awaiting settlement between the two countries, and it is certainly not being over-optimistic to anticipate some constructive developments. In the meantime, Bolivia's external bonds, which can be bought for 10 to 15 cents on the dollar, are considered an extremely interesting speculation.

Bank and Insurance Stocks

This Week — Bank Stocks

In an important address to the Wisconsin Bankers Conference, Leo T. Crowley, Chairman of the Federal Deposit Insurance Corporation, has laid down the official policy with regard to capital ratios and ratios of ploughed back earnings, two factors having a direct bearing on stockholders' dividends.

First, Mr. Crowley repudiated the establishment of any arbitrarily set minimum acceptable capital ratio, such as the famed 10:1 generalization. The minimum acceptable capital ratio must be determined for individual banks on the basis of their own condition and trends, and not arbitrarily set at an inflexible minimum, without regard to other factors in the bank, because (1) Adequacy of a given capital ratio varies widely from bank to bank and even from season to season within a bank; (2) Experience shows an official minimum tends to become the maximum in practice; (3) There should be as little of restrictive legislation as possible.

In effect, this means that just because the ratio of capital funds to deposits and earning assets is below 10%, it does not necessarily follow that there is a capital deficiency in a particular bank, calling for issuance of new capital and/or reduction in dividend to increase ploughed back earnings. A bank may have a capital cushion of only 5%, and yet because of thoroughly sound condition of assets, be stronger than a bank with double the capital cushion but having sub-standard assets.

Thus, Mr. Crowley sets forth the formula for testing adequacy of bank capital: Look at both the capital cushion and the weight upon the cushion—the capital ratio and the quality of bank assets.

Secondly, in his suggestions for improving quality of bank assets, Mr. Crowley listed the following: (1) Maintained bank credit standards in making loans; (2) Requiring amortization of mortgages; (3) Disposal of sub-standard assets in improved markets, particularly real estate; (4) Charge-off of known losses and depreciation on assets out of improved bank earnings, thus eliminating asset exposure and at the same time deriving tax deductions.

Mr. Crowley did not mention the offficial attitude toward War expansion in Government securities and its effect on capital ratios, especially if Government security holdings should expand under the pressure of War financing to alone many times the capital funds. In view of such omission, it may be assumed that there is nothing wrong with a bank's taking of all the Governments it wants regardless of the capital ratio, because (1) the mere volume ratio is not determining; (2) Government securities are highest grade type of asset and are rediscountable at the Federal; (3) All available support should be mobilized for War financing.

If the assumption is correct, then it follows that money center banks whose assets are generally of highest grade, consisting in large part of Government securities of medium and short maturities, should not be reducing dividends merely because the volume ratio of capital funds stands to show great diminution in proportion to forthcoming expansion in Government securities. In fact it would appear that such volume expansion would be a source of improved gross earnings, with which to help absorb the increase in costs, particularly taxes.

To take a well known New York bank as an extreme example, the bank in 1941 made $14,800,000 gross on earning assets avergaging about $660,000,000 during the year. Of these earning assets, 70% are Governments with a maturities average of 5 years; 23% are "other" securities; and 7% are loans. Stated capital cushion is equal to 14% of deposits and 18% of earning assets. Operating expenses are $1,200,000. The bank is not subject to excess profits tax because of large invested capital credit. Dividend was reduced from $10,000,000 to $8,000,000 annual rate in December.

If combined normal tax and surtax should be 55%, then on the basis of 1941 income from earning assets alone, without allowance for further earning asset expansion or other earnings, taxes would be $5,500,000, and reduce net operating earnings to $8,100,000, thus justifying the dividend reduction.

But the bank probably averaged about 1½% return on its Governments. Reducing that in half, to allow for taxes, expansion of $250,000,000-$300,000,000 in Governments would be indicated in order to provide gross earnings to absorb the higher taxes and provide a little overage. Would this ruin the capital ratio—the capital cushion would then be still over the 10:1 fetish—12% of earning assets. Does the bank have the excess reserves with which to add such a supply of Governments?—the Treasury will probably provide banks with ample reserves for buying Governments, because no bank would care to buy Governments yielding net of ¾% and have to borrow the reserves at the Federal at the rediscount rate.

This instance would appear to be an example of a large money center bank which probably could have made a stronger effort to maintain its dividend, in view of the high quality of its assets, high capital ratios, and apparent ability to carry a larger volume of Governments without straining capital ratio. In view of the official FDIC policy that a capital ratio of less than 10% is not objectionable, provided quality of assets is maintained, other money center banks should take a more constructive policy toward maintenance of dividends. Substantial expansion in Governments would support the War financing program, would not deteriorate quality of assets and would provide the gross with which to absorb higher taxes.

Ploughing back more than 10% of current earnings, at the expense of ruining bona fide investment sentiment for bank shares, would not appear feasible in view of the lack of any real pressure for building up capital ratios. Many stockholders, particularly institutional investors such as insurance companies, need the income. Why reduce dividends to maintain a preconceived ratio of ploughed back earnings, such as 40% in one case? There is no pressure to build up capital funds; the quality of bank assets is high. Mr. Crowley has indicated that low capital cushion does not mean ploughing back a larger or even maintained high portion of earnings, if qual-

The Securities Salesman's Corner

THE BOND SALESMAN HAS SOME MORE TO SAY ABOUT TAXES

It was on June 1, 1940, that Mr. Jerome Frank, who was then Chairman of the SEC, publicly expressed the pledge that the Commission would do everything in its power to "further the flow of private capital into private industry."

It is now almost two long years since Mr. Frank made this promise to the Chairman of the House Committee on Interstate & Foreign Commerce. Private capital is not flowing into private industry. Mr. Frank has become a Judge. Mr. Eicher who succeeded him is also a Judge. Mr. Purcell who succeeded Mr. Eicher we can assume is also on his way to becoming a Judge. If the SEC has done anything to speed the flow of private capital into industry there are many of us who as yet have not heard about it.

What has all this to do with Taxes, you may say? Only this one fact is certain. Private financing and the securities markets are just about ready to expire from complete inertia. Whether or not, any agency of government, or any official of a government bureau, ever expresses the opinion that private financing of business is desirable (and there may have been many such statements) *just as long as the present system of taxation upon Corporation earnings is in effect any progress in this respect will be almost nil. Excessive rates of taxation will speak louder than all the promises of all the bureaucrats when it comes to the actual results of lowered production, stagnant capital and lowered industrial morale.*

Look at the case of Lockheed aircraft. A fine company in a new and vital industry, if there ever was one. A company with an excellent growth record. Founded in the depression its capable management weathered the storms of financial hardship incident to a growing business during these past difficult years. Along came the war. Uncle Sam needed planes. Lockheed needed additional working capital. A little over a year ago the company entered the private capital market and we bond salesmen sold their stock to our customers at about thirty-one dollars a share.

Now let's see what has happened. Did Lockheed produce the planes for Uncle Sam. You only have to look at the figures for the year ended December, 1941, to see that they did. $144,000,000 worth of them (without Vultee's production) as against only $45,000,000 in 1940. The headlines carried the story Lockheed earns $6.14 per share in 1941 against $3.16 in 1940. The labor leaders, business baiters, and some politicians, add another case to their list of what they called "enormous war profits." Yet, today, our Lockheed stock has declined to $20 a share. Our investor clients have seen their principal impaired over 33% in market value.

But let us look a little deeper. Instead of the newspaper headlines quoted above what if they would have put it this way: "Lockheed pays Government cash sum of $19,600,000 in taxes, is allowed to keep $6,600,000 for its stockholders. This $6,000,000 is represented by additional brick, mortar, machinery, inventory, plans, designs, etc. that has been added to the productive power of the business. This would have been nearer the truth of the actual state of affairs.

One look at Lockheed's balance sheet on Dec. 31, tells this story. In order to finance the enormous increase in its payrolls, inventories and productive facilities our investors find that the company had to borrow $15,050,000 in notes payable that are now ahead of the stock they bought for $31 a share. Accounts payable have also increased about $9,000,000 over the same date 1940. A long term debt of $15,550,000 has been added and also takes precedence over the equity capital they have supplied. True enough the property and plant are now valued at about $15,000,000 more than the year before but who can tell what fixed assets may be worth if a business becomes overbuilt to take care of a temporary national emergency and then finds itself with surplus facilities in future years. This has happened before with devastating effect to stockholders equities. Then again our stockholder finds that his company's cash on hand has declined from almost $28,000,000 to about $9,000,000. But let's not forget—the tax collectors want $19,000,000 from Lockheed in 1942. They want it in cash—not in planes, machines, accounts receivable inventory, hot air or promises

When you look at a picture like this maybe there is another reason besides the pessimistic war news and the generally unfavorable outlook why Lockheed stock is today selling for $20 instead of $30 per share. Mr. Frank, Mr. Morgenthau, or P. T. Barnum himself couldn't get private capital to go to work with such examples as these before it.

The results of this "kill the goose to put some more political tax programs together" is beginning to actually "kill the goose." We see that just the other day, a Government bureau is going to finance the payrolls and inventory of the Lockheed company. In other words, the present tax has already squeezed this company dry so that along with its demands for more working capital, the Government itself now has to turn around and supply funds for this purpose.

But Mr. Morgenthau wants higher corporation taxes. Mr. Senator and Mr. Congressman want higher corporation taxes. Mr. President doesn't want a "sales tax." Mr. "Vote for Me" of any and all shades of political complexion wants more and more taxes on corporations but none where Mr. John Q. Public will see them when he pays them.

"This is the way our Government penalizes the savers of America for the benefit of the spenders of America. For the spenders always outnumber the savers and they are the ones who also keep the Government spenders in office."

The National City Bank has just completed a survey covering 112 Corporations that paid over $5,000,000 each in taxes in 1941. The companies showed total net income of $3,716,000,000 before deduction of their taxes. Income and excess profits taxes exceeded $2,119,000,000. If Mr. Frank put aside his legal robes and came back to the SEC, do you think there is anything he could do after seeing figures like these, that would encourage private capital to go to work? We don't.

If you are a bond salesman, investment dealer, or an investor why not sit down and write to your Congressman and tell him some of these things. We've got to raise a pile of money to pay for this war—that's true. But the sooner we begin to go where the money is, rather than keep on pegging away at the business corporations who are just about sucked dry already—the more the Treasury will receive and the better it will be for everybody. About one-third of the nation is now receiving in salaries and payrolls, a higher income than ever before. That great mass of the people who are the direct beneficiaries of time and a half for overtime have an income ahead of them for 1942 of $18,000,000,000. Present tax rates hardly touch this group. That's the place for Uncle Sam to get the dough—if he really wants it. Besides this is the spot to curb inflationary buying of every gadget under the sun, from waffle irons to saxaphones.

Note: This column never takes the position of knocking any stock. We don't know whether or not Lockheed today is an attractive investment or not. We only state this case as a typical example of one of the realities to prove our contentions. We would say however, that any salesman can find many similar situations that can be brought before his clients for investigation and the possible exchange into others where the outlook is less obscure.

---

ity of bank assets is unimpeachable. Unless large scale expansion in Governments is to be characterized as potentially dangerous for solvency, therefore, banks owe it to their stockholders to try to maintain dividends. consistent with maintaining quality of assets, ploughing back a reasonable portion of earnings and covering higher taxes.

N. Y. Stock Exchange Weekly Firm Changes

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

Transfer of the Exchange membership of Herbert S. Whitman to Allan L. Melhado, New York City, will be considered on April 30.

The proposal that Archie M. Reid act as alternate on the floor of the Exchange for David A. Lowry, partner in Carlisle & Jacquelin, New York City, under Section 15, Article IX, will be considered by the Board of Governors, today.

Interest of the late Pierpont Davis, a special partner in Fellows Davis & Co., New York City, ceased as of April 14.

Cornelia I. Jordan, limited partner in Thomas Jordan & Co., New Orleans, La., withdrew from the firm as of April 15.

F. F. Janney has retired from partnership in Dean Witter & Co., San Francisco, Calif., effective March 31. Mr. Janney made his headquarters in Portland, Ore.

D. R. Collins & Co., New York City, retires as an Exchange member firm, as of today.

Investment Trusts

Investment Company Reports

Chemical Fund, Inc.—March 31, 1942

The annual report of Chemical Fund, Inc. shows that the Fund's net assets on March 31, 1942, the end of its fiscal year, taking securities at market value, amounted to $7,556,426 compared with $7,852,061 a year ago.

During the fiscal year just closed the number of shares outstanding increased from 903,214 to 1,002,107. On the increased number of shares outstanding as of March 31, the asset value per share was $7.54 compared with $8.69 on shares outstanding March 31, 1941. Increased net income enabled the company to pay dividends of 38 cents per share during the year compared with 36 cents per share in the previous fiscal year.

Income received from cash and stock dividends during the fiscal year totalled $402,641.25. Expenses amounted to $59,757.41, leaving net income of $342,883.84.

The vital contributions of the chemical industry to the all-out war effort are discussed in the letter to stockholders. "The war has greatly increased the demand for many basic peace-time chemicals such as chlorine, ammonia, phenol and formaldehyde, and production facilities have been largely expanded," the report points out. "Large scale production of magnesium from sea water is a chemical engineering achievement of great importance to peace-time as well as military needs. A number of companies in the Fund's portfolio are making major contributions toward the creation of a synthetic rubber industry which not only helps to meet a war-time emergency but may make the country more independent of foreign sources. Other notable advances are being recorded in the fields of synthetic textile fibres, plastics, synthetic vitamins, drugs of the sulfonamide group, phosphate compounds for the enrichment of foods, drying oils for paints and varnishes, and fibre glass. One effect of the war has been to accelerate many chemical developments which while important now are likely to become of even greater importance in the post war years."

* * *

Eaton & Howard Balanced Fund—March 31, 1942

Net asset value of Eaton & Howard Balanced Fund on March 31, 1942 was $14.96 per share. At the end of the first quarter, 13.9% of the Fund was held in cash or invested in U. S. Government securities, 22.2% was invested in corporate bonds, 29.2% in preferred stocks, and 34.7% in common stocks.

* * *

Eaton & Howard Stock Fund—March 31, 1942

Net asset value of Eaton & Howard Stock Fund on March 31, 1942, was $8.65 per share. At the end of the first quarter, the Fund was 67.8% invested in stocks compared with 83.5% on Dec. 31, 1941, the balance being held in cash or invested in U. S. Defense Bonds.

* * *

Fundamental Investors, Inc.—March 31, 1942

Net assets of Fundamental Investors, Inc. on March 31, 1942 totalled $5,239,627.84. This was equivalent to $13.31 per share, representing a decline of 1.5% from the valuation of $13.51 per share at the close of the preceding quarter. This compares with a decline of 7.8% for Standard & Poor's 90 Stock Index, and with a decline of 10.3% for the Dow Jones Industrial Average.

Income received from dividends during the quarter totalled $66,482.78. Expenses amounted to $12,102.11, leaving net income of $54,380.67.

George Emlen Roosevelt, President of Fundamental Investors, Inc. said in the letter to stockholders: "It is interesting to note that many companies are finding a position in the war production program where, a few months ago, their management despaired of being able to convert for war production or to continue making peace-time products. . . . Those industries which are not in a position to convert their facilities for war production or to supply civilian essentials will, of course, be seriously affected by priorities and raw material shortages. The operating results of various industries will vary widely as a result of these conditions. Some industries, despite higher taxes, will prosper, while others will be severely hurt, if not forced to go out of business.

"The investments of the Fund are well concentrated in the securities of those companies which, either directly or indirectly, are contributing to the war effort through the production of goods and materials used by the armed forces or through the supplying of materials or services to such producers. In changes made in the investments of the Fund during the past year and a half, particular attention has been given to building up a portfolio attuned to a war era."

* * *

National Bond and Share Corporation—March 31, 1942

National Bond and Share Corporation's assets at March 31,

(Continued on page 1618)

Municipal News & Notes

State and local revenues, already seriously menaced by wartime priorities, rationing and industrial conversion, are being threatened for the second time on another front. Representative Robert L. Doughton, Dem., N. C., Chairman of the House Ways and Means Committee, introduced a measure earlier this year, calling for the exemption from State and local taxes the sale, purchase, storage, use and consumption of property and services needed by firms with war contracts. The bill met a howl of protest from State and local officials all over the country, who contended that it would cripple many State functions.

A revised version of the measure has now appeared before the Ways and Means Committee, which will probably be considered along with other revenue measures, as no hearings are slated on the new bill. The original proposal was said to have the opposition of the Treasury Department because of its own crusade against municipal bond tax-exemption, and the new Doughton bill will probably be sabotaged from that source. However, the War and Navy Departments backed it from the start, on the ground that State and local levies interfere with the speedy placement and execution of war orders.

State Road Bonds Still Found Acceptable

Despite the undeniable prospect that as the war proceeds all States will be getting less and less income from so-called highway revenues (gas taxes and motor vehicle license fees) there is no letup on investment demand for better grade State highway bonds. This is largely because the debt service of highway bonds in many states is way below the income from gasoline taxes and motor vehicle license fees and in addition these highway bonds are general obligations of their States.

Obviously, then, highway revenues could stand a sharp decline before support from general taxation would be needed.

Maine Highway Bond Offering Big Success

An example of keen competitive bidding for bonds in the above category was the sale last Thursday by the State of Maine of $700,000 highway and bridge bonds at 100.155 for 1s, an interest cost basis of 0.9806%. The offering attracted widespread interest among municipal firms, with 17 bids being submitted. The award represented a near-record price for bonds of comparable maturity.

California Tax Collections Up

Tax collections for the State of California have increased 98% in the last five years, according to the new edition of Tax Systems just published by Commerce Clearing House, Inc.

The per capita tax levy in California for 1941 was $53.14 as against $30.66 in 1936.

This brought California up to first place in the size of the per capita levy from fourth place in 1936.

Although taxes for the larger cities have generally fallen off throughout the country, those of San Francisco and Los Angeles have increased in three recent years, the publication finds.

Greenwich, Conn., Doing Nicely

If anyone has the mistaken idea that the traditional shrewdness of the Connecticut Yankee is dead, he should read the annual report of Greenwich. That town, which is operating on a pay-as-you-go basis at a time when deficit-financing seems to be increasingly popular, finds itself in a better fiscal position with the passing of each year.

This latest report shows that Greenwich has reduced its indebtedness by more than $4,000,000 since 1935, and at the end of 1941 it had a cash surplus of more than $128,000. Moreover, this record was achieved with a tax rate of only 18.9 mills.

There is no magic in the Greenwich report, but there is a lesson for municipal authorities elsewhere who have forgotten that a little common sense applied to the management of a town's affairs will produce real dividends for its taxpayers.

Chelsea, Mass., Faces Problem

Mayor Bernard E. Sullivan of Chelsea, Mass., told War Production Board officials last week that his city of 40,000 population might be taken over by the State unless private industries obtained war orders.

He said that the Boston suburb had a tax rate of $49.80 on $1,000—the highest in Massachusetts—primarily because the Federal Government had acquired property which now was tax exempt.

To counterbalance this loss in tax revenue—he estimated that the Government soon would have one-tenth of the city's taxable property—he asked the WPB to utilize existing industrial plants for war use.

Additional Housing Authority Notes Offered

Yesterday 15 more local public housing agencies considered bids on $17,954,000 temporary loan notes, all dated May 6, 1942, and maturing from Sept. 30, 1942 to May 4, 1943. This is the second successive week that groups of local agencies have offered short-term paper. More than $76,000,000 of such temporary loan notes were sold Wednesday and Thursday of last week at rates ranging from .54 to .82%.

The largest offering in the group of housings yesterday was $5,150,000 notes of Providence, R. I., housing authority due Nov. 10, 1942. Following in size is the offering of $4,260,000 notes by the Hartford, Conn., housing authority, due May 4, 1943.

A plausible reason for this influx of housing authority paper appears to be that all of the issues now coming into the market finance defense housing. Since housing conditions in many key areas are still poor, prospects are for a substantial volume of these securities.

Miami Sale Cancelled

The City of Miami, Fla., last week furnished a prime instance in the municipal financing calendar of a bond sale failing to go through because of priority difficulties. In this case, the city was unable to obtain satisfactory assurances that priorities would be forthcoming for its hospital construction and deferred the sale of $750,000 hospital revenue bonds.

Massachusetts Sells Bonds

Halsey, Stuart & Co., Inc., and associates won Tuesday the award of $2,000,000 water bonds of the Commonwealth of Massachusetts on a bid of 101.243 for 1½s. The bonds, dated Jan. 1, 1942, were reoffered at prices to yield from 0.30 to 1.50%, for maturities from Jan. 1, 1943 to 1972.

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 23 (Today)

$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.

May 5

$5,800,000 Allegheny Co., Pa.
This offering was for $6,800,000 originally and had been scheduled for April 28. On the latest sale by the county, 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.

May 7

$608,337.72 Utica, N. Y.
Last September, the city awarded bonds to Dick & Merle-Smith of New York. Second best offer was submitted by Lehman Bros. of New York, and associates.

May 19

$505,000 Albuquerque, N. Mex.
This city last sold bonds in February, 1940, the award going to Sidlo, Simons, Roberts & Co., and the J. K. Mullen Investment Co., both of Denver, jointly.

Feb. Exchange Sales: Market Value Down 39%

The Securities and Exchange Commission announces that the market value of total sales on all registered securities exchanges for February 1942 amounted to $385,857,078, a decrease of 39.5% from the market value of total sales for January, and a decrease of 22.0% from the market value of total sales for February 1941. Stock sales, excluding right and warrant sales, according to the Commission, had a market value of $296,384,909, a decrease of 42.1% from January. Bond sales were valued at $89,449,376, a decrease of 28.9% from January. The value of right and warrant sales totaled $22,793, involving 43,152 units.

The SEC further reported:

The volume of stock sales, excluding right and warrant sales, was 13,974,843 shares, a decrease of 48.6% from January. Total principal amount of bond sales was $178,408,700, a decrease of 30.3% from January.

The two New York exchanges accounted for 93.4% of the market value of total sales, 91.5% of the market value of stock sales, and 99.9% of the market value of bond sales on all registered securities exchanges.

Home Insurance Study

Robert H. Huff, President of Butler-Huff & Co. of California, 210 West Seventh St., Los Angeles, has prepared a study of the Home Insurance Company of New York, which discusses the history and development of the company, its present position and outlook, from the viewpoint of the investor in its capital stock. Copies of the study, and also a brief analysis of Westchester Fire Insurance Company of New York, may be had from Butler-Huff & Co. upon request.

SEC Analyzes Saving

In response to a growing demand as a result of the war program for detailed data on the volume and composition of saving by individuals in the United States, the SEC on April 15 made public an analysis of individuals' saving for the fourth quarter of 1941. This compilation shows the aggregate volume of individuals' saving, i.e., the increase in their assets less the increase in their liabilities, exclusive of gains or losses from revaluation of assets. Shown also for the first time are the components contributing to this total, such as bank balances and currency holdings, insurance, securities, consumers' indebtedness, and consumers' durable goods.

The Commission's announcement went on to say:

Individuals' saving in all forms in the fourth quarter amounted to $6,800,000,000. Their saving exclusive of durable goods totaled $3,800,000,000. This was the highest quarterly volume of saving on record and is explained in large part by the high level of their income. Individuals' saving thus far apparently has not increased markedly out of proportion to their total income, according to the indications of these data. In other words, there is little evidence as yet of any unusual diversion from consumption into saving.

Federal Government securities accounted for $1,900,000,000, or 27% of individuals' gross saving in the fourth quarter, compared with 8% in the third quarter of 1941, and not much over 1% in the last quarter of 1940. The analysis indicates that a considerable part of saving in Federal Government securities was financed by the curtailment of current saving in other forms rather than by curtailment of consumption. In reflection of this tendency, current saving by individuals in the form of cash and deposits dropped off in absolute terms and decreased markedly relative to total saving; these items totaled only 17% of individuals' saving in the fourth quarter as compared with 26% in the preceding quarter and 32% in the fourth quarter of 1940.

In addition to showing the diversion of saving from currency and bank deposits into Government securities, the figures for the last quarter show that expenditure on automobiles and other durable consumers' goods was $2,400,000,000, an amount almost identical with that in the fourth quarter of 1940. Individuals' expenditure on homes amounted to $600,000,000, also about the level of the last three months of 1940. In spite of anticipated shortages and price rises, purchases of durable goods during the last quarter of 1941 were not disproportionate in relation to the amount of disposable income in individuals' hands, remaining in line with the average relationship which had prevailed in earlier years. A slight reduction of individuals' debt which had been incurred in the purchase of automobiles and other durable consumers' goods was recorded, indicating that consumers were not making net additions to their indebtedness for the purpose of stocking up on consumers' durable goods, though such net addition to debt have been typical of earlier periods of increased income.

Of the remaining components of individuals' saving in the fourth quarter, the most important was the growth in their equity in insurance and pension reserves. This increase was in line with the higher level of income payments. Finally, there was, as in each of the preceding quarters in 1941, a small decline in individuals' equity in corporate securities. The primary reason for this change was a net shift in the ownership of outstanding corporate bonds from individuals to non-individuals, largely life insurance companies.

Govt. Issues 95% Of Feb. Cash Offerings

The Securities and Exchange Comimssion announced on April 15 that new issues of securities ofered for cash in February amounted to $2,335,000,000 of which almost 95% were United States Government securities. This amount says the Commission exceeds by a slight margin the December, 1941 total of $2,319,000,000, (which was the highest monthly figure on record since this series began in 1934) and represents the largest amount of money raised through the sale of securities since the subscriptions to Liberty Loan bonds in 1918. The Commission further reports:

Cash sales of securities of the United States Government included $1,512,000,000 of 2¼% Treasury Bonds, due 1955, and $703,000,000 of Savings Bonds, (Sales of Treasury Bills and Tax Series Notes are not included in these statisitcs.)

The survey, which was prepared by the Research and Statistics Subdivision of the Trading and Exchange Division, covers all new corporate and non-corporate issues offered for cash that are reported in the financial press, with the exception of issues under $100,000 in amount and, in the case of debt issues, of a maturity of less than one year.

Corporate flotations declined to $78,000,000, which is the lowest figure since May, 1939. A decrease was also shown in the offerings of state and municipal obligations, which amounted to $41,000,000.

Of total corporate flotations, industrial companies issued $39,000,000 of new securities, utility companies, $35,000,000, and railroad companies, $4,000,000. Bonds, notes and debentures comprised $58,000,000 of the offerings and preferred stocks, $19,000,000.

New money purposes took $39,000,000 or 52% of estimated net proceeds raised from corporate flotations, of which $34,000,000 was designated for plant and equipment and $5,000,000 for additions to working capital. The amount of money allocated to repayment of indebtedness and retirement of preferred stock was $26,000,000, or 34% of total net proceeds. This amount included $12,000,000 for retirement of funded debt (the lowest amount in any month since March 1938), $11,000,000 for retirement of preferred stock, and $2,000,000 for repayment of other debt. The remaining $11,000,000, or 14%, was to be used primarily for the acquisition of securities for purposes of affiliation.

Coal & Iron Co. Attractive

According to a circular just issued by Schoonover, 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.

Haley With McAlister

(Special to The Financial Chronicle)

GREENSBORO, N. C. — Sidney William Haley has become associated with McAlister, Smith & Pate, Inc., whose main office is located in the Woodside Building, Greenville, S. C.

Federal Reserve Board Reports Industrial Activity Continued At High Rate In March

The Board of Governors of the Federal Reserve System reported on April 22, in its monthly summary of general business and financial conditions, that industrial activity continued at a high rate in March and the first half of April. Distribution of commodities to consumers was maintained in large volume and commodity prices advanced further, the Board pointed out. Its summary continued:

Production

Volume of industrial production increased seasonally in March and the Board's adjusted index remained at 172% of the 1935-39 average. Output of durable manufactured products, now mostly war materials, continued to advance, reflecting mainly increased activity in the iron and steel, machinery, aviation, and shipbuilding industries. Production of lumber and cement, which had been maintained at unusually high levels during the winter months, increased less than seasonally in March.

In most industries manufacturing non-durable goods activity was sustained at earlier high levels. In some, however, notably wool textiles and petroleum refining, there were declines owing to restrictions on production for civilian use and, in the case of petroleum products, to transportation difficulties. Mineral production declined in March and the first half of April, reflecting sharp curtailment in output of crude petroleum. Coal production, which usually declines at this season, was maintained in large volume. The Great Lakes shipping season opened in the latter part of March and the first boatload of iron ore reached lower Lake ports 12 days earlier than the record set last year. Shipments during the coming season are expected to exceed considerably the total of 80,000,000 gross tons brought down the Lakes last year.

Value of construction contract awards continued to increase in March, according to figures of the F. W. Dodge Corp. and the level of the first quarter of 1942 was the highest in recent years, being some 30% above that of the corresponding period last year. Awards for public work amounted to close to 80% of the total and in the residential field accounted for 52% of the value of all projects. Publicly-financed contracts for factory construction showed a sharp increase, partly offset in the total by the decline in private factory construction.

On Apr. 9 the War Production Board issued an order which required explicit permission of the Government for initiation of all new private construction involving expenditures in excess of specified small amounts and not covered by specific priority ratings.

Distribution

Value of retail trade in March continued at the high level of other recent months, making allowance for customary seasonal changes. Sales at department and variety stores increased by somewhat less than the usual seasonal amount while sales by mail-order houses rose more than seasonally.

On the railroads total loadings of revenue freight were maintained in large volume in March and the first half of April. Shipments of coal and coke declined less than seasonally and ore loadings increased sharply, while grain shipments declined further from the peak reached in January. Loadings of miscellaneous merchandise, which had been unusually large in the preceding three months, increased less than seasonally.

Commodity Prices

The general level of wholesale commodity prices advanced 1½% further from the middle of March to the middle of April. Among manufactured products, finished consumers' goods, such as foods, clothing, and shoes, continued to show the largest price increases. Prices of most raw materials were unchanged or showed increases which in a number of cases reflected the raising of Federal maximum price levels. There were declines in prices of wheat and of a few other commodities, including gasoline at Gulf ports and turpentine.

In retail markets maximum prices were fixed in this period for a number of electrical products, most of which will no longer be produced for civilian use after May 31. Prices of many other commodities and services advanced further.

Bank Credit

During the four weeks ending Apr. 15 holdings of Government securities at banks in leading cities increased by nearly $700,000,000, while commercial loans declined somewhat, following a rise in previous weeks. Changes in member bank reserves and deposits reflected principally the temporary effects of Treasury operations in connection with income tax collection and the sale of certificates of indebtedness. Money in circulation continued to increase.

United States Government Security Prices

Following an advance from the mid-February low, prices of U. S. Government bonds remained relatively steady in the first half of April.

Treasury Asks 10% Of Income Put Into War Bonds

The Treasury Department announced on April 19 plans for a war-bond quota system under which every person in the Nation's 3,070 counties will be urged to put at least 10% of their incomes into war savings bonds or stamps. The campaign will begin on May 1 and it is the Treasury's plan, Secretary Morgenthau explained, to reach every person in the United States who receives an income of any sort, and to reach him as quickly as possible. It is expected that this new voluntary plan for the purchase of war bonds will bring purchases by July to more than twice the previous monthly totals. These amounted to $1,000,000,000 a month in January, but recently dropped to about $500,000,000. The May quotas for States and counties will be released soon and will be revised and stepped up in succeeding months, it was pointed out.

New Submarine Program

The House on April 16 unanimously passed a bill authorizing a $900,000,000 submarine building program. The legislation provides for immediate construction of an additional 200,000 tons of submarines, which it is said, would about double the present authorization of the country's underseas craft. Representative Vinson (Dem., Ga.), Chairman of the Naval Affairs Committee, and sponsor of the measure, said it would provide for "more than 100" new submarines. The legislation now goes to the Senate.

9,858 New Freight Cars In Service in March

The Association of American Railroads on April 18 announced that Class I railroads put in service 9,858 new freight cars in March, 1942, which brought to 27,263 the total number installed in the first three months of this year, there having been 9,262 in February and 8,143 in January. In the same period last year the railroads put 18,464 new freight cars in service. Of the total number installed in the three months' period this year, there were 18,714 box, 7,664 coal, 205 refrigerator, 574 flat, and 106 miscellaneous freight cars.

New freight cars on order on April 1, 1942, totaled 69,515 compared with 70,602 on March 1 this year and 42,335 on April 1, 1941. Class I railroads had on order on April 1 this year 34,488 box, 29,431 coal, 3,135 flat, 1,199 refrigerator, 300 stock, and 962 miscellaneous freight cars.

Class I railroads also had 930 new locomotives on order on April 1, 1942, of which 426 were steam and 504 were electric and Diesel. On March 1, this year, they had 351 new locomotives on order which included 300 steam and 351 electric and Diesel. Locomotives on order on April 1, 1941, totaled 335, of which 166 were steam and 169 were electric and Diesel.

Railroads in the first three months of 1942 installed 179 new locomotives of which 78 were steam and 101 were electric and Diesel. In the same period in 1941, they put in service 123 which included 27 steam and 96 electric and Diesel.

U. S., Canada Agree On Use Of Joint Farm Resources

The United States and Canada have concluded joint arrangements to increase the production of certain important crops and to facilitate seasonal movements of farm labor and machinery across the border, according to announcement made simultaneously in Washington and Ottawa on April 10. The two joint arrangements, which had been recommended by the Joint Economic Committees of the two countries, have been approved by President Roosevelt and Prime Minister W. L. Mackenzie King. The announcement issued by Stephen Early, Secretary to the President, says:

The first arrangement provides for increasing the production of oil-bearing crops in the United States and of oats, barley and flax in Canada, to meet war-time needs for both countries. The second arrangement provides for facilitating the seasonal movement of farm labor and machinery across the common boundary.

Taxes, Spending At Record

The Treasury Department reported on April 2 that income and excess profits tax revenues in March aggregated $3,082,627,146, which compares with the previous record of $1,207,512,892 made in March, 1941. Total net receipts for March were $3,547,169,479 against $1,566,408,380 in March, 1941. For the fiscal year 1942 to date they were $9,048,703,679, compared to $5,372,101,790 at the corresponding period last year.

Cash outlay for war activities set a new peak in March of $2,796,957,580 as against $768,981,537 a year ago. Total expenditures in March for all purposes were $3,436,300,832 compared with $1,400,674,655 in March, 1941. Thus, despite the increase in expenditures in March, there was an excess of receipts, including public debt retirements of $110,863,847 during the month. However, for the nine months of the 1941-42 fiscal year, the Government has spent $20,249,967,607 and taken in $9,048,703,679, leaving a deficit of $11,201,263,928.

No More Golf Clubs: WPB

The War Production Board on April 9 ordered the manufacture of golf clubs halted on May 31 and curtailed production up to that date. The order prohibits the use of iron and steel, other critical materials, plastics and cork in the manufacture of clubs. On April 1 production of golf balls was entirely stopped, under terms of a WPB order issued in December, to conserve rubber.

M. D. Moore, chief of the miscellaneous section of the WPB Durable Goods branch, said that neither the golf club industry nor the supply of clubs would be materially affected this year because production is highly seasonal. It reaches its peak between October and February.

President Roosevelt has expressed the opinion that wartime golf, along with baseball and other recreational pursuits, would not hamper, but actually improve the war effort if pursued within reasonable limits.

WPB Orders Speed Up

The tremendously accelerated pace at which orders have been placed for war supplies and equipment since the Japanese attack on Pearl Harbor was revealed on April 7 by the War Production Board, which states:

Contracts and other commitments in February amounted to $20,892,000,000, compared with $8,414,000,000 in January, $5,132,000,000 in December, and $1,782,000,000 in November.

Commitments embrace contracts, letters of intent and other obligations incurred by the United States Government for war purposes, including expenditures for the pay, subsistence and travel of the armed forces during the month. Between June, 1940, and the end of February, 1942, such commitments reached a total of $81,835,000,000. This was three-fourths of all funds voted by Congress for war purposes or made available by the Reconstruction Finance Corporation and its subsidiaries.

U. S. Pacific War Aid

President Roosevelt presented to the Pacific War Council on April 7 a review of American reinforcements of men and materials which have been sent to the various points in the Pacific war sector. Representatives of the seven nations on the Council—United States, Great Britain, China, The Netherlands, Australia, New Zealand and Canada—were present at the second meeting of the group. No details of the President's discussion were disclosed but members of the Council said the picture given was encouraging.

Creation of the Council and its first meeting were reported in these columns of April 9, page 1446.

"I Am An American" Day

President Roosevelt issued on April 8 a proclamation designating Sunday, May 17, as "I Am An American Day" and urged that the day be set aside "as a public occasion for the recognition of all our citizens who have attained their majority or who have been naturalized during the past year." The President called for special exercises to impress upon all citizens "the duties and opportunities of citizenship and its special responsibilities in a nation at war."

Our Reporter On "Governments"

(Continued from First Page)

(3) The solvency of the nation's major institutions depends upon the stability of Government bond prices and the Treasury recognizes that angle as much as you do. . . .

(4) You must buy Governments in the coming months; you must get income; your stability must be assured; your position is no different from that of thousands of other investors. . . .

Study these four considerations and you'll come to an important conclusion. . . . Namely, that this is the time to institute a prime policy of shifting from short-term Governments into intermediates and longs. . . .

Specific Suggestions

If you agree with the statements made so far, these suggestions may be of aid:

Do your own refunding and do it now. . . . For instance, you may find it helpful to concentrate on a certain issue, maturing soon—such as the HOLC 2¼s or the RFC 1s or any of the Treasury notes due this year or next—and to confine switching operations to one issue at a time. . . . You might sell any of the short-terms and buy bonds due in the early '50s. . . . (The 2¼s deserve special attention.) . . .

Your program may be simplified if you spread your maturities from the four-year category outward. . . . Heaviest emphasis may be placed on the early 1950 issues. . . . Least on the longest-terms. . . .

A superficial mathematical calculation will show you that you can double your income just by extending your maturities by five years—from the shorts to the intermediates. . . .

Inside The Market

More will be written on fundamental policy considerations next week. . . . In the meantime, here are some technical points of interest. . . .

Feeling of experts is next financing will come in May and conviction is growing that long-terms will be offered after all. . . .

Big refunding generally expected either in late May or early June, for Morgenthau is expected to refund the $875,000,000 HOLC 2¼s of 7/1/55/42 in near future and he must refund the $276,000,000 RFC 1s of 7/1/42 before that date. . . . Story is a new taxable 2¼ may be offered to holders of the HOLC's. . . .

One angle not recognized is that biggest Treasury successes with new money issues have occurred at times when Morgenthau also has managed a refunding. . . . It's assumed Treasury realizes this and so a possibility is new money issue and refunding deal will be tied together. . . . May might be the month, says one authority. . . .

"Unusual" methods of financing not anticipated until June—the month Morgenthau said he would decide whether defense bond sales on a voluntary basis could be put over. . . .

If you're interested in shorts despite arguments above, you may find an attractive issue in the 1⅛s of June 15, 1943, which mature at a good time (right before the fiscal year ends) and which yield .26%. . . .

Life insurance company investments in Governments are averaging double last year's purchases to the same date. . . . But insurance companies bought only meagre amounts of the certificates—as was anticipated. . . .

Buying Tax-Exempts

Investigation of one expert suggests a good time to invest in the tax-exempts is right around a new financing date, for that's when institutions switch out of their holdings into the new offering and re-arrange their portfolios generally. . . .

It's a sound argument for all concerned. . . . As for the purchase of tax-exempts, that seems a better idea as every week passes. . . . Chances of removal of tax-exemption privileges seem to dwindle all the time. . . . Heavy surtaxes, of course, and heavier taxes all around must be expected. . . . But protection lies in buying the tax-exempts still out. . . . They'll become scarcer every other month; they'll get a value from this scarcity that may put them far above the yield-differentials now forecast. . . .

Investment Trusts

(Continued from page 1615)

1942 were equivalent to $18.06 per share compared with $19.57 per share on Dec. 31, 1941. Assets totalled $6,501,778.24 on March 31, 1942.

Investment Company Briefs

"Every business will feel the effect of the war economy even though it may appear to be remote from the war effort. A preliminary survey by Boston Fiduciary and Research Associates covering all manufacturing companies indicates that about *one-third* of them will be able to deal with the war economy in fairly satisfactory fashion — but that *two-thirds* of the companies will be hurt by it to a greater or lesser extent.

"The divergent action of individual securities—and of classes of securities—since Pearl Harbor—gives ample warning of a highly selective wartime market. . . .

"Every security purchased during peacetime should be challenged—and a large question mark should be set against it. If its prospects under war economy justify its retention, it should be held. If not, it should be replaced—while there is yet time."—*Keynotes*, The Keystone Corporation of Boston.

"In 1941 the 23 insurance companies, in which Insurance Group Shares provides ownership, wrote the largest volume of business in their history. . . . Net premiums written by these companies in 1941 totaled $411,166,000.00 an increase of 4.1% over the previous peak of $395,119,000.00 established in 1926 and of 5.5% over the 1929 volume of $389,530,000.00. This increase is particularly significant in view of the 28% decline in premium rates since 1926, for after adjustment for this, the value of total risks written in 1941 was in excess of 50% above the 1926 total. . . .

"It is of interest to note that the increase in premium writings is not just a sudden spurt of one year over the previous year, but represents a trend that has been developing over a period of several years. . . . The outlook for 1942 is that this upward trend will continue and that a still greater volume of business will be written. Thus, larger funds will be available to the companies for investment in income-producing securities, a situation which will tend to offset the possibility of lower dividend payments by industrial corporations. Fire losses this year are running somewhat above last year, which is to be expected under war conditions. However, in view of the higher volume of premium writings, it does not necessarily follow that the loss ratio will be higher, it might even be lower than last year, and certainly it is not unlikely that the expense ratio will be lower, despite a higher tax burden. It is believed that dividends of these 23 companies in 1942 will be maintained at the 1941 level; first quarter dividends have all been declared and show no change."

* * *

Conditions are being changed—not through the interplay of economic forces alone, but also through explicit government action—taxes, price control, rationing, etc., according to the American Business Shares *News Letter*, and hence preparation—for these new conditions is the key of the day in investment management.

"The arrival of April saw the end of the movement toward conservatism in the ABS portfolio," according to the *News Letter*. "The managers of ABS feel that at some point in any such phase, it is time to say "as of this date the time is over and past for steps toward conservatism. From now on, the question of when and what to buy has the spot-light—the curtain is down on the question of when and what to sell."

* * *

Hugh W. Long and Company, sponsors of Manhattan Bond Fund report that: "A short time ago we mailed *An Answer to Today's 2 Problems* to our correspondent dealers. Two things happened: (1) Two large printings already are exhausted with a third on the press and (2) Sales of Manhattan in March *more than tripled* the previous month."

Our Reporter's Report

(Continued from first page)

tion, in its report presented to the Association's Executive Council, now in session at French Lick Springs, Ind.

"They are fought also in the arena of finance," the report continued, "for bad finance may mean inflation and disorder which, in their turn, delay production at vital points, where a week's or even a day's difference in deliveries of funds and ships might lose a battle or a campaign."

Noting the Treasury's projected war outlays for the fiscal years 1942 and 1943, totaling some 52.5 billions of dollars, the Commission said "we can finance this vast undertaking, but the choice of methods—the way it is done—will affect directly the efficiency of our war effort.

"To help avoid 'damaging inflation,'" the report urged that "the greatest part of this sum be obtained from current income of people which might otherwise be spent. The sale of war bonds through payroll deductions," it maintained, "does exactly this."

Excess Reserves Slump

Heavy withdrawals by the Treasury from its deposits in this area and throughout the country have been finding reflection in sharp contraction in the total of banks' excess reserves.

The close of last week found such excess funds in the hands of New York banks reduced to around $720,000,000, with a further decline indicated for the period ended last night.

While there has been sporadic evidence of some slight tightening in short-term money rates, the fall in reserves has not found any reflection in the long-term bond market.

The latter situation doubtless is influenced by the generally held belief that the U. S. Treasury, faced with the enormous burden of financing the war, will hold fast to its avowed easy credit program.

Could Change Situation

Should it become necessary, the Treasury, through the Federal Reserve Board, could ease the situation as regards banks' reserves quite readily.

When such reserves were soaring a few years back in consequence of heavy gold imports, and other elements entering into the situation, the Reserve Board put the reserve requirements for member banks up to the full limit permitted under the law.

Should it now develop that hardening of basic money rates is threatened in consequence of the protracted decline in surplus bank reserves, the Board could, through reducing member bank reserve requirements, act quickly to ease the situation.

Treasury Financing

It still looks as though the current lull in the corporate new securities market is destined to hold for a time.

But the Treasury promises to be busy at the job of raising war loans. Having only put the finishing touches to its most recent undertaking, the sale of $1,500,000,000 new securities, it is looking the market over with an eye to flotation of another sizable issue.

Chances are, it is felt, that on the next occasion the Treasury will seek to broaden the scope of its appeal, and perhaps include at least a portion of intermediate notes, while very likely again employing the certificate of indebtedness which had proved attractive a month ago.

War Bonds Held Investment Stimulus

(Continued from First Page)

an awakened interest in financial subjects among buyers of War Bonds. A securities broker located in a Mid-Western city of 50,000 inhabitants reports that, to his surprise, his office has become a clearing house of information not only about War Bond issues but also in regard to other investments, taxes, lease-lend transactions, and so on.

The community is the center of a prosperous farming area. The War Bond campaign, over the radio and in the printed news, is bringing a great deal of money forward to assist in the war effort. The division of the Bonds into series—E, F and G—has aroused investors to inquire about the different characteristics of their issues. Buyers want to know how taxes current and problematical, will affect their incomes. They inquire for assistance in apportioning their investments so that their net incomes may be maintained as fully as possible. In many cases, involving individuals whom the broker had not previously heard of, the inquirers often desire to invest some "extra" money in securities in addition to War Bonds.

The business moral of this broker's experience seems to be that times call for broad-gauge informational service to persons who, before War Bonds came into the limelight, were thinking little about investment. The market setting and the public attitude toward securities is quite different from what they were in 1917-18. In those years, the Treasury's offerings of bonds in order to prosecute the war came into an atmosphere saturated with speculation. The "war baby" stock excitement had been rampant for a year and a half. The buyers of Liberty Bonds were encouraged to borrow in order to pay for them. This system, while it did not directly encourage liquidation of the bonds as soon as the crisis was over, acted to cause the Government issues to be "lightly" held.

Buying to Hold

On the present occasion War Bonds are being bought to be kept. They are being sold on an *investment* basis, with much stress being laid upon yield and security. Furthermore, the Bonds may neither be sold in the open market nor pledged for loans. And the seriousness of the world conflict has acted to restrain speculation in all securities.

It seems obvious that, so far as brokerage service in securities is concerned, realism calls for painstaking research into investment values—with income return stressed more importantly than the expectation of capital appreciation.

"The task of assisting buyers of War Bonds," reports the Mid-Western broker, "has proved to my satisfaction that specialization — the bond man adhering to bonds and the customers' broker to stocks—is going out of the picture. The breadth of information that War Bond buyers' desire amazes me. After they decide upon the series which fills their needs as investments, they pursue inquiries among other kinds of securities which best fit their incomes, reserves, tax bracket, and business prospects.

"Conditions require that brokers be widely informed about all kinds of securities. Not many of the people who come to my office express interest in a stock or bond because 'it ought to go higher,' but they are impressed by facts about a bond or a stock that is 'worth owning' because of demonstrated earning power behind it or a record of excellent management of the issuing corporation.

"War Bonds have sharpened the interest of millions of people in securities."

China Given Credit

The first $200,000,000 of the $500,000,000 credit established by the United States for China has been turned over to that country, the Treasury Department announced on April 16. The transaction involved transfer of this amount to an account in the Federal Reserve Bank of New York in the name of the Chinese Republic. The remaining $300,000,000 will be transferred whenever the Chinese Minister of Finance requests it.

The United States extended this financial aid in order to help China meet the financial and economic burdens imposed on that country and its people by the war with Japan.

The text of the financial aid pact was given in these columns of April 16, page 1545.

Bankers Bond Anniversary

The Bankers Bond Co., Inc., Kentucky Home Life Building, is commemorating its own 20th anniversary and the 150th anniversary of Kentucky's admission to the Union as the 15th State, with a most attractive historical map of Kentucky. On the map are shown industries and products local to the different sections of the State, which is bordered with a frieze of scenes from Kentucky's history.

Wedding Bells For Maguire

The marriage of Margaret Donovan to James B. Maguire of Elwell & Co., Inc., 24 Federal St., Boston, Mass., on April 18, is announced. The couple is honeymooning at Sea Island, off the coast of Georgia.

Mr. Maguire expects to be inducted into the armed forces in about two months.

In New Location

Van Tuyl & Abbe announce the removal of their offices to 72 Wall St., New York City, from their former location at 60 Wall St.

« « At The Security Traders Association Of New York Dinner » »

More than seven hundred members and guests, representing traders from Coast to Coast, attended the annual STANY Dinner at the Roosevelt Hotel on April 17th. Allen (Tom) Moore of H. Hentz & Co. was chairman of the committee in charge of the dinner.

ABA Wartime Finance Conference In September To Replace Annual Convention

Recognizing that the Nation's wartime needs and problems transcend all other interests in times like these, the American Bankers Association will hold a National Conference on Wartime Finance in Detroit next September in place of its annual convention, it was decided by the Executive Council of the Association at its annual spring meeting on April 21 at French Lick Springs, Ind. The dates will be Sept. 28-30. The announcement of the Association states:

The plan contemplates an intensive conference on all phases of wartime finance in which field of activity the banks will make their greatest contribution to the war effort. Leaders from banking and Government alike will be in attendance to contribute to its deliberations and discussions.

The program will be cut down by a day and a half. Whereas convention has in the past run from Monday morning to Thursday night, the Conference on Wartime Finance will conclude at noon on Wednesday. Entertainment will be eliminated. The usual golf tournament will be omitted. And the inauguration of new officers of divisions and of the Association itself will take place at the close of the final session Wednesday morning. As part of the conference, it is hoped that an opportunity will be given to the delegates to see something of the operation of war plants in the Detroit area.

A new type of meeting for bankers will be undertaken on Sunday evening, Sept. 27, preceding the opening of the conference. This will take the form of an inspirational meeting with a background of American music and an address by a speaker of note. Committee meetings will be held all day Sunday.

It is not contemplated that the essential business of the Association will be restricted. The five divisions, National Bank, State Bank, Savings and Trust divisions, and the State Secretaries Section will have their business meetings on the first day, and the business meetings of the Association itself will be held on the mornings of the second and third days. The remainder of the time will be devoted to clinic sessions on wartime bank operations, policies and service to the public and the Government.

In announcing the action of the Association's Executive Council, Henry W. Koeneke, ABA President, said:

These arrangements recognize the heavy burden resting upon bankers as a result of the war and the importance of not taking them away from their desks for a period longer than is necessary. At the same time they recognize the necessity for counsel and conference on the nation's needs and the ways in which the banking system can serve those needs.

Dept. Store Inventory Up Sharply In Feb.

The Board of Governors of the Federal Reserve System announced on March 28 that stocks of goods at department stores increased sharply in February, following some decline in the previous three months. The Board says:

During that period sales had been large, reflecting an unusually active Christmas season and, in January, a considerable amount of anticipatory buying. The Board's seasonally adjusted index of stocks, based on value figures, rose to 103% of the 1923-25 average—a level 41% higher than a year ago. Outstanding orders also increased considerably in February and at the end of the month were more than twice as large as a year earlier. Increases in stocks, outstanding orders, and sales over the past year reflect to a considerable extent price advances amounting on the average to about 20%.

Large increases in sales and stocks occurred throughout the country, as is indicated in the following table. In the comparisons shown, sales in the first two months of the year have been used as more representative than those for February alone, owing to the sharp fluctuations that occurred between January and February this year.

DEPARTMENT STORE STOCKS AND SALES IN 1942

[Percentage increase from a year ago]

Fed. Reserve Dist.—	Stocks Feb. 28	Sales—1st 2 months
Boston	39	30
New York	48	28
Philadelphia	38	37
Cleveland	48	35
Richmond	40	40
Atlanta	34	20
Chicago	35	30
St. Louis	42	31
Minneapolis	24	26
Kansas City	29	26
Dallas	37	19
San Francisco	35	30
United States	41	30

Savs. & Loan Activity Increased In N.Y. Dist.

Federal savings and loan associations in the Second (New York) Federal Home Loan Bank District had assets of $213,568,046 as of Dec. 31, 1941, an increase of 14.1% over assets at the end of 1940, according to a report released April 12 by Nugent Fallon, President of the Federal Home Loan Bank of New York.

There were 71 savings and loan associations in the Second District operating under Federal charter. Sixty-four of these with resources of $204,468,706 are located in New York and seven whose resources are $9,099,340 are in New Jersey. The bank's announcement further said:

The report demonstrates that during the year 1941, Federal savings and loan associations continued to play a vital part in servicing the thrift and home financing needs of their communities, as evidenced by the fact that these institutions made mortgage loans totaling $41,022,713 to 8,707 borrowers. This activity represents an increase of 21.8% over the preceding period. Most of these loans were made on homes and small business properties and are written on the direct reduction plan. First mortgage loans amounting to $176,177,725 were outstanding in Federal savings and loan associations in the Second District as of Dec. 31, 1941. On the same date, a year previous, these associations had first mortgage loans outstanding of $151,609,057.

Savings accounts of 226,909 individual investors aggregated $163,791,959 in these Federal savings and loan associations at the end of the year as compared with 204,744 savings accounts amounting to $142,140,728 as of the end of the preceding year.

Net earnings of these 71 Federal savings and loan associations totaled $3,115,170 at the end of the year, $1,873,468 of which was distributed in dividends, the remainder being used to strengthen reserves. These institutions are members of the Federal Home Loan Bank System and provide insurance of accounts for each investor up to $5,000 through the Federal Savings and Loan Insurance Corporation, Washington, D. C.

During the year 1941, Federal charters were issued to three savings and loan associations in the Second Federal Home Loan Bank District and subsequently two of these merged with other Federal associations; thus one new Federal savings and loan association was added during the year.

February Home Mortgage Recordings Below Yr. Ago

Urban home mortgage recordings in February were 8% below the volume for January and slightly under that for February a year ago, economists of the Federal Home Loan Bank Administration reported on April 11. The 101,157 non-farm home mortgages recorded in February, it is stated, amounting to $296,041,000, represented a decrease from January of 6,962 in number and $25,000,000 in volume and—of more significance—a decrease from figures for February a year ago.

The recordings, it is said, mark at least a temporary reversal of a general upward trend which has existed since the Bank Administration began its tabulations in 1939. The Bank Administration report added:

Heretofore, the total dollar volume of home mortgage recordings in each month has been greater than in the corresponding month of the preceding year—a typical occurrence since the beginning of the Administration's study in 1939. Now for the first time, however, it is noted that the amount of recordings for February, 1942, is slightly below the total for February, 1941, when 107,144 non-farm mortgages valued at $296,863,000 were recorded.

The fact that the dollar volume of mortgages this February was practically the same as last February, although the number of mortgages was 5,987 less, reflects the increased cost of residential construction, Bank Administration economists pointed out.

Mortgages of $20,000 or less reported by all types of lenders during February were as follows:

	Number	Amount	%
Savings and loan associations	31,762	$86,752,000	29
Insur. companies	5,712	28,546,000	10
Banks and trust companies	21,198	70,221,000	24
Mutual sav. banks	2,670	10,405,000	3
Individuals	26,069	53,383,000	18
Other mortgagees	13,746	46,734,000	16
Total	101,157	$296,041,000	100

Voluntary Registration Of Women Considered

President Roosevelt disclosed on Apr. 10 that the Government is seriously considering the voluntary registration of women between the ages of 18 and 65 as part of the nation's total mobilization of manpower. The President told his press conference that if a voluntary registration of women is decided upon it will take place after April 27—the date for registration of men between the ages of 45 and 64—because the mechanical problems are tremendous. The Census Bureau estimates that on Apr. 1 there were 42,058,000 women in the age brackets.

Tomorrow's Markets Walter Whyte Says—

(Continued from page 1613)

future. Rallies at this point may be based on nothing more substantial than a temporary short position, or the building of bases which at best are seldom tested by volume selling.

* * *

If this is the case today (and so far I see nothing to change it) the market will rally from last week's lows, but this rally should be used to dispose of long positions rather than to add to them.

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.]

Works With Ordnance Co.

CHICAGO, ILL. — Nelson C. Works, manager of the municipal department of the Chicago office of Paine, Webber & Co., 209 South La Salle Street, has been granted a leave of absence to become associated with the Q. O. Ordnance Corporation of Grand Island, Neb.

At New Address

National Securities & Research Corporation announce that after April 24, 1942, their office will be located in the Equitable Building, 120 Broadway, New York City. The new telephone number will be BArclay 7-1690; the teletype number, NY 1-1022, remains unchanged.

Sets Up Appeal Board For Truck Rationing

Joseph B. Eastman, Director of the Office of Defense Transportation, announced on April 8 establishment of a special Appeal Board in Washington, D. C., to consider appeals from decisions of the ODT's Local Allocation Offices under the commercial-vehicles rationing program. The special Board has been set up pending creation of Local Appeals Boards in the field.

Members of the Board are M. V. Fredehagen, Liaison Officer, board for Civilian Protection, Office of Civilian Defense, Washington, D. C.; W. Foster Banks, President, Motor Haulage Co., Brooklyn, N. Y., and J. B. Pymer, Secretary-Treasurer, the City Baking Co., Baltimore, Md. It is pointed out that rationing of all types of new trucks, truck tractors and trailers, under the terms of General Conservation Order M-100, has been in effect since March 9. The program is administered jointly by the ODT and the War Production Board.

To Improve Brazil Roads

A five-year plan for improving the road system in the State of Sao Paulo, Brazil, at a total cost of approximately $16,760,000 has just been approved by President Vargas, according to the U. S. Department of Commerce at Washington in advices made available April 7, which added:

> The plan will be financed by a loan authorized by the President, Getulio Vargas, which will be guaranteed by Sao Paulo's share of the national single-tax on liquid mineral lubricants.
>
> It is expected in Sao Paulo that the improved road system will furnish valuable stimulus to intra-state, inter-state and even foreign trade by greatly improving transportation possibilities to and from the rather distant but very prosperous regions of the State.

Hayes New Envoy To Spain

President Roosevelt sent to the Senate on April 3 the nomination of Carlton J. H. Hayes of New York to be Ambassador to Spain. Mr. Hayes, Seth Low Professor of History at Columbia University, was named to succeed Alexander Weddell, whose application for retirement because of ill health was accepted by the President on April 2. Mr. Weddell returned to the United States late in February on a leave of absence and conferred with Mr. Roosevelt on March 9 as indicated in our issue of March 19, page 1158.

FDR Calls For Defending Right Of Free Assembly

President Roosevelt, in a message to the annual conference of the National Catholic Educational Association, said on April 7 that nowhere in the countries "held in slavery by the enemies we are fighting" could such a "free assembly be held."

"That simple statement," the President said, "makes clear as the noonday sun the issue at stake in the tragic conflict which the world now witnesses. * * * We must defend this birthright against every totalitarian and pagan assault and to that end we have pledged every resource of man power, money and material and will fight shoulder to shoulder with lovers of freedom wherever freedom is assailed."

Leo Wilson Opens

(Special to The Financial Chronicle)

FORT COLLINS, COLO.—Leo Wilson is engaging in a securities business with offices at 127 South Howes Street. He was formerly associated with S. D. Hall.

Make Reservations Early, Avoid Travel Congestion

The Office of Defense Transportation on April 7 requested all Federal Government agencies to aid in preventing passenger traffic congestion on railroads and bus lines by instructing employees to exercise greater care in buying tickets and reserving space accommodations when traveling on official business. The ODT said:

> Government employees should buy tickets and Pullman space well in advance of train departure, should reserve space accommodations only for trips which are reasonably definite, and should notify carriers immediately if cancellation of reservations becomes necessary, the ODT said.

In making public the request, Joseph B. Eastman, Director of Defense Transportation, urged private firms to issue similar instructions to their employees. "By exercising reasonable care in buying tickets and reserving space accommodations," Mr. Eastman said, "business concerns can do much to aid transportation companies in accommodating passengers and in handling the growing volume of passenger traffic."

Feb. Food Stamp Buying Up

Blue food stamps added more than $9,600,000 worth of farm products during February to the diets of more than 3,600,000 persons eligible to receive public assistance, the Department of Agriculture said on April 6 in its monthly report on the Food Stamp program.

As to these purchases, the Department said:

> During February, families taking part in the Food Stamp program used blue stamps, which increased their expenditures for agricultural commodities approximately 50%, as follows: about 12% for butter, 23% for pork, 23% for vegetables, 16% for cereals, 14% for eggs, and 12% for fruits.
>
> Purchases with blue stamps, as estimated by the Agricultural Marketing Administration, included about 28,250,000 pounds of Irish potatoes, 28,000,000 pounds of flour, 8,000,000 pounds of fresh apples, 9,000,000 pounds of pork, 3,900,000 dozen eggs, and 2,900,000 pounds of butter.
>
> Other blue stamp purchases during the month included about 2,442,000 dozen fresh oranges, 600,000 pounds of fresh pears, 1,500,000 pounds of dried prunes and 5,500,000 grapefruit.

In addition to purchases of commodities with blue stamps, AMA continued in February to distribute farm products for use in free school lunches and to needy families in areas not served by the Food Stamp program.

See Record Food Supply

Barring unpredictable developments, the total food supply this year will be the largest on record, the United States Department of Agriculture said on April 6. Farmers indicate they will plant record acreages of many crops. Production of milk and eggs is rising high in seasonal volume. Marketing of livestock also is expected to increase in coming months, said the Department, which likewise stated:

> Summary of the situation by the Bureau of Agricultural Economics shows that both the production and consumption of food will set new high records this year, provided all production and marketing goals to meet war needs are reached. Consumer and Government demand for farm products continues to rise, yielding farmers higher prices and income. Costs of agricultural production also are rising—notably farm wages but net returns to farmers have been larger to date this year than last.

UP-TOWN AFTER 3

MOVIES

"The Spoilers" (Universal), starring Marlene Dietrich, Randolph Scott, and John Wayne, with Margaret Lindsay, Harry Carey, Richard Barthelmess, William Farnum, and others. Directed by Ray Enright. . . . The Rex Beach classic has been turned into a movie, designed to display the charms of Marlene Dietrich, who in this case is a hard-boiled saloon keeper, with a heart of gold. The scene, as you might have guessed, is in the Alaska of the gold rush when claim jumping was considered respectable; even a Federal Judge and a Gold Commissioner weren't above grabbing somebody else's mine. The pay-off comes, however, when these two gentlemen step into the affairs of the rich Midas Mine, owned by two tough hombres who, after some phenagling around (one of the owners is that way about the Judge's daughter) get down to cases. The same owner used to be head over heels about Miss Dietrich which you can easily see complicates matters. Justice and true love, however, triumph in the end. The two scoundrels are run out of town; Miss Dietrich and her true love get together and, I suppose, live happily forever after. . . . **"The Juke Girl" (Warner), starring Ann Sheridan and Ronald Reagan, with Richard Whorf, George Tobias, Gene Lockhart, Alan Hale, and others. Directed by Curtis Bernhardt.** . . . Here's a picture that has all the makings of a grand film if it weren't encumbered by too much plot. When it denounces the entrepreneurs who victimize farmers it touches on a subject about which too little has been said, and says it well. But when it complicates things by running in a murder plot and a lynching it becomes just another movie. A couple of bindle stiffs, following crops from place to place arrive in Cat Tail, Florida, run by Henry Madden, head of the Madden Packing Company, who buys local crops at heart breaking prices. A fight begins when one of the farmers objects to the price set for his crop. One of the two buddies goes to the farmer's assistance, the other anxious for a job, sides with Madden. Miss Sheridan, a taxi dancer at a local juke joint, joins the boy on the side of the farmer. Later the farmer is killed and blame falls on the boy and the juke dancer who helped him, both of whom narrowly escape lynching. The acting by George Tobias, who is the farmer, is first rate. As far as Miss Sheridan is concerned almost anybody else could have played the part and done as well. The rest of the cast does fairly well in a story that starts off well but ends with the promise unfulfilled. . . .

AROUND-THE-TOWN

Larue's (45 E. 58th), a pleasant place for leisurely dining, is apparently quite popular with the more sedate set. Two orchestras play continuously but not blatantly. Cuisine is French and good, though on the expensive side. . . . **Armando's (54 E. 55th)**, a long narrow room not unlike the inside of a club car and equally as intimate. Decorated in peppermint candy colors, red and white stripes. I'm told it's a favorite deb haunt for luncheon; be that as it may I visited it at night. Its current attraction is the Chicago socialite, **Maggi McNellis**, a gorgeous brunette, who sings. Brother, until you've heard her give out with "Twiddling My Thumbs," you ain't heard nothing! But if her warbling is catchy then her accompanists, George Morris and his orchestra, are equally good. They join in with choral arrangements that are pleasant to listen to. Later in the evening Maggi (that's the way she spells it) came over to my table. I don't know what kind of a perfume she uses but whatever it is it does things to a guy. If only Maggi was shorter or your reporter was taller—m-m-m—would Dan Walker get a run for his money! . . . **Cafe Society Uptown (128 E. 58th)** has added **Zero Mostel** to its "Back to Boogie-Woogie" show. This Mostel chap has a face that in repose is just a face; nothing extraordinary about it. But when he goes into caricatures this face takes on a rubber quality that is side-splitting to watch. His "Jitterbug at the Roseland Dance Hall" is one of the funniest things I have seen in a long time. . . . **Ceruttl's (643 Madison)** still sounds like bedlam let loose. Entertainment very informal with waiters doubling as singers just as likely to serenade you as serve you. No dancing, but fun just the same. . . . Here's the **MacArthur Cocktail** for which **Oscar**, head bartender at the **Cafe Pierre** got $100: ½ oz. lime juice; ½ oz. triple sec or cointreau; 1½ oz. any light rum; ¼ oz. Jamaica rum; ½ teaspoonful white of egg. Shake—and there you have it. The Bartenders Association gave Oscar $100 for it. I give it to you for nothing. We-e-e-e-e!!! . . . In that 53d St. caravanserai (saloon to you) that well-known boniface, Showman, after sleepless nights of thinking up ways to help the war effort has come up with—the glamour gal of 1942—the 16-year-old Oona O'Neill, daughter of playwright Eugene O'Neill. Can't help wondering what her father thinks of the whole thing. . . . Shed a tear for the **Penthouse Club's Paul Taubman**. Was all set to play piano for Waterman's Fountain Pen on a radio hook-up 10 minutes before the ball game went on when the whole thing was canceled. Seems with priorities on rubber Waterman's dropped the whole thing.

Calendar of New Security Flotations

OFFERINGS

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)

Registration effective 4:45 p.m. E.W.T., on April 16, 1942

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

Offered April 17 at $42.375 per share

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 as 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 $5.50 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)

Registration effective 3:45 p.m., E.W.T., on April 14, 1942.

Offered—Unsubscribed shares offered April 22, 1942, by A. M. Kidder & Co. at $5.50 per share.

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.

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 100 according to amendment to registration statement

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.

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)

Registration effective 12:30 p.m. E.W.T. on April 17, 1942

SUNDAY, MAY 3

WASHINGTON GAS LIGHT CO.

Washington Gas Light Co. filed registration statement with the SEC for 40,000 shares of $5 cumulative preferred stock, no par

Address—411 Tenth St., N. W., Washington, D. C.

Business—Company and its subsidiaries are engaged in manufacturing, purchasing, distributing and selling gas for cooking, heating, refrigeration and other purposes within the metropolitan area of Washington, D. C.

Offering—The 40,000 shares $5 preferred stock will first be offered for subscription to company's common stockholders, through warrants, on basis of 8/85ths of a share of $5 preferred stock for each share of common stock held. The stock of record date, expiration date of the subscription offer, and the subscription price per share of $5 preferred stock, will be supplied by amendment

Underwriting—Unsubscribed portion of the 40,000 shares will be underwritten and offered to the public, at a price to be supplied by amendment. Y. E. Booker & Co., Washington, D. C., is named principal underwriter, other underwriters will be supplied by amendment

Proceeds will be used to repay $3,100,000 bank loans of company, and to finance additions and improvements to plant and property of company and subsidiaries

Registration Statement No. 2-4987. Form A-2. (4-14-42)

SATURDAY, MAY 9

STANDARD AIRCRAFT PRODUCTS, INC.

Standard Aircraft Products, Inc., filed a registration statement with the SEC covering $300,000 5½% convertible serial and sinking fund debentures, due 1943-1947

Address—Dayton, Ohio

Business—Company manufactures and develops aircraft products, etc.

Offering—The 1943 maturity ($48,105) will be offered to the public at 100. The other maturities will be offered in exchange for 33,586 shares ($7.50 par) 40 cents cumulative preferred stock on a par for par basis as follows: debentures maturing 1944, $62,000; debentures maturing 1945, $62,000; debentures maturing 1946, $62,000; and debentures maturing 1947, $65,895

Underwriting—The debentures aggregating $251,895 may be sold through underwriter at 100. R. N. Webster, President, has agreed to sell through underwriter the $190.53 debentures he has agreed to exchange for his 25,405 shares of preferred stock. G. Brashears & Co. is named principal underwriter. R. N. Webster may be an underwriter

Proceeds of $48,105 (1943 maturity) will be used for working capital

Registration Statement No. 2-4988. Form A-1. (Filed in San Francisco 4-20-42)

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

Amendment filed April 17, 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 26,283 shares of $6 preferred stock held by the public will be entitled to receive one share of new preferred stock for each share of $6 preferred stock exchange, plus an amount in cash per share equal to the excess of the redemption price of $120 per share of the $6 preferred stock, plus accrued dividends to the date of redemption, over the initial public offering price of the new preferred stock. The exchange offer will expire not later than the fifth day after such offer is made. Should holders of the $6 preferred stock held by the public take more than 13,000 shares of new preferred stock under the Exchange Offer, then the number of shares of new preferred stock to be sold under competitive bidding will be reduced by such excess; and if less than 13,000 shares of new preferred are taken under the Exchange Offer, then the successful competitive bidders will have the option to purchase the additional shares represented by such deficiency at the same price per share as they have bid for the other shares

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

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

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

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

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

Company states that due to market conditions, no offering of stock is now contemplated

AXTON FISHER TOBACCO CO.

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

Address—Louisville, Ky.

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

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

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

Amendment filed April 18, 1942, to defer effective date

BEAR MINING AND MILLNG COMPANY

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

Address — 513 Majestic Bldg., Denver, Colo.

Business—Mining and milling

Underwriter—None

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

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

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

Amendment filed April 18, 1942, to defer effective date

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)

Amendment filed April 18, 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)

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 pre-

Calendar of New Security Flotations

ferred 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)

Registration Statement withdrawn April 20, 1942

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 $21.50 per share

Proceeds will be used for working capital

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

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)

Amendment filed April 16, 1942, to defer effective date

FLORIDA POWER & LIGHT CO.

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

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

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

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

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

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

Amendment filed April 17, 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 No. 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 outsanding 6% preferred stock of the privilege of exchanging such stock for 33,054 of the 39,382 shares of 4½% preferred stock on basis of one share of 4½% preferred stock, plus $1.50 (equal to current quarterly dividend payable March 1, 1942, on one share outstanding 6% preferred stock), plus an unstated amount (difference between the public offering price of one share 4½% preferred stock and $105, the redemption price of the 6% preferred), for each share of outstanding 6% preferred stock. Exchange offer expires Jan. 22, 1942. Any shares of 4½% preferred not issued under the exchange offer, plus the 6,328 shares not reserved for such exchange offer, will be offered to the public, at a price to be supplied by amendment. Harriman Ripley & Co., Inc., Philadelphia, is named principal underwriter; other underwriters will be supplied by amendment.

Proceeds will be used to redeem, on March 1, 1942, at $105 per share, all outstanding 6% preferred stock; balance for expenditures in connection with continuation and equipment of plant additions

Registration Statement No. 2-4926. Form S2 (12-30-41)

Offering of stock has been postponed for time being, it was announced April 10, 1942

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)

Amendment filed April 15, 1942, to defer effective date

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 23, 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 4½% 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	1,500
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)

Amendment filed April 15, 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 Standard Telephone Co., to make additions and betterments to company's plant and property, and for other corporate purposes

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

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)

Amendment filed April 21, 1942, to defer effective date

INTER-MOUNTAIN TELEPHONE CO.

Inter-Mountain Telephone Co. filed registration statement with SEC for 25,000 shares common stock, voting, $10 par value

Address—Sixth and Crumley Sts., Bristol, Tenn.

Business—Supplies telephone service in portions of Virginia and Tennessee

Underwriters—Alex. Brown & Sons, Baltimore; Mason-Hagan, Inc., Richmond, Va.; Stern, Wampler & Co., Inc., Chicago; Equitable Securities Corp., Nashville, Tenn.; Courts & Co., Atlanta, Ga.; R. S. Dickson & Co., Inc., Charlotte, N. C.; Minnich, Wright & Co., Inc., Bristol, Tenn.

Offering—The 25,000 shares of common stock will be offered to the public, at a price to be supplied by amendment to registration statement. The shares are to be offered for the account of the underwriters who are to acquire such shares as follows: Southern Bell Telephone & Telegraph Co. and Chesapeake & Potomac Telephone Co. of Virginia, have agreed to sell to above underwriters, a total of 25,000 shares of 6% non-cumulative convertible preferred stock, $10 par, of company, at a price to be supplied by amendment (20,665 shares of such preferred to be sold by former, 4,335 shares by latter). Underwriters agree that immediately following delivery to them of such shares of preferred stock, each will convert same, share for share, into a total of 25,000 shares of common stock of company

Proceeds will be received by the underwriters

Registration Statement No. 2-4908. Form A2. (12-6-41)

Amendments to defer effective date filed Dec. 22, 1941, Jan. 9, Jan. 27, Feb. 14 and March 2, 1942

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)

Amendment filed April 18, 1942, to defer effective date

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)

Offering has been indefinitely postponed, it was announced April 9, 1942

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)

Registration effective 5:30 p.m., E.W.T., on April 18, 1942

MILLER TOOL & MFG. CO.

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

Address—Detroit, Mich.

Business—Company is engaged in the manufacture and sale of service tools for use by the automotive industry

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

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

Proceeds will be used for the purchase of machinery and equipment and for working capital

Registration Statement No. 2-4920. Form S2. (12-26-41 Cleveland)

Amendment filed April 16, 1942, to defer effective date

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)

Registration effective, but under notice of deficiency 5:30 p.m. E.W.T., on April 18, 1942

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

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 in exchange to holders of the outstanding 6% preferred stock, on basis of one share of 5% preferred plus $5.18 in cash for one share of 6% preferred. Holders of at least 3,686 shares of 6% preferred must accept exchange offer before such exchange will be made. Such of the shares of 5% preferred as are not issued under the exchange offer will be underwritten and sold to the public, at 100. 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)

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)

Amendment filed April 17, 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

No public offering made up to April 20, 1942. Company through its officers, is disposing of a limited number of shares

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 $5.3 for each unit. On a share basis, stockholders may subscribe to 5 new share for each share held at $100.016 per share Substantially all outstanding stock is held by Columbia Gas & Electric Corp.

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

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

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

UNITED GAS CORPORATION

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

Address—2 Rector Street, New York City

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

Underwriters—None

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

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

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

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

Amendment filed April 16, 1942, to defer effective date

TEXAMERICA OIL CORP.

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

Address — Milam Bldg., San Antonio Tex.

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

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

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

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

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

Amendment filed Feb. 11 to defer effective date.

TREASURE MOUNTAIN GOLD MINING CO.

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

Address—Denver, Colo.

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

Underwriting—None

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

Proceeds will be used for working capital

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

Amendment filed Feb. 11 to defer effective date

TUNG GROVE DEVELOPMENT CO., INC.

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

Address—Ocala, Fla.

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

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

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

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

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

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

Request to withdraw registration statement filed April 13, 1942.

VIRGINIA PUBLIC SERVICE CO.

Virginia Public Service Co. filed a registration statement with the SEC for: $22,800,000 first mortgage 3½% bonds, due Dec. 1, 1971; $5,700,000 of 2%-3½% serial notes, due semi-annually June 1, 1944-Dec. 1, 1951, in varying amounts (from $320,000 to $390,000); 70,000 shares 5½% cumulative preferred stock, $100 par value; and 628,333 shares common stock, no par

Address—117 S. Washington St., Alexandria, Va.

Business—Company is principally an electric operating public utility engaged in the production, purchase, transmission, distribution and sale of electric energy at retail and wholesale in Virginia, West Virginia and, to a minor extent, in North Carolina. Company is a subsidiary of General Gas & Electric Corp., which is in the Associated Gas & Electric Corp. holding company system

Underwriting and Offering—The securities registered will be sold through competitive bidding, under the SEC's competitive bidding Rule U-50 of the Public Utility Holding Company Act. Only exception is confined to such shares of the new preferred stock as may be issued on a share for share basis (with a cash adjustment) to holders of the presently outstanding preferred stock who do not elect to take cash for their stock. Name of underwriters, and public offering prices for the securities, will be supplied by post-effective amendment to registration statement

Proceeds will be used as follows: The 628,333 shares of new no par common stock will first be issued to General Gas & Electric Corp. in exchange for the old common stock now held by General Gas & Electric Corp., and will be offered for sale through competitive bidding. The proceeds from the sale of the securities registered will be used to retire all of the outstanding long-term indebtedness of the company, its predecessor and constituent companies, and that of Virginia Public Service Generating Co. (a subsidiary), to make cash payments to its present preferred stockholders, and to provide company with funds for new construction

Registration Statement No. 2-4913. Form A2. (12-12-41)

Amendments to defer effective date filed Dec. 26, 1941, Jan. 10, Jan. 31, 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

Calls Sales Tax Unfair To Low Income Groups

Randolph Paul, tax adviser to the Secretary of the Treasury, declared on April 14 that a general retail sales tax would hurt persons in low income groups the most and described it as "one of the best examples of willingness to have taxes paid by the other fellow—in this case the fellow least able to pay."

Speaking before the National Association of Insurance Agents at the Hotel Pennsylvania, New York City, Mr. Paul said that, instead of a curb, a sales tax might prove a spur to inflation, as it would make the problems of wage and price controls more difficult.

He also asserted that the theory that a sales tax would produce high revenues is a "great illusion" but that, if it were adopted, it would have to be as high as 10% on all kinds of products in order to raise $4,500,000,000, or justify its enactment. Mr. Paul further said that the cost of collection of such a tax would be very high.

Highest March Construction Awards Since 1927

Total construction contracts awarded last month in the 37 eastern states amounted to $610,799,000, according to a statement released April 16, by F. W. Dodge Corporation. This is the highest March total recorded since 1927 and is almost $131 million or 27% ahead of the corresponding month last year.

Each of the three major categories of construction, non-residential, residential and heavy engineering (public works and utilities) show substantial increases over last year on the basis of comparing March 1942 and March 1941 and on comparing first quarter records of the two years.

PERCENTAGE CHANGES—1941-1942

	March Increases	First Quarter Increases
Non-residential	15%	28%
Residential	48	31
Pub. Wks. & Util.	22	29
Total construction	27%	29%

Indication of the progress of conversion of construction to war purposes is seen in the fact that 72% of the 1942 first-quarter dollar total was for public projects, as compared with 47% of the 1941 first-quarter total. In other words, public construction contract volume in the first quarter of this year was nearly double the volume of the first quarter of last year, while dollar volume of private construction declined about one-third. The freeze order issued by the War Production Board on April 9 will speedily convert practically all construction activity to war purposes.

FDR Urges More Use Of Inland Waterways

President Roosevelt recently revealed that plans are under way for greater use of the inland waterway along the Atlantic seaboard. The President said that perhaps the old shipyards in New England, where wooden schooners used to be built, could be reopened to construct wooden barges for use on the waterway as far as Jacksonville, Fla., where the 11-foot channel ends.

Associated Press Washington advices reported:

From Jacksonville, Fla., north, Mr. Roosevelt said, an 11-foot channel can be obtained, but south of there the channel is only six feet deep. That almost precludes the use of the southern end of the inland waterway and necessitate a transfer of cargo at Jacksonville, the President asserted.

While he cautioned reporters against starting a new controversy over a Florida ship canal, he remarked there was no way, by water, of getting across the Florida peninsula.

To deepen the six-foot channel, he remarked, would take too long and require much valuable manpower and machinery. So, he said, we must do the best we can with what we have.

He said it seemed perfectly possible to build the wooden barges and not interfere with the use of steel for war purposes. He said the wooden barges would be cheaper than concrete, self-propelled barges, to which some consideration had been given.

Greater utilization of the Nation's inland waterways to help relieve the shipping situation was advocated by President Roosevelt on March 28 in a letter to Representative Mansfield (Dem., Tex.), Chairman of the House Rivers and Harbors Committee.

Reporting this Associated Press Washington advices said:

The President wrote that "sufficient equipment to accommodate the tonnage" was not now available, but "this subject has already been taken actively in hand and is being carefully studied by the Office of Defense Transportation, the war shipping administrator and others.

Saying the program presented problems such as obtaining necessary strategic materials, providing construction facilities and, in some instances, dredging of waterways, the Chief Executive added:

"I am hopeful that something constructive may be worked out without undue delay."

Mr. Mansfield had written the President pointing out the availability of the waterways for the shipment of heavy commodities vital to national defense, such as petroleum and its products.

Mr. Mansfield also has proposed construction of a waterway across northern Florida of suitable dimensions for barge traffic to connect these existing waterways.

A resolution directing the army engineers to make a survey for such a development was adopted today by the Rivers and Harbors Committee, the Chairman announced.

In USO War Fund Drive

Three leaders in banking, industry and law have accepted appointments as Chairmen of important sections of the Greater New York USO War Fund Appeal, it was announced on April 7 by Henry C. Bruhie, General Chairman of the New York USO Committee, and Winthrop W. Aldrich, Chairman of the combined Commerce and Industry Division. They are:

John C. Traphagen, President of the Bank of New York, for the Finance Section.

John A. Brown, President of Socony-Vacuum Oil Co., Inc., for the Industry Section.

Archibald G. Thacher, of Barry, Wainwright, Thacher & Symmers, for the Professional Section.

These are the first three section chairmanships to be filled, in preparation for the opening of the campaign, May 11, in which $32,000,000 is to be raised nationally for the continuance and expansion of the work of United Service Organizations. Chairmen for the Commerce Section and the Labor Section are yet to be named.

At the same time, announcement was made that the executive Vice-Chairmanship of the New York USO War Fund drive has been accepted by George J. Lyons, customer service manager of the New York Telephone Co., while W. E. Cotter, of Union Carbide and Carbon Corp., will serve as Executive Vice-Chairman of the Commerce and Industry Division. The appeal will be opened simultaneously in 6,000 cities and communities through the United States and will close on Independence Day, July 4.

Bank of England Head

Montagu Norman, Governor of the Bank of England, has been reelected to that post for the 23rd successive time, it was announced in London on April 14. Basil Gage Catterns was reelected Deputy Governor.

Illinois Dealers Drive For War Bond Sale

CHICAGO, ILL.—The securities industry of Chicago and Illinois, preparing for an increasingly important part in war financing, has enlarged the three-man committee appointed last January to co-operate with State War Bond Administrator Norman B. Collins until it has become a "committee of 100." Representatives of practically every securities house in Chicago are included and in addition there are members from the other principal cities of the State.

Jay N. Whipple, of Bacon, Whipple & Co., has been named Chairman of the augmented committee. Vice Chairmen are: Carl J. Easterberg, of Riter & Co.; Albert D. Farwell, of Farwell, Chapman & Co.; T. E. Hough, of Halsey, Stuart & Co.; Ralph S. Longstaff, of Rogers & Tracy; John S. Loomis, of Illinois Company of Chicago; Nathan D. McClure, of Harriman Ripley & Co. and Francis F. Patton, of A. G. Becker & Co.

Over 500 Chicago investment securities men on April 20 and 21 took an intensive course of instructions in how to transmit some part of their special training and experience in selling securities to 100,000 "Minute Men," amateur securities salesmen who on May 11, 12 and 13 will solicit pledges to buy War Bonds from every person in Chicago who has an income, no matter how modest. The especially prepared series of lectures and demonstrations were given under the direction of experts in mass psychology from Northwestern University School of Commerce. Sponsoring the program is the Illinois Committee of the Securities Industry for War Financing.

To Form Blumenthal Co.

Simon B. Blumenthal, member of the New York Stock Exchange, and Maurice B. Blumenthal, Jr., will form S. B. Blumenthal & Co., Exchange member firm, with offices at 30 Pine St., New York City, effective May 1. Simon B. Blumenthal was formerly an individual floor broker; Maurice Blumenthal was a partner in Faroll Brothers.

Kidder, Peabody To Admit

H. Albert Russell will acquire the Exchange membership of Chandler Hovey, partner in Kidder, Peabody & Co., 17 Wall St., New York City, members of the New York Stock Exchange and other leading Exchanges, and will be admitted to partnership in the firm on April 30.

The Chicago City Railways and the Chicago Railways Companies

(Continued from page 1610)

temporary investment in Series "A" Bonds, Equipment Certificates of the New Company, prime bankers acceptances and obligations of the United States.

The Indenture shall provide for the issuance of First Mortgage Bonds in series. The first series shall be known as First Mortgage 5% Bonds, Series A, and shall be limited in aggregate principal amount to the unpaid principal amount of the First Mortgage Bonds of the Surface Lines now outstanding in the total aggregate principal amount of $72,718,350.

The Series "A" Bonds are to be dated not later than the effective date of the Plan, shall be due 30 years after date, shall bear interest at the rate of 5% per annum, payable semi-annually February and August 1, and shall be redeemable in whole or in part at any time on not less than 30 days' notice at their principal amount plus unpaid interest accrued to the date of their redemption.

The First Mortgage Series "A" Bonds, as well as the First Mortgage Series "B" Bonds, shall be redeemable in their entirety at any time within three years after the date of issuance at their principal amount with unpaid interest accrued, upon deposit of funds derived from the sale of its Optional First Mortgage Bonds or otherwise sufficient to pay 50% of the outstanding principal amount of said bonds and to pay all unpaid interest accrued to the date of redemption, together with Second Mortgage Income Bonds of the New Company in an amount equal to 50% of the principal of the outstanding First Mortgage Series "A" and "B" Bonds.

The Indenture is to provide that, as long as any of the Series "A" Bonds are outstanding, no dividends shall be paid or declared except out of the net income of the New Company and except after a sum sufficient to pay the next maturing installment of interest on the Series "A" Bonds has been set aside for the purpose and after all sinking fund requirements for prior periods have been fulfilled.

The New Company is to set aside annually and deposit with the Trustee as a sinking fund for the retirement of Series "A" Bonds an amount in cash or in principal amount, re-acquired by the New Company, for a period of 15 years after the date of issuance of the bonds, equal to the aggregate of: (1) An amount equal to 1¼% of the principal amount of Series "A" Bonds initially issued and/or subsequently issued; (2) An amount equal to the annual interest charges upon all Series "A" Bonds theretofore retired by the operation of the sinking fund and (3) An amount equal to 4% of the general cash of the New Company upon the effective date of the plan.

The Indenture is to provide that, after the payment of all receivership, foreclosure and reorganization costs and expenses to be paid by the New Company, and after there shall have been set aside for working capital such amounts as the Board of Directors of the New Company may deem advisable, the remaining funds of the New Company (not required for interest and principal and sinking fund payments on equipment and modernization loans), but not exceeding $8,000,000, shall be paid to the Trustee and set aside in a special temporary interest reserve fund to pay the interest on the Series "A" and "B" Bonds. Such remaining funds shall be paid first out of available free cash and then from any renewal and equipment reserve funds.

The moneys paid into the Sinking Fund shall operate as a purchase fund, permitting First Mortgage Series "A" Bonds to be acquired by the Trustee in the open market or by tender at the lowest prices obtainable. In the event bonds sufficient to exhaust all moneys in the sinking fund cannot be so acquired by purchases at less than the redemption price, the balance of the moneys in the sinking fund shall be used to redeem the First Mortgage Series "A" Bonds at the redemption price.

Regarding Chicago City Railways and Chicago Railways controlled by Chicago Surface Lines System, interest has been paid continuously through and including August, 1941 and petition has been filed for interest payment due Feb. 1, 1942 by First Mortgage Bondholders Committee. Court has deferred payment, pending further developments in the unification proceedings.

Dealers Committee For War Financing Set Up

Establishment of the National Committee of the Securities Industry "in order to coordinate and direct our National effort to aid the Government in financing the war," was announced on April 16. In a circular to member firms of the securities industry, signed by James F. Burns, Jr., President of the Association of Stock Exchange Firms; H. H. Dewar, Chairman of the National Association of Securities Dealers, Inc., John S. Fleek, President of the Investment Bankers Association of America, and Emil Schram, President of the New York Stock Exchange, it was pointed out that "on March 31 the necessity for this was clearly demonstrated when the Secretary of the Treasury called upon the undersigned to organize the industry for the specific job of soliciting 10,000 corporations for the purchase of the Treasury Certificates of Indebtedness to be offered April 6." The signers of the circular add:

This Committee was that day set in motion and a nationwide coverage was hastily improvised. The results have been most gratifying to the Committee and to the Treasury, the latter realizing full well the shortness of time allowed for the task. The list of corporations was thoroughly covered by direct solicitation and your immediate effective response has given impressive proof of the usefulness to the nation of the training and experience in this business.

You will be interested in a brief review of the steps already taken by the industry to assist the Government in its war financing. Last December the ASEF, IBA, NASD, and NYSE, as representatives of the industry, offered their services to the Treasury. In January the heads of these organizations were called to Washington for a four-day conference, as a result of which committees representing the industry were formed in each state to work with their respective State Administrators of the Defense Savings Staff of the Treasury Department, and to mobilize the energies of the securities firms in their states for active duty when called. In some states local committees had previously been set up and were already hard at work. All these state committees have endeavored to co-operate with their State Administrators and, in many cases, have been able to accomplish much in the sale of Defense Bonds. In February the Treasury Department appointed T. J. Bryce, a partner of Clark, Dodge & Co., New York City, as Securities Industry Liaison Officer of the Defense Savings Staff. He is serving on a full-time basis as a volunteer and is co-operating closely with the undersigned and with all our state committees in giving advice and developing plans for our contribution to the national effort.

In establishing this National Committee, the undersigned are acting to promote unification and co-ordination of the industry's activities and, most especially, as demonstrated during the past week, to have a nationwide organization ready at a moment's notice for specific assignments when and if called upon by the Treasury. In the interest of economy and efficiency, we have established an office at 33 South Clark Street, Chicago, from which central point all general and routine communications and memoranda containing recommendations and detailed instructions will be mailed.

Revise SEC Rule On Security Registration

The Securities and Exchange Commission announced on April 14 a revision of Rule X-12A-5 under the Securities Exchange Act of 1934. This rule provides a temporary exemption of certain securities from registration under Section 12 of the Act. The Commission states:

Among the securities to which the exemption applies are securities resulting from a modification of a security listed or admitted to unlisted trading privileges on a national securities exchange, referred to as the "original" security, securities of the same or another corporation into which the original security is changed as a result of a statutory consolidation or statutory merger, securities issued in respect of the original security pursuant to a plan of reorganization confirmed by a court of competent jurisdiction, securities distributed in liquidation in substitution for the original security, and additional securities resulting from an assumption of liability upon the original security by a person other than the original issuer thereof.

The revision broadens the rule to provide an exemption for an entire class of securities where the original security has come to evidence 10% or more of the outstanding securities of the class of which the exempt security is a part if securities of the class are listed and registered on a national securities exchange. The exemption expires after 60 days subject to earlier termination by certain events such as registration or the granting of unlisted trading privileges, and subject also to an extension or prior termination of the exemption by the Commission if the Commission finds it appropriate in the public interest or for the protection of investors to do so.

Irving Stein Admits

H. Landau Stein has been admitted to partnership in the firm of Irving Stein & Co., 25 Beaver St., New York City. Nathan Lukow has retired as a partner in the firm.