Final Edition THURSDAY Three Sections—Section One

FINANCIAL CHRONICLE
The COMMERCIAL and

(Reg. U. S. Pat. Office)

Volume 155 Number 4068 New York, N. Y., Thursday, April 30, 1942 Price 60 Cents a Copy

Our Reporter On "Governments"

The $2,000,000,000 May borrowing may come next week, according to dealers. . . . Feeling is Secretary Morgenthau will want to get this record-sized financing out of the way as soon as possible —avoid possible difficulty arising out of bad news from abroad. . . . The $2,000,000,000 June borrowing also is believed slated for early in the month. . . . In short, the Treasury is spending money so fast these days that it can't afford to wait even a week or two longer than necessary for timing purposes. . . .

Despite talk that $4,000,000,000 financing deal includes refunding of the $875,000,000 Home Owners Loan Corporation 2¼s of 1944, callable July 1, and the $276,000,000 of RFC 1% notes, due July 1, informed opinion is these operations will be in addition to the new money requests. . . . Just spend a few minutes on the statistics. . . . And you'll see why Morgenthau needs a minimum of this amount from the open market by July 1. . . .

In fact, if you add income tax returns for June and war bond sales of more than $1,000,000,000 a month and $4,000,000,000 new money borrowing, it still seems indicated that the cash balance on July 1 will be no more than $2,000,000,000. . . . And that's a minimum for comfort in these times. . . . By the time the new fiscal year rolls around, in fact, it may be that the excess of daily expenditures over receipts will be way above $100,000,000. . . . We're increasing our spending—not staying at the same point or falling back. . . .

Terms

You can't get any accurate information on terms yet. . . . At this writing, the financial district is full of rumors, all of which are just that—rumors. . . . Chances are, though, that we'll have a two-way offering—long-terms for insurance companies, short-terms for banks. . . .

An unorthodox financing isn't likely this month. . . . Maybe it will come in June, but again, the odds are we won't have anything out of the ordinary until Morgenthau experiences his first disappointment with financing. . . . Direct sale of part of the $4,000,000,000 to the Federal Reserve Banks is possible, though. . . .

Odds are that the market, which has been dull and uninteresting for weeks, will continue untouched by any except terrific developments until the new issue comes around. . . . Federal Reserve Banks may buy bonds to keep market in shape until issue is sold. . . .

Short-Terms

The banks ask for short terms. . . . The American Bankers Association's Economic Policy Commission asks for issues limited to the 10-year maturity bracket. . . . Officials of the Federal Reserve System—both in lectures and in "approved" articles—suggest restriction of all future offerings of Governments to commercial banks to the short-term classification. . . . The Treasury indicates its awareness of this by selling certificates of indebtedness and remarking that increased liquidity is one object of the flotation. . . . Add the comments. . . . Interpret them. . . . And what have you?

(Continued on page 1700)

OUR REPORTER'S REPORT

What can be accomplished through the medium of cooperation and round-table talks between given groups, becomes evident from the apparent success of discussions that have been taking place between insurance company representatives and investment bankers under the auspices of New York State Superintendent of Insurance Louis H. Pink.

Some months ago, it will be recalled, the bankers and the insurance companies were literally at "swords' points" over the matter of "competitive bidding" for new securities. The bankers contended that the insurance firms were usurping their prerogative in entering bids for new offerings.

For a time the situation was quite strained, particularly when the insurance company bidders snapped up several large offerings. Then the conferences were arranged, and with little or no fanfare — very little has been written about the proceedings—have continued over a period of months.

Presumably these round-table talks have been helpful in working out a formula assuring the institutional investors of a fair proportionate share in new securitiy offerings.

That the program appears to be working out satisfactorily for all concerned seems indicated by the fact that bankers have had the field pretty much to themselves for a considerable period. Insurance company bidding, except in the case of small issues, has been a rare occurrence of late, though occasionally they acquire issues through direct negotiations.

Treasury's Program

Forewarned by the tremendous war task which the Nation has taken upon itself, the Government

(Continued on page 1699)

Lower First Quarter Company Profits Reflects Mounting Burden Of Increased Taxes

First quarter earnings reports issued to date by 150 manufacturing companies show, in a majority of cases, a decline in net income after taxes as compared with the levels of a year ago, according to a tabulation by The National City Bank of New York, made public April 27. The bank notes that this group, representative for the most part of the larger organizations in various branches of manufacturing, and employing an aggregate capital and surplus of approximately $4,250,000,000 at the beginning of this year, had combined net income in the first quarter of $107,000,000 after taxes, which was 16% below the total for the same companies, in the first quarter of 1941, and 29% below that of the fourth quarter. It is likewise pointed out that the decline marks the first important reversal of the generally upward trend of earnings since 1938 which accompanied the rapid expansion of industrial production. The bank further says:

> Volume of sales, when reported, showed gains avergaging 26% over the first quarter last year. The decline in net earnings under these circumstances was caused in large measure by the steep increase in Federal income and excess profits taxes, although other factors noted were the curtailment of peacetime output, the cost of conversion to war production, and the rise in labor, material and other operating costs during the past year.
>
> Tax details available for 77 of the companies which have reported show that the combined net income before taxes increased from $102,000,000 in the first quarter of 1941 to $171,000,000 in the first quarter of 1942, or by $69,000,000. Charges for Federal income and excess profits taxes for the two periods, however, increased from $49,000,000 to $125,000,000 or by $76,000,000. Such taxes absorbed 48% of the net income before taxes in the initial quarter of 1941, but 73% in 1942.
>
> The tax figures given comprise income and excess profits taxes only, and do not include State and local taxes, social security taxes and miscellaneous Federal taxes paid, which are charged in operating expense.
>
> A considerable number of the reports issued contained some explanation as to the basis upon which reserves for first quarter taxes were computed. More than half of these allowed for a "moderate" or "substantial" increase over the 1941 rates for normal tax, surtax and excess profits tax; one-fourth applied the existing 1941 rates; and the remainder used the new high schedule of rates recently proposed by the Treasury.

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Sinsabaugh Becomes Woodruff, Hayes V.-P.

Robert W. Sinsabaugh has become vice-president of Woodruff, Hayes & Company, institutional investment counselors in Chicago. Mr. Sinsabaugh, for the past six years, has been vice-president of the New York investment counsel firm of Clarke, Sinsabaugh & Co., and prior thereto was assistant vice-president of the Central Hanover Bank & Trust Company in New York in charge of the trust investment department.

Mr. Sinsabaugh has lectured at New York University and City College of New York and was a member of the Fifth Fortune Round Table, the National Policy Committee, the American Council of the Institute of Pacific Relations and the American Economic Association.

British Firemen At Denver Bond Club

DENVER, COLO. — Seventy-five members of the Denver Bond Club and their guests attended the Club's luncheon meeting at which D. D. Ivall, District Officer of the London Fire Brigade, and Rudolph Haybrook, Auxiliary Fireman, were speakers.

Mr. Ivall and Mr. Haybrook, with their associate, Mr. Palmer, have been touring the United States, exhibiting the now famous group of Firemen's Paintings created in England during the present war. Mr. Haybrook is an eminent artist and has several paintings in the collection.

Three reels of interesting moving pictures were shown, official Government releases, showing the great London Fire Raids, which are being exhibited in this country to bring to the people of the United States the lessons learned by the British through practical experience in combating air raids.

Lohrman Urges Change At Unemployment Bur.

William E. Lohrman, William E. Lohrman Co., 76 Beaver St., New York City, in a letter to The Chronicle recommends certain changes in procedure for registering with the State Unemployment Bureau. Mr. Lohrman says:

"I note that a bill was voted by the Legislature and is awaiting the Governor's signature increasing the benefit period from 13 weeks to 20 weeks and the maximum payments from $15 to $18 a week, and reducing the waiting period from 3 to 2 weeks. FINE. That is what I call consideration of the unfortunates. HOWEVER, have we ever thought of this. It is painful embarrassment for many men and women, to stand in line at the Unemployment Bureau and thus some of them forego the payments. We should be considerate of these people. Many of them have worked at good jobs and are high grade and I can understand their feelings. I have had this situation presented to me oftentimes by those who are entitled to such benefits. One man only today said that he would rather starve than to humiliate himself so publicly. Of course, there are many of us who will disagree with his viewpoint but the fact remains that it is his privilege to feel that way. Therefore, I would suggest that employees who are now still employed write to their New York State Senators and Assemblymen and present this picture and offer a possible cure. My idea of a cure would be that a separate unit be set up by the State for mail requests for the benefits and perhaps on a lesser basis because of the extra detail, OR give the employee the prerogative of having his employer pay the 2.70% premium over to an insurance company fund set up for the purpose of insuring these folks who are so sensitive. Some may laugh at this thought. Perhaps they are the hardened type. But we must think of our fellow man. We are not all constituted alike."

Merger Effective Of Pyne Kendall & Reynolds Fish

The merger of the New York Stock Exchange firms of Pyne, Kendall & Hollister and Reynolds, Fish & Co. to form Pyne, Kendall & Hollister-Reynolds, Fish & Co., a single co-partnership, becomes effective on May 1. Partners in the new organization will be Buell Hollister, Albert W. Bianchi, Ernest L. Jones, members of the New York Stock Exchange, F. Malcolm Minor, George T. Adee, George C. Astarita, Paul W. Havener, Charles H. Mallory, William L. Strong, Jr., New York Exchange member, general partners, Stanley W. Burke, Henry E. Coe, Jr., and Robert E. Strawbridge, Jr., limited partners.

Edgar Kahn In S. F.

(Special to The Financial Chronicle)

SAN FRANCISCO, CALIF.—Edgar M. Kahn is engaging in a general securities business from offices in the Kohl Building. Mr. Kahn was formerly with J. Barth & Co.

Advertising Necessary To Maintain Interest

Because it frequently requires years to procure new customers, although they can be lost overnight, manufacturers in competitive industries owe it to themselves and their stockholders to sustain consumer interest in their products and services through appropriate, informative advertising, Rudolph Guenther, of Albert Frank-Guenther Law, Inc., New York, declared.

Pointing to a few notable campaigns by steel, motor car, aircraft, oil, rubber and other companies as examples of constructive maintenance of consumer interest in their products and services, Mr. Guenther said that many other companies were now in financial position to advertise their performance records as part of the war effort and to pave the way for rebuilding of peacetime markets in the battle of competition that is considered inevitable.

"The reduction in newspaper and magazine advertising linage that has taken place since the war began is a natural consequence of the conversion of industry to war production, problems created by priorities, and anti-inflationary restrictions on spending by the public," said Mr. Guenther. "However, as a natural result of the industrial expansion that has taken place in the last few months many manufacturers will be in a better position to compete for post-war business than they have been heretofore. Their research and intensified production will make many old products obsolete. Many have a story to tell the public they never had before. But of even greater importance than the story they can tell today is the necessity of keeping their customers. This they can do through intelligent advertising which sustains confidence and attracts new friends.

"Buying habits and preferences undergo marked changes in periods such as the present and these will be felt by industry after the war. Customers can disappear overnight in wartime, but they seldom can be secured in such short time.

"Advertising is helping build morale, helping Uncle Sam derive needed revenue for war purposes, making the public conscious of the immensity of our fight for freedom—generally doing a job that can only be done through the medium of the press of the nation and radio which are doing more than their share to help win the war."

To Be Shaskan Partner

George L. Shaskan, member of the New York Stock Exchange, will become a partner in Shaskan & Co., 40 Exchange Place, New York City, Exchange members, as of May 1. E. Felix Shaskan, partner in the firm, will act as alternate for Mr. George Shaskan under Section 15, Article IX of the Exchange's constitution.

Guion, Scholle Partner

John A. Guion will become a partner in Scholle Brothers, 40 Wall Street, New York City, members of the New York Stock Exchange, as of May 1.

Smith & Irle, NYSE Firm, Forming In NY

Willard S. Irle, member of the New York Stock Exchange, will be admitted to partnership in E. Dutilh Smith & Co., 30 Broad Street, New York City, Exchange member firm, on May 1st and the name of the organization will be changed to Smith & Irle. Mr. Irle for many years has been an individual floor broker in New York.

St. Louis War Loan Agency Under Longmire

ST. LOUIS, MO.—John R. Longmire, a partner in I. M. Simon & Co., 315 North Fourth Street, has been appointed director of the war loan agency of the St. Louis Reserve Bank. Mr. Longmire will be on leave of absence from I. M. Simon & Co. while the work with the Reserve Bank continues.

Guy Gadbois Is Now With Pacific Company

(Special to The Financial Chronicle)

LOS ANGELES, CALIF.—Guy Gadbois is now affiliated with the Pacific Company of California, 623 South Hope Street, members of the Los Angeles Stock Exchange. Mr. Gadbois was formerly vice-president of O'Melveny-Wagenseller & Durst, and prior thereto was with Schwabacher & Co. and Wm. Cavalier & Co.

W. M. Wilson Joins Fewel, Marache & Co.

(Special to The Financial Chronicle)

LONG BEACH, CALIF.—William Melvin Wilson has become associated with Fewel, Marache & Co., 453 South Spring Street, members of the Los Angeles Stock Exchange. Mr. Wilson was previously President of W. Mel Wilson & Co. of Long Beach.

Walter M. Goodnow, formerly associated with Mr. Wilson, is also joining the staff of Fewel, Marache & Co.

Charles Holton Now With Morton Seidel

(Special to The Financial Chronicle)

LOS ANGELES, CALIF.—Charles L. Holton has become associated with Morton Seidel & Co., Rowan Building. Mr. Holton was manager of the trading department of the local office of E. H. Rollins & Sons, Incorporated.

Offer Retail Appeal

The 6% cumulative preferred voting trust certificates of Houston Oil Co. of Texas and the certificate of deposit 5s of 1973 and 6s of 1949 of Philadelphia & Reading Coal & Iron Co. have particular retail appeal, according to circular issued by Schoonover, de Willers & Co., Inc., 120 Broadway, New York City. Copies of these interesting circulars may be had from Schoonover, de Willers & Co. upon request.

Lester Hansen Now With Merrill Lynch, Pierce Co.

(Special to The Financial Chronicle)

TACOMA, WASH. — Lester Ward Hansen, Will E. Smith, and George Edward Wratten have become associated with Merrill Lynch, Pierce, Fenner & Beane, Washington Building. Mr. Hansen, formerly in charge of the local office of Dean Witter & Co., with which Mr. Smith and Mr. Wratten were also associated, will be local manager for the Merrill Lynch firm.

Charles Easter Joins Merrill Lynch, Pierce

(Special to The Financial Chronicle)

SEATTLE, WASH.—Charles W. Easter, manager of the trading department of the local office of Dean Witter & Co. for many years, has become associated with Merrill Lynch, Pierce, Fenner & Beane, 1411 Fourth Avenue Building.

Also joining the staff of Merrill Lynch, Pierce, Fenner & Beane are John M. Brazier, Jesse C. Johnson, and James C. Robinson, all formerly with Dean Witter & Co.

Scudder, Stevens Takes Over Clarke, Sinsabaugh

Consolidation of the activities of the investment counsel firms of Scudder, Stevens & Clark, and Clarke, Sinsabaugh & Co., Inc., will become effective on May 1 when the former firm will acquire all of the outstanding capital stock of Clarke, Sinsabaugh & Co. The business of Clarke, Sinsabaugh & Co. will be continued at its present offices at 247 Park Avenue under the name of Scudder, Stevens & Clark, Inc., with E. Thurston Clarke continuing as President.

Two Clarke, Sinsabaugh & Co. officers, Charles M. O'Hearn and Henry G. Davis, will become special partners of Scudder, Stevens & Clark. Other partners are: Theodore T. Scudder, James N. White, F. Vinton Lawrence Jr., Livingston T. Merchant, Hardwick Stires, Donald B. Smith, Robert G. Wiese, Ronald T. Lyman Jr., and Winslow Lewis.

A letter being sent to the clients of both firms states that the consolidation is designed to increase and to improve the investment facilities of both organizations despite probable drafts of manpower either to the armed forces or to administrative duties in Washington.

Scudder, Stevens & Clark was founded in Boston in 1919 as the pioneer investment counsel firm in the United States. The firm later opened offices in New York, Providence and Philadelphia. Scudder, Stevens & Clark maintains associate relationships with the investment counsel firms of Haydock, Lull & Peabody in Cincinnati, and Willis & Christy in Los Angeles. Clarke, Sinsabaugh & Co., Inc., established in 1933, have maintained offices in New York City for their business, which is national in scope.

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 30, 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.

J. P. Morgan Co. Joins Fed. Reserve

J. P. Morgan & Co., Incorporated has been admitted to membership in the Federal Reserve System, the New York Federal Reserve Bank announced on April 27. The Morgan bank was the largest non-member bank in the country. Its admission brought to 800 the number of commercial bank members in the New York District.

The admission of the bank involved a subscription of $1,200,000 to Reserve Bank stock, equivalent to 3% of its capital and surplus. Membership in the system carries with it membership in the Federal Deposit Insurance Corporation. The FDIC assessment rate of 1/12 of 1% per year on deposits amounts to about $530,000 in the Morgan case based on deposits of $637,000,000 on March 31 last.

In a letter advising stockholders and customers of the admission, George Whitney, President of J. P. Morgan & Co., Incorporated said:

> We consider it appropriate that we should join the Federal Reserve System because such membership will enable us to broaden our services in both public and private war financing not only to our clients but also to United States Government.

Wells Morris Now With Bogardus, Frost Firm

(Special to The Financial Chronicle)

LOS ANGELES, CALIF.—Wells Morris has become associated with Bogardus, Frost & Banning, 629 South Spring Street, members of the New York and Los Angeles Stock Exchanges. Mr. Morris was previously vice-president of O'Melveny-Wagenseller & Durst and its predecessor firm; prior thereto he was with Smith, Barney & Co., Edward B. Smith & Co. and was manager of the bond department for Wm. Cavalier & Co.

Pask Urges Lehman Sign Stk. Transfer Bills

Expressing encouragement that the N. Y. Legislature had passed for the third successive year bills aimed to give relief to the depressed securities markets industry, Marshall W. Pask, Chairman of the Securities, Commodities and Banking Section, of the New York Board of Trade, wrote to Governor Lehman on April 25 urging him to sign the bills this year.

The measures, sponsored by Senator Coudert and Assemblyman Mitchell, eliminate double taxation on odd-lots, and reduce the State stock transfer tax rates and put the rates on an ad valorem basis. Similar bills were vetoed by the Governor last year.

In his letter urging the Governor to sign these bills, Mr. Pask says that the bills alone won't save the industry, but they will mark the first legislative or administrative act within recent years that will give encouragement.

Ass'n Of S. E. Firms Elects New Governors

James F. Burns, Jr., President of the Association of Stock Exchange firms, announced on April 24 the selection of four new Governors to replace members of the Board who have recently resigned. The new Governors, who will hold office until the annual meeting of the Association in November are Sidney J. Adams, of Paul Brown & Co., St. Louis, Mo.; Ranald H. Macdonald, of Dominick & Dominick; Winthrop H. Smith, of Merrill Lynch, Pierce, Fenner & Beane, and George T. Purves, of Graham, Parsons & Co. The announcement also states that Mr. Macdonald, Mr. Smith and Mr. Purves will replace J. Gould Remick, of Evans, Stillman & Co., G. H. Walker, Jr., of G. H. Walker & Co., and Gardner D. Stout, of Dominick & Dominick, who have all entered the armed forces. Mr. Adams will fill the vacancy caused by the resignation of J. Gates Williams, of St. Louis, Mo.

N. Y. Board Of Trade Financial Group Elects

At the annual meeting of the Securities, Commodities, Banking and Allied Industries Section of the New York Board of Trade, Marshall W. Pask of Mackay & Co., was elected Chairman; Emmett Corrigan of Albert Frank-Guenther Law, Inc., Vice-Chairman; Matthew G. Ely of Horace S. Ely & Co., Vice-Chairman; O. R. Kelly of Lawyers Trust Co., Vice-Chairman; and M. D. Griffith, Secretary. Members elected to the executive committee in addition to the above include: Harold L. Bache, J. S. Bache & Co.; Penn Harvey, W. E. Burnet & Co.; J. D. Massoletti, Downtown Restaurateurs Assn.; Oliver J. Troster, Hoit, Rose & Troster; William DeWitt of the Chemical Bank & Trust Co.; and Frederick S. Todman of Frederick S. Todman & Co.

Special Courses For Women In Wall St.

Wall Street is beginning to feel its first labor shortage since 1929, according to Albert P. Squier, Director, New York Institute of Finance. The combined demand for manpower of the armed forces and high paying defense industries has been draining off the skilled working force of the financial district. When this is considered together with the fact that there has been relatively little "new blood" taken into the securities industry in recent years, the growing concern of employers is readily appreciated.

To a large extent the financial industry has been a man's world, with comparatively few women holding positions of responsibility, Mr. Squier said. Under the impetus of war, however, women are being utilized in many new capacities. Brokerage houses now have girls employed as board markers and quotation clerks, banks are hiring girl pages and throughout the financial district trained women employees are assuming positions of increasing responsibility.

The New York Institute of Finance, originally founded by the New York Stock Exchange as the Stock Exchange Institute, is now preparing to meet the demand for trained women workers in the brokerage and financial field by the organization of a special Women's Division. The early-evening courses to be offered are designed to train present women workers in all fields related to finance for positions of greater responsibility.

Two intensive early evening courses have been scheduled and others will follow. "The Principles of Stock Exchange and Brokerage Office Procedure" will be offered as an intensive four-week course by the Women's Division, beginning on May 11. The course, which will be taught by John H. Schwieger, of the Department of Member Firms of the Stock Exchange, has been designed to acquaint the newcomer to Wall Street with the terminology and procedure encountered in her daily work.

Miss Maude Lennox, Director of Maude Lennox Personnel Agency, will give a free introductory lecture at the Institute, 20 Broad Street, on Wednesday, May 6 at 5:30, on "Personal and Personality Aspects of the Secretary's Position." A four week course, beginning May 12, titled "Advanced Secretarial Training for Stenographers" will be taught by Miss Florrie Barr, Secretary to Lt. William McC. Martin, Jr., former President of the New York Stock Exchange.

Miss Irene Sheehan, statistician with General American Investors, Inc., will be in charge of the general business and finance courses which the Institute will offer especially for women.

Strasburger Goes Bucolic

Leroy A. Strasburger of Leroy A. Strasburger & Co., 1 Wall St., New York City, has purchased the Hillyer MacKensey farm of 130 acres located near Princeton, N. J.

NYSE Members Approve Revising Dues, Fees

The membership of the New York Stock Exchange on April 23 approved the amendment to the Constitution providing for a comprehensive revision of membership dues and other charges payable to the Exchange by members and member firms. The amendment, which had been approved by the Exchange's Board of Governors on April 9, was recommended by President Emil Schram as part of a broad program "to establish the revenues of the Exchange on a sound and equitable basis, by providing for a fairer allocation of charges among members and member firms in relation to the services and benefits received." The purpose of the revision, it is said, is not to produce any net increase in the Exchange's revenues, although it does provide for a new charge based on the commission revenues of members and member firms. However, it is further explained, reductions in other charges will offset the income from this new source.

The changes in the general schedule of charges follows:

1. Membership dues reduced from the annual rate of $1,000 to $750.

2. Reduction in charge for specialist post space to $500 a year.

3. Reduction of $50 a year in present annual charges for specialist clerks' tickets, bond clerks' tickets and special bond clerks' tickets.

4. Registration fee of $150 a year for regular specialist and odd-lot brokers and dealers, and $10 for relief and associate specialists.

5. A transaction charge of not more than 1% assessed on net commissions received and retained by each member and member firm with respect to transactions effected on the floor of the Exchange. When the Exchange's income from this source is over $500,000 in the course of the year the charge would be reduced to ½ of 1% and when it exceeds $750,000 the charge would be eliminated for the remainder of the year.

The Board's approval of these revisions was reported in our issue of April 16, page 1536.

Put-Call Brokers Elect

At the annual meeting of the Put and Call Brokers and Dealers Association, Inc., Sidney D. Harnden was elected President and Max Hesslein, M. Hesslein & Co., Inc., Vice President. Charles S. Godnick, Godnick & Son, and Mr. Harnden were elected to serve on the board of governors for three years.

Brewster With Moseley

(Special to The Financial Chronicle)

BOSTON, MASS. — Gerald W. Brewster has become associated with F. S. Moseley & Co., 50 Congress Street, members of the New York and Boston Stock Exchanges and other leading national Exchanges. Mr. Brewster was in the past affiliated with Jackson & Curtis.

W. B. Anderson Forms With Walter Seligman

William B. Anderson, member of the New York Stock Exchange, as of May 7th will form the firm of William B. Anderson & Co., with offices at 2 East 55th Street, New York City, in partnership with Walter Seligman. Mr. Anderson has recently been in business as an individual floor broker; prior thereto he was with Carl M. Loeb, Rhoades & Co. and was a partner in Maloney, Anderson & Block. Mr. Seligman at one time was a partner in J. & W. Seligman & Co.

Lavin With Rawson Lizars

(Special to The Financial Chronicle)

CHICAGO, ILL.—John P. Lavin has again become associated with Rawson Lizars & Co., 135 South La Salle Street. Mr. Lavin was formerly with Riter & Co. for a number of years and prior thereto was trading manager for Rawson Lizars & Co. In the past he conducted his own firm in Chicago.

Denver Tram Attractive

The current situation in issues of the Denver Tramway Corporation and subsidiary companies offers attractive possibilities, according to Amos C. Sudler & Co., First National Bank Building, Denver, Colo. An interesting analysis of Denver Tramway may be had upon request from Amos C. Sudler & Co.

Hirsch, Lilienthal Co. Absorbs Orvis Branch

Hirsch, Lilienthal & Co., members of the New York Stock Exchange, have taken over the office of Orvis Brothers & Co. at 11 West Forty-second Street, New York City, consolidating it with their office at 122 East Forty-second Street, which is being closed. The entire Orvis Brothers staff will be retained.

Chicago Municipal Men Elect New Officers

CHICAGO, ILL.—The following new officers have been elected by the members of the Municipal Bond Club of Chicago: George L. Martin, Martin, Burns & Corbett, Inc., President; Russell Vinnedge, Halsey, Stuart & Co., Inc., Secretary; George B. Wendt, The First National Bank of Chicago, Treasurer.

Members of the newly elected board of directors are: William H. Hammond, John Nuveen & Co., the retiring President; O. H. Heighway, Hornblower & Weeks; Elmer G. Hassman, Lazard Freres & Co.; L. M. Rieckhoff, Northern Trust Company; and Milton S. Emerich, Harris Hall & Co.

In Armed Forces

Robert W. Lane, manager of the Newark, N. J. office of Minsch, Monell & Co., Inc., a reserve officer, has left for Army service. Coincident with this, Minsch, Monell & Co., is closing the Newark office.

T. Edward O'Connell, Vice-President of Murphey, Favre & Co., Spokane & Eastern Building, Spokane, Washington, is now serving as a major in the United States Army with headquarters at the Fourth District Air Corps in Denver, Colo.

Benjamin D. Williams, Jr., has retired as a general partner in W. E. Hutton & Co., 14 Wall Street, New York City, to enter the armed forces.

Hardy & Co. Moves

Hardy & Co., members of the New York Stock Exchange, announce that their offices have been removed to 30 Broad Street, New York City.

Betts Renominated By Cgo. S. E. Governors

CHICAGO, ILL.—Arthur M. Betts, senior partner of Alfred L. Baker & Co., was nominated to serve his fifth consecutive term as Chairman of the Board of Governors of The Chicago Stock Exchange, it was announced by Leeds Mitchell, Chairman of the Exchange's 1942 Nominating Committee, which filed its report of nominees for all offices to be filled at the annual election to be held June 1, next.

The following were nominated to serve three years as Governors: Emmet G. Barker, James E. Bennett & Co.; Lyman Barr, Paul H. Davis & Co.; Clarence J. Bridgen, Paine, Webber & Co.; James A. Cathcart, Harris, Upham & Co.; Ralph Chapman, Farwell, Chapman & Co.; Homer P. Hargrave, Merrill Lynch, Pierce, Fenner & Beane; D. Dean McCormick, Kebbon, McCormick & Co., and John E. Wheeler, Hicks & Price.

Charles R. Perrigo, Hornblower & Weeks, was nominated for a one-year term.

Messrs. Barker, Barr, Cathcart and Wheeler are present members of the board.

Messrs. Bridgen, Chapman, Hargrave, McCormick and Perrigo were nominated to succeed Messrs. Frank E. McDonald, Frank E. McDonald & Co.; Michael J. O'Brien, Paine, Webber & Co.; Paul B. Skinner, Hornblower & Weeks; Charles Swift, Swift, Henke & Co., and a vacancy caused by the death of Lawrence Howe, Shearson, Hammill & Co.

Mr. Skinner is retiring from the board after serving as a member for 21 years, during 16 of which he has also served as Chairman of the Finance Committee and eight years as Treasurer.

Mr. O'Brien is retiring after serving as a member of the board for 17 years, three of which he served as President of the Exchange from 1933 to 1936.

Paul H. Davis, Paul H. Davis & Co.; Chancellor Dougall; Norman Freehling, Norman Freehling & Co.; Michael J. O'Brien and Frederick R. Tuerk, Fuller Cruttenden & Co., were chosen as nominees for the 1943 Nominating Committee.

The Nominating Committee which presented today's report consists of: Leeds Mitchell, Shearson, Hammill & Co., Chairman; William T. Bacon, Bacon, Whipple & Co.; John R. Burdick Jr.; Morton D. Cahn, and Joseph A. Rushton, Goodbody & Co.

William Burg Dies

William H. Burg, partner in Smith, Moore & Co., 509 Olive Street, St. Louis, Mo., for more than thirty years and a former president of the St. Louis Stock Exchange, died following an operation. Mr. Burg entered the investment field with A. B. Edwards & Sons, later joining Smith, Moore & Co. He was chairman of the Mississippi Valley Group of the Investment Bankers Association of America in 1932.

Voevodsky In Davis Investment Dept.

CHICAGO, ILL.—Paul H. Davis & Co., 10 South La Salle Street, members of the New York and Chicago Stock Exchanges, announce that George Voevodsky has become associated with them in their Investment Department.

Mr. Voevodsky was born in Russia, but is now a naturalized citizen of the United States. He served his native country during the First World War as a Colonel in the Imperial Guards and began his financial career in Paris after the Russian Revolution.

In 1924 he arrived in the United States coming directly to Chicago being employed by the Harris Trust & Savings Bank as a messenger. In 1929 he became associated with the Chicago Office of Brown Bros. Harriman & Company and remained there for a period of over ten years. In October 1940, he was elected Vice-President and Director of the Chicago investment firm of V. P. Oatis & Company from which organization he recently resigned.

Mr. Voevodsky has been Trustee and Vice-Chairman of the Ravinia Festival Association since its organization six years ago. He is also Trustee and Vice-President of the Library of International Relations and is a member of the Chicago Club and of the Adventurers Club of Chicago.

SEC Broadens Special Offerings For Exchanges

The Securities and Exchange Commission announces that it has taken action to enable national securities exchanges to try out a system of special offerings on a broader basis. The announcement of the Commission stated:

> The existing exemption to Rule X-10B-2, which relates to the solicitation of purchases on an exchange, was confined to listed securities and securities admitted to unlisted trading privileges under Section 12 (f) (2) or (3) of the Securities Exchange Act of 1934. Under the action taken the exemption will also be available to securities admitted to unlisted trading privileges under Section 12 (f) (1) if information is available with respect to such securities approximating that available for listed securities.

The Commission also directed attention to the fact that the exemption for special offerings is an exemption only from the provisions of Rule X-10B-2 and does not in any way operate to exempt any transaction from any other provision of the Securities Exchange Act or the Securities Act of 1933. As an illustration, the Commission referred particularly to Section 5 of the Securities Act and pointed out that the exemption does not relieve any one from the registration requirements.

Robinson In Air Corps.

Arthur R. Robinson, Vice-President of Colyer, Robinson & Co., Inc., 1180 Raymond Blvd., Newark, N. J. has been commissioned a captain in the United States Army Air Corps.

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. — **Newburger, Loeb & Co.** announce that **George H. Willis** and **Thomas J. Callan**, formerly with Orvis Brothers & Co., are now associated with them in their office at 57 West 57th Street.

(Special to The Financial Chronicle)
BOSTON, MASS. — **Robert E. Anderson Jr.** has become associated with **Goldman, Sachs & Co.**, 75 Federal Street.

(Special to The Financial Chronicle)
CHICAGO, ILL. — **Stewart F. Elliott**, formerly with Paul H. Davis & Co. and Joseph R. Patton & Co., is now with **Jackson & Curtis**, 231 South La Salle St.

(Special to The Financial Chronicle)
CLEVELAND, OHIO — **Albert Fischer** has became affiliated with **Paine, Webber & Co.**, Terminal Tower. Mr. Fischer was recently with Otis & Co., and prior thereto was with J. S. Bache & Co.

(Special to The Financial Chronicle)
COLUMBUS, OHIO — **Lloyd Wayne Sharp** has joined the staff of the **Dayton Bond Corporation**, Third National Bank Building, Dayton, Ohio.

(Special to The Financial Chronicle)
INDIANAPOLIS, IND.—**John J. Wray** has become connected with **Thompson & McKinnon**, 5 East Market Street. Mr. Wray was previously with Shields & Co. and Harris, Upham & Co.

(Special to The Financial Chronicle)
LOS ANGELES, CALIF.—**P. K. Wright** has been added to the staff of **BankAmerica Company**, 650 South Spring Street.

(Special to The Financial Chronicle)
LOS ANGELES, CALIF.—**Howard J. Davison**, previously with Schramm, Eddels & Co., is now with **Crowell, Weedon & Co.**, 650 South Spring Street.

(Special to The Financial Chronicle)
LOS ANGELES, CALIF.—**Clarence J. Flanagan** has become associated with **Hopkins, Hughey & Co.**, 609 South Grand Avenue.

(Special to The Financial Chronicle)
LOS ANGELES, CALIF.—**Sherwood W. Bump** is now with **Lester & Co.**, 621 South Spring St. Mr. Bump was previously with Merrill Lynch, Pierce, Fenner & Beane, Banks, Huntley & Co., and Nelson Douglass & Co.

(Special to The Financial Chronicle)
OAKLAND, CALIF. — **Van V. Midgley**, previously with Dean Witter & Co. and Wm. Cavalier & Co., is now with **Geo. H. Grant & Co.**, Central Bank Building.

(Special to The Financial Chronicle)
TOPEKA, KANS.—**Donald E. White** has been added to the staff of **Elmore, Heath & Co.**, Central Building.

(Special to The Financial Chronicle)
VANCOUVER, WASH.—**Howard D. Warren** has become connected with **Blyth & Co., Inc.**, 1411 Fourth Avenue, Seattle, Wash. Mr. Warren was formerly for a number of years with Dean Witter & Co.

Triumph Explosive Inc. Issues Semi-Annual Report

The Triumph Explosive Inc., in its semi-annual report for the six months ended Jan. 31, 1942, shows that for the period it enjoyed net sales of $3,971,269, resulting in a net profit, after depreciation, amortization and extraordinary charges, but before Federal and State income taxes, of $620,933. The foregoing figures compare with net sales of $1,113,072 and net profit, similarly computed, of $155,810 for the six months ended Jan. 31, 1941. On account of War Department regulations the company is unable to furnish figures as to unfilled orders. However, G. H. Kann, President, states that present unfilled orders are substantial, and shipments are satisfactory.

The balance sheet as of Jan. 31, 1942 shows current assets of $3,580,850, including cash of $831,054 and inventories of $1,462,317, offset by current liabilities of $2,756,027, including notes payable to banks (secured) of $1,085,011 and advance payments on contracts of $803,610.

Mr. Kahn states that during the period certain necessary additions have been made to the company's plant, building and equipment, all of which are in splendid operating condition; and personnel and labor conditions continue satisfactory.

Company has declared a dividend of 7½ cents per share (including an extra of 2½ cents) payable May 1, 1942. The management while believing that the company's earnings might justify a larger distribution still it felt a conservative policy should be followed at this time, because of income tax requirements, increased payroll, etc., required on account of enlarged operations.

Now Jacques Coe & Co.

As of May 1, the firm name of Baar, Cohen & Co., 39 Broadway, New York City, members of the New York Stock Exchange and other Exchanges, will be changed to Jacques Coe & Co.

Tomorrow's Markets Walter Whyte Says—

Added to all other known factors, Presidential tax recommendations now gives market new problems. Current rally due mainly to short covering. Stabilization signs, however, becoming evident.

By WALTER WHYTE

If it isn't one thing, it's another. It's hard enough to figure the why's and wherefore's of the stock market, what with the war and the economic displacement, when along comes another sock that sets us right back on our collective heels.

* * *

The big news now is what about the President's latest proposals. Will they become law? If so, how will they affect us? And how about corporate earnings and dividends?

* * *

I know it seems pretty small pumpkins to talk or worry about the stock market, and what makes it tick, at a time when all of us are called upon to make sacrifices. But just as the rest of the country is pitching in, so are we in Wall Street willing to do our part in the war effort. Unfortunately our part has been small. But this was not of our doing. We in Wall Street are willing to do our part, indeed anxious, if permitted to do so. But anybody conversant with the business of Wall Street knows that of all the industries that go to make up this country of ours, the business of finance has been hit the hardest.

* * *

We read of tremendous profits, wages, etc. To most of us this is only hearsay. We do not share in it. Even this latest recommendation of the White House to tax 100% all net income over $25,000 is to most of us just academic. We have been living in a market downswing so long, that the making of money in the business of buying and selling of securities has become only a memory.

* * *

Still, we in Wall Street are ready to contribute our efforts towards the winning of the war. Maybe our contributions won't be as large as we would like. But that isn't because of lack of spirit. It's the shallowness of the pocketbook.

* * *

Now as far as the possibility of the latest Presidential proposals becoming a law is concerned. Before writing anymore, let me assure you that I have no so called inside information. I can, however, read between the lines, and with an election coming up, I doubt if Congress will pass a law anything like the President recommended.

* * *

For example, the House Ways and Means Committee is already drafting a bill. Its first piece of business will be to go ahead and vote on the Treasury excess profits plan; not the White House suggestion. You may have noticed that there were no Treasury proposals submitted to carry out FDR's message. The only change that Chairman Doughton of the Committee has mentioned, is the $25,000 income limit and even on this he said nothing concrete has been offered to the Committee by the Treasury Department. As a matter of fact, the more I read about what is happening in Washington, the more I think that not only won't the Presidential suggestions be now enacted into law, but even the milder Treasury proposals of last month will have tough sledding.

* * *

Corporations can still figure their excess profits against invested capital or normal earnings. Though a flat 55% tax on corporate profits is probably still in the cards.

* * *

For the time being, it seems that the war has taken second place to events on the domestic front. But don't forget that it is the war, not our entrance into it, but when Fascism first reared its head, that brought about present conditions. And until the war tides change in our favor, there will be little improvement in our stock markets.

* * *

As this is being written, the market is rallying. A great deal of the rallying power, however, comes from a short covering movement rather than from any sustained buying power. Still, whatever the reason, it's nice to see the market show an ability to do something else than go down. Meanwhile, you still hold Atchison, which has managed to keep its head above the 34 stop price; International Harvester above 41½; Western Union 24 and Union Carbide, 57. I won't say these stocks are burning up the tape, but considering the action of the rest of the

(Continued on page 1700)

RAILROAD SECURITIES

Considerable interest has been engendered recently in the junior bonds of the Florida East Coast, the 5s, 1974. Previously, and in a generally active and strong defaulted bond market, these bonds had lain dormant for a year or more in the 8½-9½ range. About two weeks ago they jumped sharply to 12½ on relatively heavy buying, and subsequently slumped just as suddenly to 10. Now, with volume of transactions continuing heavy around 11, many speculators are eyeing the bonds from the point of view of the near-term price enhancement potentialities. On the basis of current and prospective traffic figures and hopes of a possible interest disbursement, there is certainly ample background for bullishness.

The fly in the ointment is the drastic treatment proposed for the bonds in the ICC reorganization plan. Release of the final Commission plan a short time ago interrupted the advance that was under way, and was directly responsible for the precipitous decline from the year's high of 12½ a week or so ago. Bulls on the bonds base their hopes for higher prices on the possibility of an interest declaration early in the summer, and on the theory that continued phenomenal traffic expansion, if accompanied by the expected financial improvement, will instill optimism as to possible liberalization of the reorganization terms prior to consummation.

The protective committee for the bonds has made a request for payment of one semi-annual coupon on the issue, and this request will be considered by the court in June. The outcome is, naturally, impossible to prognosticate, but it is pointed out that in general the courts have been adopting a more liberal policy with respect to disbursements by reorganization roads. Also, it is believed that the company's financial position is adequate to make such a payment. This one semi-annual coupon would involve an outlay of $1,125,000. In comparison, the company had cash and special deposits of $3,312,000 on Feb. 28, an increase of $1,196,000 over a year earlier.

At the time of this writing the report of March earnings has not as yet been released. Results for the first two months were not too encouraging, but it is expected that subsequent reports will make very pleasant reading. Year-to-year gains in traffic during January and February ranged from around 8% to nearly 35%, but the rise in gross for the full period was more than offset by higher costs. For the opening week of March the rate of traffic expansion was accelerated to 63.2%, and since then has never been below 75%. In the best comparative week, the period ended March 21, the increase over a year ago amounted to 90.7%. With the exception of a few of the specialty carriers, the road has done better than any other Class I property in this interim. Added to the actual rise in volume of business, it is pointed out that revenues from the middle of March on will reflect the incidence of freight rate increases.

The answer to the sudden change for the better in the company's fortunes obviously lies in war developments. All along the company had been receiving a considerable volume of freight attributable to the war effort, and particularly the establishment of military camps in the service area. In addition, the road had been benefiting from the abatement of competition from highway carriers and coastal steamships. More recently this has been aggravated by the intensification of submarine activity off our shores. As a result, boats coming from South and Central America and the outlying islands have been putting into Southern ports and dumping their cargoes for transshipment by rail. Not only does this lessen the submarine danger but, also, it allows a quicker turn-around and a consequent greater utilization of available ship bottoms. In this connection Florida East Coast is be-

(Continued on page 1700)

RR. Issue Attractive

An interesting analysis of prior lien 6s of 1948 of the Alabama, Tennessee and Northern Railroad Corporation has just been issued by Blair F. Claybaugh Co., 72 Wall Street, New York City, members of the Philadelphia Stock Exchange. The analysis includes a chart showing how the new securities to be issued under the plan of reorganization will be allotted to present security holders of the road. Copies of the analysis, which indicates interesting possibilities for the prior lien 6s of 1948, may be had from Blair S. Claybaugh Co. upon request.

English With Fisher Co.

(Special to The Financial Chronicle)

INDIANAPOLIS, IND. — John C. English has become associated with Fisher & Company, Inc., 8 East Market Street. Mr. English was previously with Paul H. Davis & Co. and T. P. Burke & Co. In the past he was an officer of Rodabaugh, English & Co., Inc.

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

WARREN BROTHERS COMPANY REORGANIZATION

Discussion of the Reorganization Plan As it Affects the Bondholders

Judge Brewster of the U. S. District Court at Springfield, Mass., approved the reorganization plan of Warren Brothers Company on Jan. 29, 1942. It is understood that approximately 85% of the creditors have approved the plan which will be voted upon by bondholders and stockholders on June 1.

The old capitalization of Warren Brothers Company consists of two bond issues and three issues of preferred stock, in addition to the common, as follows: $1,487,500 5½% notes due March 1, 1937; $4,457,000 6% convertible debentures due March 1, 1941; 16,420 shares $1 first preferred; 4,692 shares $1.16⅔ second preferred; 40,907 shares $3 convertible preferred; 472,923 shares common stock.

The plan of reorganization provides for the following capitalization in place of that shown in the preceding paragraph:

Collateral trust series A 4½s, 1956	$4,150,300
Collateral trust cumulative income 5s, 1977	4,150,300
Total funded debt	$8,300,600
Class A stock (no par)	21,112 shares
Class B stock (no par)	40,907 shares
Class C stock (no par)	236,862 shares

The treatment of the old securities under the reorganization plan is shown in the following tabulation:

Old Securities— (Per $1,000)	Series A Bonds	Series B Bonds	Approx. Cash	Class A Shares	Class B Shares	Class C Shares
5½% notes	$680	$680	$13.88			
6% debentures	700	700	12.67			
(Per Share)						
First preferred				1		
Second preferred				1		
Convert. preferred					1	2.9
Common stock						¼

The chief reason that Warren Brothers Co. was unable to pay off the maturity of $1,487,500 5½s on March 1, 1937, and consequently had to seek refuge in Section 77-B of the Bankruptcy Act, was the failure of the Cuban Government to meet interest or principal payments on some $14,000,000 of bonds which were held by Warren. These bonds had been accepted by the company for work performed for the Cuban Government. With a change of Administration in Cuba the company's claims were adjudicated and the present holdings of Cuban bonds now pay their interest, the whole reorganization plan being tied in with these Cuban bonds.

The new series A and B bonds are collaterally secured equally by like principal amounts of Cuban bonds. For each $1,000 of series A and B bonds there is an equivalent face amount of Republic of Cuba external 4½s, 1941-55, and 4½s, 1937-77, the total of both issues amounting to $9,300,600. Under the plan of reorganization the series A and B bonds may be exchanged for a like principal amount of Cuban bonds; however, the company does not have to exchange more than $1,500,000 the first year, $500,000 the second year, and $250,000 each year thereafter.

Both as a contractor and a manufacturer of materials used, Warren Brothers Co. is one of the leading factors in street paving and highway surfacing. It holds patents on a number of paving processes, of which "Warrenite Bitulithic," a bituminous product, is the most important in point of mileage laid. Domestic road building contracts, directly or indirectly financed by the Federal Government, have in recent years become the principal source of revenue, whereas formerly the mainstay of the business was the paving of streets and highways for direct account of municipalities and for foreign governments. The latter formerly yielded about half of total revenues, but because of the uncertain market for foreign securities in which most foreign contracts were paid, the company in recent years withdrew to a large extent from this field.

The year 1941 was the most successful in point of gross revenues since 1931, when some of the Cuban work was done. Gross income of $8,149,000 was 55% ahead of 1940. The following shows pertinent income items for 1941 and 1940:

	1941	1940
Gross income	$8,148,668	$5,230,537
Operating income	833,527	105,208
Interest on Cuban bonds	391,631	------
Total income	1,283,002	138,819
Interest accrued on funded debt	464,017	------
Income taxes	190,620	1,939
Net income before extraordinary charges	713,350	5,235
Net income after extraordinary charges	591,195	d*186,177

d Deficit. *Before providing $429,533 accrued interest and $33,470 unamortized debt discount and expense.

At the end of 1941 the company's net property was carried at $1,565,492 and Government and municipal obligations at $9,206,487, the bulk of this representing Cuban bonds. Net working capital amounted to $2,089,247 compared with $1,057,089 at the end of 1940. Cash stood at $1,210,472 compared with $405,349 the previous year, and was well in excess of total current liabilities of $773,827.

To meet interest on the new 4½s and 5s will require about $394,000 annually; however, the Cuban bonds yield approximately that much, so that as long as the Cuban bonds continue to pay their interest the Warren bonds will be taken care of. In the 1941 report interest requirements of the new bonds was earned more than twice over without considering the interest received from the Cuban 4½s.

At the present time the two Cuban issues into which the new Warren Brothers 4½s and 5s are exchangeable sell at 79½, whereas the latest quotation on the Warren 4½s is "68 bid" and on the Warren 5s "no bid, offered at 73." The old 5½s, 1937, selling at 94, are priced about right after the exchanges for new securities are figured out. At present prices the new 4½s and 5s look underpriced when compared with some other issues which have been touching new highs recently purely on the basis of war business.

Bank and Insurance Stocks

This Week—Insurance Stocks

Complete figures now available covering 1941 operations of fire and casualty companies reveal underwriting trends and investment experience which indicate the importance of keeping adequate rates and reasonable underwriting profits in wartime as an aid to policyholders' surplus.

1. Substantial increase in premium volume.

Best's comprehensive tabulation of companies writing fire and allied lines estimates that premium volume of these companies reached about $1,060,000,000 for 1941, a gain of 15% over 1940 and the highest in the history of the business, topping the previous 1929 high by over $50,000,000.

Fire premiums for the first time in several years scored an important gain, rising 8% over 1940. Various factors are cited for the inability of fire premiums to show more volume gains, including the steady reductions in fire insurance rates, increased popularity of inland marine coverage and effect of competition from mutuals, but it would appear that this basic line of fire insurance companies should now experience a good volume trend under wartime conditions.

Other lines scored more spectacular gains for 1941, ocean marine premiums rising about 35% and motor vehicle and inland marine lines, about 15%. Companies, however, were much happier to write fire than ocean marine and motor vehicle volume in 1941, for Best's preliminary study of 35 largest companies shows that the incurred loss ratio of fire lines rose only one point, to 43.4%, but the loss ratio on ocean marine jumped sharply by over 10 points, to 57.1% and motor vehicle, about six points, to 58.5%.

Moreover, volume outlook for both ocean marine and motor vehicle lines appears less favorable. For the duration, Congress has empowered the Maritime Commission to provide war risk insurance and reinsurance and marine risk reinsurance whenever it appears to the Commission that such insurance on an adequate basis cannot be obtained on reasonable terms and conditions. While this does not mean that direct writing or reinsuring marine companies are shut off, the recent increase in losses has forced companies to raise rates substantially, and since the Maritime Commission has now taken over all freighters and tankers, it now occupies a position in the nature of a self-insurer which might lead to extension of its insurance activities.

Stoppage of new automobile production would not, of course, shut off the motor vehicle insurance market, in view of the ratio of about 6:1 between vehicles outstanding and recent production of new cars, but restrictions on tires and gasoline have more direct repercussions.

Casualty companies also reported a 15% expansion in premium volume to a new high of about $1,000,000,000, featured by increases in basic lines such as workmen's compensation and auto liability. Compensation premiums, in view of the likelihood of sustained high level of payrolls for the duration, enjoy a good volume outlook, but the prospect for auto lines appears less promising.

On balance, expansion in premium volume will probably continue.

2. Rising trend of losses.

The composite loss ratio of fire companies rose three points, to 53.2% in 1941, the highest since 1932. In fact, since 1935, the loss ratio of fire companies has risen almost 13 points, having increased in every year in that period.

It is a normal expectation, however, for losses to show a rising trend in times of sharply expanding volume, because of the increased exposure to losses created by high rate of production and war projects. Moreover, although rising loss ratios are to be expected, expenses are not rising in proportion to the heavy expansion in volume, so that the lowered expense ratios act as an important offset to rising loss ratios.

Thus, for 1941, the expense ratio of fire companies dropped two points, to 42.5%, the lowest since 1926. Rise in combined loss and expense ratios was therefore held down to one point for 1941, to 95.7%. Nevertheless, this was the highest since the 102.5% of 1932.

This 1941 margin for underwriting profits is not fully reflected in 1941 operating statements, which show a statutory underwriting profit of only $4,996,000 (0.5%), compared to $19,012,000 in 1940 (2.3%), because of the expansion in unearned premiums caused by larger term business. If we allow 40% equity in the increase in unearned premiums, 1941 underwriting gain would be $40,798,000.

Casualty companies enjoyed increase in both statutory underwriting profits and unearned premiums for 1941. Statutory underwriting profits rose 7%, to $56,160,000 (6% on earned premiums), compared to $52,569,000 (6.3%) in 1940.

Casualty companies too, however, are experiencing rise in loss ratios, the 1941 loss ratio of 52.7% showing a one-point rise over 1940 and two points over 1939. Although this trend is as yet moderate, and was fully offset by the 1.6-point drop in expense ratio in 1941, it is to be expected that the underwriting problems created by war will increase rather than diminish.

To summarize, the era of low loss ratios appears at an end, and rising loss ratios must be expected. This emphasizes the need for adequate rates and continuation of the enlightened public regulation which has stressed such adequacy of rates.

3. Investment operations decline.

Ordinarily, investment operations (income from, and profits and appreciation on investments) furnish an increased contribution to surplus to furnish a cushion for the rising volume of underwritten risks. In 1941, however, net investment operations of both fire and casualty companies decreased their contribution to surplus, thus throwing a heavier burden upon underwriting operations.

Net investment operations of fire companies produced 39% lower return of $20,233,000 for 1941, while that of casualty companies was 30% lower at $14,183,000. As a result, policyholders' surplus of fire companies dropped 7%, compared to 15% expansion in premiums written and 11% increase in unearned premiums. Policyholders' surplus of casualty companies rose only 1%, compared to 15% expansion in premium volume, 12% in unearned premiums and 7% in loss reserves.

Investment income alone of the fire companies rose 6% for 1941, to $81,693,000, of which stockholders dividends of $71,938,000 were 88%. Investment income of the casualty companies rose 5%, to $37,611,000. Heavier taxes generally and their effect on net available for dividends by leading corporate issues indicate prospect of lower dividend receipts, offset to some extent by probably maintained interest on bond holdings and increased income resulting from increased premiums invested.

However, the chief source of investment gain is capital appreciation, and since the mood of the security markets is hardly recep-

The Securities Salesman's Corner

You Don't Have to Yell, to Sell

Spring is here. The trout are striking—the Dodgers are once again leading the league—and the markets are making new lows every other day. Who is to be blamed if we are not thinking about selling securities? But sell them we must—at least as long as we have a market, a job, or a family to feed. So, let's get back to reality again this week and talk some more about "selling."

Sometimes it's a pleasure to meet a salesman who seems to go along and do his job in such an effortless manner we hardly realize that he's working. There are such salesmen. In our opinion, they are the "cream of the crop." Quiet, reserved, slow of speech, making every word count, an understanding smile on their face, excellent listeners, planners of every move before they attempt any action, poised and unperturbable, masters of understatement, —here in brief is a summary of the qualities that are possessed by some of the greatest salesmen in this country today.

This is contrary to the generally accepted public idea of the qualifications that are necessary in order to become a successful salesman. These fortunate individuals, who by nature as well as through study and application, that have mastered the art of "effortless" selling, are today among the leaders in almost every field of promotional and sales activity.

It is the opinion of this column that no field is better adapted to this sort of selling technique than present day "security salesmanship." In fact, we had one of our old friends in from Boston the other day, and we were discussing this very subject. During the conversation we asked him how long he had been selling securities. "Ever since 1924," he replied. "You know," he went on, "I am not a kid any more; *if I had to put on an act, pound the table and raise the kind of a hullabaloo we used to exert every time we made a sale in the olden days, I'd be burned out by now. You've only got so many shots like that in your system; besides, who wants to be a combination circus barker and high pressure, steam-roller salesman just to make a living.*

By this, we do not mean that it is necessary to go about one's affairs in a sleepy, half-hearted manner. There is every reason to put a sustained, forceful drive behind each day's work that we undertake. The difference between a controlled emotional drive and the hectic, sometimes hit and run manner in which some salesman go about trying to do business is strikingly shown by the earning power of many salesmen who even today, are turning out excellent production records.

Here are a few things that we believe are necessary in order to qualify for that select group of "effortless salesmen" who are still doing an excellent job and turning in the business.

1. Know what you are talking about. Know that you have the facts, the details, all angles that can possibly be discovered about your subject, your proposition, or your product.
2. Be honest. If you really believe your customer will be the gainer if he buys your offering, then the confidence you have will be transmitted automatically to your buyer. Conviction is carried over from you to him. Doubts cannot exist when there is an atmosphere of candor, honesty and conviction.
3. Don't rush to tell your whole story in one mouthful. Give it out a little at a time. Have your reasons for buying **organized.** Try one point—then another. Stop and try this, "I almost forgot to tell you, Mr. Jones," (then bring out the strongest argument you have), but make it as an afterthought. This is very effective.
4. Speak in a lowered voice, but not so inaudible as to make hearing difficult. Low voice—slow voice—carries attention much better than loud voice—rapid speech.
5. Have something to show. Create some pictures as you talk. Draw a map—make diagrams on a piece of paper—build up your proposition with dramatic emphasis as the kind of situation which is unusual. In other words, give the impression that your prospect is an important person and that your proposition is also above the average.
6. Have faith in yourself. Keep calm at all times. Do one thing at a time. Try to cultivate the inner conviction that you "are good." That you know you will always come through. That the world could cave in and you'd still keep calm and composed.

In conclusion, and we have said it before, "Think fast and talk slowly." And work! But don't get out of breath running around in circles trying to see how many people you can talk to between sun-up and sun-down. Rather, see one or two, but make those calls count. This is the way to keep on doing business every day—**and the way to do it without getting high blood pressure, stomach ulcers, kidney trouble or a weak heart.**

P.S.—A doctor once told us these were the four worst enemies of most business men and salesmen in general. **He claimed such diseases were the partners of nervous tension and high pressure living.**

tive to appreciation factors outside of favorable war news, important gains from this source cannot be counted on.

Therefore, the entire situation throws an increased burden upon underwriting's contribution to policyholders' surplus, making it highly important that nothing be done by public authorities to impair the policy of adequate rates based on loss experience which assures underwriting's contribution to surplus.

Treasury Will Seek $4 Billions May-June

The Treasury plans to borrow $2,000,000,000 in May and the same amount in June, Secretary Morgenthau announced on April 27. It is said that this two-month financing will be the largest "new money" operation in Treasury history. The proposed borrowing will be in addition to the regular sale of war bonds, which for the two months will probably total well over $1,000,000,000. The type of securities to be offered in this huge financing has not been decided, though it will probably involve both short-term and long-term obligations. In April the Treasury sold over $1,500,000,000 of ½% certificates of indebtedness, due Nov. 1, 1942—the first time this type of security had been offered since 1934.

Result Of Treasury Bill Offering

Secretary of the Treasury Morgenthau announced on April 27 that the tenders for $150,000,000 or thereabout of 91-day Treasury bills, to be dated April 29 and to mature July 29, 1942, which were offered on April 24, were opened at the Federal Reserve banks on April 27. The following details of this issue are revealed:

Total applied for _____ $375,372,000
Total accepted ______ 150,125,000

Range of accepted bids (excepting two tenders totaling $55,000):

High—99.950. Equivalent rate approximately 0.198%.

Low — 99.910. Equivalent rate approximately 0.356%.

Average price, 99.915. Equivalent rate approximately 0.335%.

(26% of the amount bid for at the low price was accepted.)

There was a maturity of a similar issue of bills on April 29 in amount of $150,074,000.

Inv. Trust Compendium

The 1942 edition of "Investment Companies and Their Securities" has just been issued by Arthur Wiesenberger & Co., 56 Beaver Street, New York City. The study reviews 67 investment companies, with total assets of $770,000,000 on a basis of comparative management results.

Detailed analyses are presented on 29 "closed-end" investment companies. An interesting feature of the study is the presentation of information on tax-free dividends of investment trust common and preferred shares, which should be of important interest to investors in high income tax brackets—nine of the common stocks and 14 of the preferred stocks paid dividends last year which were partially or completely non-taxable; this nontaxable feature, Arthur Wiesenberger & Co. states, is due to offsetting tax-loss sales considered as a return of capital, and the extent of future tax savings on the 29 companies reviewed is impressive when it is noted that unrealized portfolio depreciation as of the year-end totaled about 70% of the year-end asset values of these Funds.

Included in the study is an analysis of asset distribution, comparative gross income, expenses, turnover of investments, and balance sheet analyses of the 29 "closed-end" companies. Income figures are presented comparing the performance of investment trusts with the Dow-Jones combined stocks for last year, which refute, according to the company, the impression that investment trusts have not done well in handling their assets.

Copies of the 1942 edition of the investment trust compendium may be had from Arthur Wiesenberger & Co., and sell for five dollars per copy.

Investment Trusts

The Case For Diversification—And Supervision

On March 31, 1938, the Dow-Jones Industrial Average made an historic low at 98.85. On April 9, 1942, it closed at 99.69; a stalemate.

So, the superficial conclusion is that anyone who bought at the '38 low would be about even today. Would he? The eleven prominent stocks tabulated below are all included in the Dow-Jones Industrial Average:

Stock—	1938 Low	Price, April 9, 1942	Change	Percent Change
American Can ______	70¾	61½	— 9½	—13.4
American Tel. & Tel.	111	116¼	+ 5¼	+ 4.7
American Tobacco B	58¾	38½	—20¼	—34.5
Bethlehem Steel ____	39¾	57¾	+18	+45.3
Chrysler Corp. ______	35⅜	53⅛	+17¾	+50.2
Dupont ___________	90½	110¾	+20¼	+22.4
International Nickel_	36⅞	26¼	—10⅝	—29.0
Standard Oil of Calif	25⅛	19⅛	— 6	—23.9
United Aircraft _____	19½	31⅜	+11⅞	+60.9
U. S. Steel _________	38	49	+11	+29.9
Woolworth _________	36	23½	—12½	—34.7

The figures demonstrate that there is no such thing as "the market," and they probably contain a considerable element of surprise for most people. It is natural for more volatile issues to out-pace investment stocks in a bull market, but the reverse is expected when prices, on average, decline or stand still.

Probably the defensively inclined investor in 1938, if asked to select three stocks from this list, would have taken American Tel., American Tobacco B and Woolworth. Two of the three would have shown him the largest losses of the entire list, and the other has barely held its own, whereas profits of 50% and 60% were available to the happy possessor of the right kind of crystal ball.

Once more, the first basic principle of investment asserts itself; today, as always, there is no substitute for diversification.

And today, with investment factors rivaling the kaleidoscope in the rapidity of their changes, the handling of even a well diversified list is a full-time professional job.—Reprinted from "The New York Letter," published by Hugh W. Long & Co., national distributor of New York Stocks, Manhattan Bond Fund, Fundamental Investors, and Investors Fund "C."

* * *

That post-war considerations should play the major part today in selecting securities for investment (as distinguished from speculation) is an opinion often expressed in various quarters. The reasoning on which this opinion is based includes the points that: (a) war is essentially temporary; (b) its duration is uncertain; (c) the war-time behavior of securities is difficult to judge.

We disagree with this opinion, for the reasons outlined below.

In the first place, war is not only a fact, but it is the dominant economic and financial element. To attempt, in effect, to disregard it because it will not last indefinitely and because we cannot tell how long it will last, is merely to assume an ostrich-like attitude.

The uncertainty of the duration of the war is all the more reason to consider it. While, in making commitments, investors have a greater degree of permanency in mind then speculators, they must also always be ready to make any changes that seem advisable. The lesson that securities cannot

be "put away and forgotten" should have been thoroughly learned by now. It should be remembered that any securities bought may have to be sold at some uncontemplated time.

The problem presented by the fact that current conditions are subject to change is always present in investment. It is not a reason for ignoring current conditions, but instead emphasizes the necessity of constant supervision in investment. If securities that are unfavorably affected by war (no matter how bright their post-war prospects) are bought now, they may have to be sold during the war, at depressed prices.

Nor is the fact that securities may be more difficult to judge in war-time a sound argument. No matter how difficult it may be to weigh the effects of current conditions, the investor must deal with them as best he can—to ignore them merely courts disaster. Furthermore, in some respects the war causes a number of relatively fixed conditions that actually make the selection of securities easier than in normal times.

To give post-war considerations major weight in selecting investments at present, unconsciously assumes that post-war conditions can currently be better judged than the war-time conditions that are actually with us.

Not only do we not know when the post-war period will arrive, but also we do not know just what it will be like. There may be a slump; there may be a boom; there may be a slump followed by a boom, or vice versa. Future post-war conditions appear more, not less, difficult to foresee than

(Continued on page 1697)

Municipal News & Notes

President Roosevelt's recommendations in his message to Congress on Monday that State and municipal bond tax exemption be ended, at least so far as the surtax goes, induced immediate market repercussions. A general lowering of bids throughout the list resulted, although it was not nearly so drastic as followed Secretary Morgenthau's memorable speech in Cleveland. However, each time the Administration's drive for a removal of all tax immunity is revived, the municipal market displays characteristic sensitivity. This is true, even though Congressional sentiment at this time points to rejection of proposed legislation to levy Federal income taxes, particularly in regard to outstanding obligations.

Employing the same approach as in previous references to the subject, although considerably modified this time, President Roosevelt stated:

It is indefensible that those who enjoy large incomes from State and local securities should be immune from taxation while we are at war. Interest on such securities should be subject at least to surtaxes."

All in all, the municipal market reacted fairly mildly to this latest pronunciamento from Washington. The lack of any noteworthy liquidation was attributed to a general expectation that the President would reiterate his views on tax exemption, that he said nothing essentially new and to the fact that the municipal market's usual reaction to unfavorable developments is a drying-up of activity rather than a selling move.

The only new feature which dealers could find in the President's statement on tax exemption was that he referred to the surtax rate rather than the income tax in general. It was also noted that he did not differentiate between outstanding and future issues as he did in his budget message in January.

Indicative of the fact that municipal houses were not too disconcerted by Monday's attack was the award by the City of Boston, Mass., on Tuesday of $3,776,000 funding and relief bonds on a bid of 100.289 for 1¾s. Public reoffering of these obligations is said to have been well received. Five other bids were submitted for the bonds by investment groups.

Most of the more important State and city issues showed improvement on the bid side Tuesday. The New York City transit unification 3s, for instance, evidenced a fair recovery. Also showing better tone—the revenue bonds outstanding against toll bridges, tunnels and the like, such as the New York Port Authority 3s, and the Triborough Bridge 3¼s.

Revenue obligations had suffered considerable setbacks market-wise last week, reflecting the prospect of drastically curtailed use of automobiles growing out of tire and gasoline rationing with the consequent loss of funds arising from such usage. Certain highway bonds had also developed uneasy tendencies on a sympathetic footing.

Trend of City Tax Delinquency, 1930-1941

Property tax collections by the average United States city in 1941 showed a further upward swing from 1940 and many cities established a new record in current collections last year, the Municipal Service Department of Dun & Bradstreet, Inc., states in its annual survey of municipal tax delinquency just published.

The average year-end delinquency on 1941 levies of 150 large cities dropped to 6.80% from 8.70% in 1940 and 9.25% in 1939.

The survey warns, however, that 1941 probably marked the low point in current tax delinquency for some time to come. With higher Federal taxes, inclusion of a considerable number of taxpayers in the Nation's armed forces, and other emergency factors, it will not be surprising if the average city encounters some difficulty in the collection of taxes from now on, it remarks.

The survey also emphasizes that municipal revenue systems in their entirety need to be carefully scrutinized at this particular time, as a shrinkage in miscellaneous revenues, grants-in-aid, and State-collected taxes shared with local communities can unbalance municipal budgets just as quickly as property tax delinquency.

Tax collection records for 1941 disclose, however, that cities have had ample opportunity to fortify themselves against the vicissitudes of the war period. But those which began the current year with sizable deficits in their current accounts, or with the continuing necessity of deficit funding and maturity refunding, are likely to be in a vulnerable position.

Large City Water Charges Surveyed

The average resident of a city of over 300,000 population pays 97 cents a month for 5,000 gallons of water, according to a survey of water charges in the 30 largest U. S. cities made public last week by Barcus, Kindred & Co., 231 S. La Salle St., Chicago, municipal bond specialists.

Both domestic and industrial charges are covered in the survey. Selected bills for quantities ranging from 3,000 to 5,000,000 gallons monthly in each city are studied. The survey points out that water supply costs vary so widely from city to city that they must be considered in judging relative rates.

Highest water charges for both household and commercial use are paid by San Francisco, the survey shows. Lowest are paid by Chicago.

In the ratio of population to water users, the median for all 30 cities is 5.1. In general a high ratio indicates a high level of hotel occupancy and apartment building tenancy. A low ratio indicates a high percentage of home ownership. New York has the highest ratio with 11.9. Jersey City is second with 8.4 and Chicago third with 8.2. Portland, Ore., has the lowest ratio of all cities with 3.4.

Sewer Rental Charges Levied by 185 Cities

Special charges for the use of sewerage systems, under consideration in some war-production communities as a source of revenue to meet demands for increased municipal services, already are made in 185 cities, the International City Managers' Association reports in the 1942 Municipal Year Book.

The high percentage of cities charging sewer rentals lies in the cities above 100,000 population and in those between 10,000 and 25,000.

More than three-fourths of the 185 cities—77.3%—have their own sewage treatment plants. 24 of the cities without municipal plants are served by privately operated facilities, while 18 others are served by facilities of neighboring governmental units.

Municipal and Government Investments to Be Discussed

An economic conference, "Devoted to Victory by Saving," will open in the Waldorf-Astoria, New York, May 6 and continue through May 8, when members of the National Association of Mutual Savings Banks meet to discuss savings under war conditions. Representatives of the Government, the economic field, industry and banking will address the gathering, made up of officials and trustees representing the 17 States in which mutual institutions operate.

Among those to address the Conference on May 6 is Ralph W. Chapin, Chairman of the Committee on Municipal and Government Investments and Treasurer of the State Savings Bank, Hartford, who will analyze the outlook for municipal and Government investments.

At the morning session on May 8, defense housing and related matters are to be discussed by John B. Blandford, Jr., Administrator, National Housing Authority.

Ohio Court Decision Affects Local Units

Certain taxing bodies in Ohio will be aided by the recent decision of the State Supreme Court authorizing the City of Columbus to levy a tax outside the constitutional 10-mill limitation to pay principal and interest requirements on bonds issued prior to Jan. 1, 1934, it is pointed out by J. A. White & Co., Union Central Building, Cincinnati.

"This decision, particularly if brought to the attention of taxing authorities throughout the State," the firm declares, "will go a long way in alleviating the financial troubles of those subdivisions that have been unable, because of the 10-mill tax limitation, to find sufficient income for all their operating and debt service requirements. Many such subdivisions, particularly small school districts and communities whose officials have not been kept fully abreast of recent Court decisions, have been suffering financial difficulties principally because they have believed it necessary to pay from their share of taxes allowed inside the 10-mill limitation, all outstanding bonds the tax levy for which had not been specifically voted outside the tax limitation."

Michigan Special Assessments Case Ruling

The Municipal Investors Association on Monday was denied a review by the United States Supreme Court of the case in which it asserted a contract right to require the City of Birmingham, Mich., to levy special assessments against land sold for tax delinquency in order to pay defaulted paving bonds held by the Association. The Court, in refusing to review the findings of the Supreme Court of Michigan, ruled that the bonds grant no such contract right.

Large N. Y. State Surplus Forecast

New York State will be more than $22,000,000 "in the black" at the fiscal year-end, June 30, according to a Republican financial authority, who predicted a surplus nearly 45% higher than the $15,600,000 estimated by Governor Lehman.

Assemblyman Abbot Low Moffat, Chairman of the Ways and Means Committee, reported in a statement that unexpectedly high collections from motor vehicle fees, and gasoline and beverage taxes, would swell the anticipated year-end balance.

N. Y. State Grade-Crossing Bond Money Shifted

Most of the $60,000,000 grade-crossing elimination bond money which by vote of the people at the last November election was to be reallocated to highway and parkway construction, will become part of a fund for post-war public works construction by the provisions of a bill signed Monday by Governor Lehman.

In signing the measure the New York Chief Executive said that under new law none of the $60,000,000 may be used for the present, except for the construction of parkways or highways which have been certified by the Governor as necessary for national defense, or for the preparation and review of plans and specifications. The Governor also signed on the same date the "omnibus" bill implementing and codifying the State War Emergency Act which sets up the State and local war councils, provides for mutual aid, financing, closing or restricting use of highways and waterways and defines violations and penalties.

Norfolk Bonds Held Legal in N. Y. State

The City of Norfolk, Va., was not on the last published list of bonds eligible for investment by savings banks in New York State. Upon examination of the prospectus issued by the city in connection with its recent sale of $3,550,000 water and general improvement bonds, it has now been determined by Reed, Hoyt, Washburn & Clay, New York municipal bond attorneys, that the city now complies with the provisions of Section 235, New York State Banking Law.

Cleveland Bonds Delivered to Purchasers

Blyth & Co., Inc., as head of a Nation-wide banking group which earlier this month offered $17,500,000 City of Cleveland Transportation System revenue bonds, announced Tuesday that they have made payment to the city and received delivery of the bonds. This brought to a conclusion one of the larger municipal flotations of the year, and added Cleveland to those cities, such as New York and Detroit, which now own their own transportation systems.

New Orleans Refunding Operation Foreseen

New Orleans may supply the municipal market with a refunding operation amounting to $12,000,000, according to talk in municipal circles. Several syndicates are said to be in the process of formation, anticipating that the city will call its old permanent improvement 4s due July, 1950, and callable July 1, 1942.

The City of New Orleans has been in existence for well over 200 years but the current war activity has the old town humming as never before.

The present population of New Orleans is around 500,000. With current and projected additions it will reach, within a year, 600,000 or 625,000. Other cities in Louisiana— Baton Rouge, Lake Charles, Monroe and Alexandria—are meanwhile growing like mushrooms. Over $500,000,000 of capital expenditures have been made in Louisiana defense camps and industries. Bank deposits have reached an all-time high. Staggeringly big war contracts have been awarded, the Higgins ship contracts alone running over $700,000,000. Need it be added that employment figures, too, look good, what with the shipbuilding, the new Nash-Kelvinator plant that will make cargo planes and similar ventures? Housing for the new workers is going to cost more than $100,000,000. Maintenance of the tremendous army camps in this region and the money spent by soldiers further swells the city's business. So let's just say the town is sort of busy.

Washington Utility Dist. Bond Sale Held Up

Although it was expected that an offering date would have been set ere this on the $5,875,000 Whatcom Co. Pub. Util. Dist. No. 1, Wash., electric revenue bonds, no definite action has materialized as yet.

The bonds are to be issued to finance the acquisition by the district of the electric properties now operated by the Puget Sound Power & Light Co. in the district, together with certain transmission lines extending into Skagit County, to provide working capital and for other purposes.

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 30 (Today)

$2,278,000 Charleston Housing Auth., W. Va.
These bonds are being issued to refund series A and B bonds now outstanding.

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.

$1,225,000 Oklahoma Co., Okla.
There is no record of any recent sale by this county.

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.

Investment Trusts

(Continued from page 1695)

the effects of the present war economy.

What, then, is the answer? Since war is the dominant factor and will be with us for an indefinite period, the only sensible procedure (for funds where management is flexible) is to adapt investment portfolios to the war economy. When the economy changes from a war-time one, investment lists can also be changed in the light of conditions and prospects at that time. This is only following the sound and established principles that, to have reasonable expectancy of success, investments must be in accord with ruling conditions, and there must always be alert willingness to change if and as conditions change. These principles apply to the institutional as well as the individual investors.—Reprinted from "Investment Timing," published by the Economics & Investment Department, National Securities & Research Corporation, distributors of National Securities Series and First Mutual Trust Fund.

* * *

Investment Company Briefs

The investments of Dividend Shares, Inc., are, with minor exceptions, confined to common stocks at this time, according to the latest Calvin Bullock "Bulletin." Selected and diversified stocks, in the opinion of the management, appear to offer assurances of a satisfactory return and an opportunity for protection to purchasing power in periods of rising living costs.

At current levels, and based on recent dividend rates, the "Bulletin" points out, common stocks as a whole are providing a far more generous return than virtually all other investment media. Remarking that the average return on high-grade bonds is about 3%, "Bulletin" says that to reduce stock yields to as low as 4% would mean very extreme reductions—60% in the cases of some leading issues—from 1941 dividend payments.

"It raises the question as to whether the fear of common stocks on a yield basis in 1942 has not been overdone," says "Bulletin."

* * *

The 71st consecutive quarterly report of Massachusetts Investors Trust shows an increase in shares outstanding from 5,870,592 on Dec. 31, 1941, to 5,942,499 on March 31, 1942. Also an increase of over 1,000 in the number of shareholders.

Among other things, the trustees state that "98% of the investments of the Trust taken at market, other than cash, have paid interest or dividends during the past 12 months."

* * *

Sales of National Securities Series have passed the $3,000,000 mark. This result within only about 18 months is tangible evidence of the investor response to the income appeal of this Series, says the sponsors. Low-Priced Bond Series is leading in volume, followed by Bond Series, Income Series, Preferred Stock Series, and Low-Priced Common Stock Series, in the order named.

* * *

The directors of Boston Fund have declared a regular quarterly dividend at the rate of 16 cents a share, payable May 20, 1942, to stockholders of record April 30.

This dividend is derived entirely from undivided earnings representing dividends and interest on securities owned.

The payment is at the same rate as for the corresponding period last year.

Loomis With Hutton

(Special to The Financial Chronicle)

LONG BEACH, CALIF. — Roy Loomis has become affiliated with E. F. Hutton & Co., 219 East Broadway. Mr. Loomis was formerly local manager for Dean Witter & Co. for a number of years.

UNION PACIFIC RAILROAD COMPANY

FORTY-FIFTH ANNUAL REPORT — YEAR ENDED DECEMBER 31, 1941

To the Stockholders of Union Pacific Railroad Company:

The Board of Directors submits the following report for the year ended December 31, 1941, of the operations and affairs of the Union Pacific Railroad Company, including lines leased from Oregon Short Line Railroad Company, Oregon-Washington Railroad & Navigation Company, Los Angeles & Salt Lake Railroad Company and The St. Joseph and Grand Island Railway Company. The lessor companies have certain income and charges, and the figures in the Income Account, other than those relating to transportation operations, and in the Profit and Loss Account and General Balance Sheet and tabulations and tables relating thereto are stated on a consolidated basis, *excluding offsetting accounts between the companies except as otherwise noted.*

INCOME

The operated mileage at close of year and income for the year 1941, compared with 1940, were as follows:

	1941.	1940.	Increase.	Decrease.
Operated Mileage at Close of Year.				
Miles of road	9,870.77	9,892.15	------	21.38
Miles of additional main track	1,537.92	1,537.92		
Miles of yard tracks and sidings	4,310.03	4,300.84	9.19	
Total Mileage Operated	15,718.72	15,730.91	------	12.19
Transportation Operations.				
Operating revenues	$218,091,994.24	$168,164,257.99	$49,927,736.25	
Operating expenses	159,997,894.58	120,949,111.46	39,048,783.12	
Revenues over expenses	$58,094,099.66	$47,215,146.53	$10,878,953.13	
*Taxes	17,784,641.71	14,693,388.53	3,091,253.18	
Railway Operating Income	$40,309,457.95	$32,521,758.00	$7,787,699.95	
Rents from use of joint tracks, yards, and terminal facilities	1,559,762.67	1,706,507.08	------	$146,744.41
	$41,869,220.62	$34,228,265.08	$7,640,955.54	
Hire of equipment—debit balance	$9,048,383.48	$8,770,354.87	$278,028.61	
Rents for use of joint tracks, yards, and terminal facilities	2,285,463.65	2,098,950.14	186,513.51	
	$11,333,847.13	$10,869,305.01	$464,542.12	
Net Income from Transportation Operations	$30,535,373.49	$23,358,960.07	$7,176,413.42	
Income from Investments and Sources other than Transportation Operations.				
Income from oil operations in Southern California—net	$4,542,499.41	$3,375,188.42	$1,167,310.99	
Dividends on stocks owned	4,547,965.00	4,794,185.00	------	$246,220.00
Interest on bonds, notes, and equipment trust certificates owned	2,179,417.28	2,809,941.08	------	630,523.80
Income from unfunded securities and accounts	184,450.15 †	130,429.90	54,020.25	
Rents from lease of road and equipment	232,838.28	186,039.73	46,798.55	
Miscellaneous rents	348,753.36	335,249.32	13,504.04	
Miscellaneous income	751,178.23	396,226.55	354,951.68	
Total	$12,787,101.71	†$12,027,260.00	$759,841.71	
Total Income	$43,322,475.20	†$35,386,220.07	$7,936,255.13	
Fixed and Other Charges.				
Interest on funded debt	$13,619,757.81	$14,667,353.97	------	$1,047,596.16
Interest on unfunded debt	313,833.21 †	221,559.37	$92,273.84	
Miscellaneous rents	13,467.34	52,634.33	------	39,166.99
Miscellaneous charges	517,997.33	998,792.31	------	480,794.98
Total	$14,465,055.69	†$15,940,339.98	------	$1,475,284.29
Net Income from All Sources	$28,857,419.51	$19,445,880.09	$9,411,539.42	

DISPOSITION OF NET INCOME.

		1941.	1940.	Increase.
Dividends on Stock of Union Pacific Railroad Co.:				
Preferred stock:				
2 per cent paid April 1, 1941	$1,990,862.00			
2 per cent paid October 1, 1941	1,990,862.00	$3,981,724.00	$3,981,724.00	
Common stock:				
1½ per cent paid April 1, 1941	$3,334,365.00			
1½ per cent paid July 1, 1941	3,334,365.00			
1½ per cent paid October 1, 1941	3,334,365.00			
1½ per cent payable January 2, 1942	3,334,365.00	13,337,460.00	13,337,460.00	
Total Dividends		$17,319,184.00	$17,319,184.00	
Surplus, Transferred to Profit and Loss		$11,538,235.51	$2,126,696.09	$9,411,539.42

* No liability for excess-profits tax is indicated for either year.
† Restated; last year income from unfunded securities and accounts and interest on unfunded debt were reported on a net basis as "Interest on loans and open accounts-balance."

Operating results for year 1941 compared with year 1940:

	1941.	1940.	Increase.	Decrease.	Per Cent.
Average miles of road operated	9,878.40	9,901.03	------	22.63	.2
OPERATING REVENUES.					
1. Freight	$180,272,441.59	$136,464,742.10	$43,807,699.49	----	32.1
2. Passenger	21,554,470.79	17,472,731.34	4,081,739.45	----	23.4
3. Mail	6,242,147.18	5,610,065.14	632,082.04	----	11.3
4. Express	2,516,164.16	2,108,051.34	408,112.82	----	19.4
5. Other passenger-train	2,772,333.45	2,434,548.23	337,785.22	----	13.9
6. Switching	2,076,420.96	1,815,185.18	261,235.78	----	14.4
7. Other	2,658,016.11	2,258,934.66	399,081.45	----	17.7
8. Total operating revenues	$218,091,994.24	$168,164,257.99	$49,927,736.25	----	29.7
OPERATING EXPENSES.					
9. Maintenance of way and structures	$26,981,583.33	$17,671,260.28	$9,310,323.05	----	52.7
10. Maintenance of equipment	45,803,175.36	32,718,370.99	13,084,804.37	----	40.0
11. Total maintenance	$72,784,758.69	$50,389,631.27	$22,395,127.42	----	44.4
12. Traffic	5,246,944.91	4,829,000.57	417,944.34	----	8.7
13. Transportation—rail line	71,621,704.87	56,868,021.44	14,753,683.43	----	25.9
14. Miscellaneous operations	4,459,483.23	3,483,992.72	975,490.51	----	28.0
15. General	5,885,002.88	5,378,465.46	506,537.42	----	9.4
16. Total operating expenses	$159,997,894.58	$120,949,111.46	$39,048,783.12	----	32.3
17. Revenues over expenses	$58,094,099.66	$47,215,146.53	$10,878,953.13	----	23.0

†TAXES.	1941.	1940.	Increase.	Decrease.	Per Cent.
18. State and county	$9,571,952.45	$9,530,860.00	$41,092.45	----	.4
19. Federal unemployment insurance	2,882,970.13	2,166,191.03	716,779.10	----	33.1
20. Federal retirement	2,883,538.57	2,172,152.56	711,386.01	----	32.8
21. Federal income	2,039,241.51	513,201.86	1,526,039.65	----	297.4
22. Federal capital stock	378,891.50	298,618.90	80,272.60	----	26.9
23. Other federal	28,047.55	12,364.18	15,683.37	----	126.8
24. Total taxes	$17,784,641.71	$14,693,388.53	$3,091,253.18	----	21.0
25. Railway operating income	$40,309,457.95	$32,521,758.00	$7,787,699.95	----	23.9
26. Equipment rents (debit)	9,048,383.48	8,770,354.87	278,028.61	----	3.2
27. Joint facility rents (debit)	725,700.98	392,443.06	333,257.92	----	84.9
28. Net railway operating income	$30,535,373.49	$23,358,960.07	$7,176,413.42	----	30.7
Per cent—Operating expenses of operating revenues	73.36	71.92	1.44	----	2.0
FREIGHT TRAFFIC. (*Commercial Freight only*)					
Tons of revenue freight carried	33,824,223	27,289,316	6,534,907	----	23.9
Ton-miles, revenue freight	18,738,920,553	14,060,393,343	4,678,527,210	----	33.3
Average distance hauled per ton (*miles*)	554.01	515.23	38.78	----	7.5
Average revenue per ton-mile (*cents*)	.962	.971	------	.009	.9
Average revenue per freight-train mile	$5.89	$5.73	$.16	----	2.8
PASSENGER TRAFFIC. (*Excludes Motor Train, other than Streamlined Train*)					
Revenue passengers carried	2,109,885	1,702,678	407,207	----	23.9
Revenue passengers carried one mile	1,283,992,931	1,021,396,602	262,596,329	----	25.7
Average distance hauled per passenger (*miles*)	608.56	599.88	8.68	----	1.4
Average passengers per passenger-train mile	87.52	76.64	10.88	----	14.2
Average revenue per passenger-mile (*cents*)	1.670	1.700	------	.030	1.8
Average revenue per passenger-train mile, passengers only	$1.46	$1.30	$.16	----	12.3
Average total revenue per passenger-train mile	$2.01	$1.88	$.13	----	6.9

† No liability for excess-profits tax is indicated for either year.

GENERAL BALANCE SHEET—ASSETS.

	December 31, 1941.	December 31, 1940.	Increase.	Decrease.
Investments:				
Road and Equipment	$999,797,915.85	$978,140,726.05	$21,657,189.80	
Less:				
Receipts from improvement and equipment fund	$23,823,091.13	$23,823,091.13		
Appropriations from income and surplus prior to July 1, 1907, credited to this account	13,310,236.52	13,310,236.52		
Total	$37,133,327.65	$37,133,327.65		
701. **Road and equipment property**	$962,664,588.20	$941,007,398.40	$21,657,189.80	
704. Deposits in lieu of mortgage property sold	$14,354,350.47	$36,300.00	$14,318,050.47	
705. Miscellaneous physical property	24,743,053.22	12,923,343.19	11,819,710.03	
Total	$39,097,403.69	$12,959,643.19	$26,137,760.50	
706. **Investments in affiliated companies:**				
Stocks	$19,424,941.91	$20,367,948.91	--------	$943,007.00
Bonds, notes, and equipment trust certificates	6,367,178.12	7,630,078.84		1,262,900.72
Advances	10,970,351.70	19,834,361.04		8,864,009.34
Total	$36,762,471.73	$47,832,388.79	--------	$11,069,917.06
707. **Investments in other companies:**				
Stocks	$63,380,981.35	$75,589,580.01	--------	$12,208,598.66
Bonds, notes, and equipment trust certificates	42,701,494.47	48,429,987.41	--------	5,728,492.94
Total	$106,082,475.82	$124,019,567.42	--------	$17,937,091.60
703. Sinking Funds	$875.00	$700.00	$175.00	
Total Investments	$1,144,607,814.44	$1,125,819,697.80	$18,788,116.64	
Current Assets:				
708. Cash	$36,854,166.07	$40,461,012.17	--------	$3,606,846.10
709. Temporary cash investments	6,000,000.00		$6,000,000.00	
711. Special deposits	897,381.68	2,257,439.91	--------	1,360,058.23
712. Loans and bills receivable	62,399.45	12,992.25	49,407.20	
713. Traffic and car-service balances—net	4,668,622.64 (a)	3,777,798.50	890,824.14	
714. Net balance receivable from agents and conductors	3,619,318.37	1,355,787.60	2,263,530.77	
715. Miscellaneous accounts receivable	7,771,494.19	4,168,353.64	3,603,140.55	
716. Material and supplies	33,648,741.62	24,076,646.12	9,572,095.50	
717. Interest and dividends receivable	916,886.05	703,593.51	213,292.55	
718. Rents receivable	152,159.29	153,877.29		1,718.00
719. Other current assets:				
Baltimore and Ohio Railroad Co. capital stock applicable to payment of extra dividend of 1914	111,531.10	111,715.10	--------	184.00
Miscellaneous items	111.37	482.26	--------	370.89
Total Current Assets	$94,702,811.84 (a)	$77,079,698.35	$17,623,113.49	
Deferred Assets:				
720. Working fund advances	$121,090.49	$185,656.05	--------	$64,565.56
722. Other deferred assets	5,811,931.35	6,433,382.73	--------	621,451.38
Total Deferred Assets	$5,933,021.84	$6,619,038.78	--------	$686,016.94
Unadjusted debits:				
723. Rents and insurance premiums paid in advance	$57,642.92	$10,223.56	$47,419.36	
725. Discount on funded debt	604,828.40	636,522.44		$31,694.04
727. Other unadjusted debits	4,760,149.68	2,185,900.79	2,574,248.89	
Total Unadjusted Debits	$5,422,621.00	$2,832,646.79	$2,589,974.21	
Grand Total	$1,250,666,269.12 (a)	$1,212,351,081.72	$38,315,187.40	

(a) Restated.

GENERAL BALANCE SHEET—LIABILITIES.

	December 31, 1941.		December 31, 1940.	Increase.	Decrease.
751. Capital Stock					
Common stock	$222,302,500.00		$222,302,500.00		
Preferred stock	99,591,580.79		99,593,480.79	--------	(a) 1,900.00
Total Capital Stock	$321,894,080.79		$321,895,980.79	--------	$1,900.00
755. Funded Debt	371,643,180.00		346,750,775.00	$24,892,405.00	
Total	$693,537,260.79		$668,646,755.79	$24,890,505.00	
754. Grants in Aid of Construction	$9,243,217.26		$8,726,446.06	$516,771.20	
757. Nonnegotiable Debt to Affiliated Companies	$7,854,478.28		$8,775,873.48	--------	$921,395.20
Current Liabilities:					
760. Audited accounts and wages payable	$14,700,899.62		$9,427,982.27	$5,272,917.35	
761. Miscellaneous accounts payable	785,193.73	(b)	412,142.11	373,051.62	
762. Interest matured unpaid:					
Coupons matured, but not presented	569,373.01		281,125.51	288,247.50	
Coupons & interest on registered bonds, due first proximo	4,088,396.10		4,003,652.50	84,743.60	
763. Dividends matured unpaid:					
Dividends due but uncalled for	187,360.18		149,292.38	38,067.80	
Extra dividend on common stock declared January 8, 1914, payable to stockholders of record March 2, 1914, unpaid	120,362.07		120,982.70	--------	$620.63
Dividend on common stock payable second proximo	3,334,365.00		3,334,365.00		
764. Unmatured interest accrued	693,055.00		644,930.83	48,124.17	
766. Unmatured rents accrued	276,388.88		276,391.95	--------	3.07
767. Accrued tax liability	9,472,679.45	(b)	7,129,354.83	2,343,324.62	
768. Other current liabilities	953,656.56	(b)	2,361,409.63	--------	1,407,753.07
Total Current Liabilities	$35,181,729.60	(b)	$28,141,629.71	$7,040,099.89	
Deferred Liabilities:					
770. Other deferred liabilities	$11,327,557.32		$10,138,542.77	$1,189,014.55	
Unadjusted Credits:					
772. Premium on funded debt	$88,411.73		$91,626.70	--------	$3,214.97
773. Insurance reserve (Reserve for fire insurance)	10,670,484.20		9,931,352.08	$739,132.12	
Reserve for depreciation	133,894,736.27		123,773,963.31	10,120,772.96	
778. Other unadjusted credits:					
Contingent interest	1,900,496.74		4,118,991.21	--------	2,218,494.47
Miscellaneous items	4,467,279.59		900,407.76	3,566,871.83	
Total Unadjusted Credits	$151,021,408.53		$138,816,341.06	$12,205,067.47	
Total Liabilities	**$908,165,651.78**	**(b)**	**$863,245,588.87**	**$44,920,062.91**	
Surplus:					
Appropriated for additions and betterments	$30,840,876.23		$30,812,247.46	$28,628.77	
Reserved for depreciation of securities	34,972,570.88		34,972,570.88		
Funded debt retired through income and surplus	1,674,858.66		1,447,538.66	227,320.00	
Sinking fund reserves	875.00		700.00	175.00	
Total Appropriated Surplus	$67,489,180.77		$67,233,057.00	$256,123.77	
784. Profit and Loss—Credit Balance	235,441,266.83		242,302,936.11	--------	$6,861,669.28
Total Surplus	$302,930,447.60		$309,535,993.11	--------	$6,605,545.51
As this consolidated balance sheet excludes all intercompany items, securities of the Los Angeles & Salt Lake Railroad Company and The St. Joseph and Grand Island Railway Company owned by other System companies are not included. The difference between the par and face value of such securities as carried on the books of the issuing companies (less unextinguished discount on the bonds and discount charged to Profit and Loss but added back in cosolidating the accounts) and the amounts at which the securities are carried on the books of the owning companies is set up here to balance	$39,570,169.74		$39,569,499.74	$670.00	
Grand Total	**$1,250,666,269.12**	**(b)**	**$1,212,351,081.72**	**$38,315,187.40**	

(a) Represents 14 shares of First Preferred Stock and 5 shares of Second Preferred Stock of The St. J. & G. I. Ry. Co. purchased by Union Pacific Railroad Co.

(b) Restated to conform with change in Interstate Commerce Commission classification under which traffic and car service balances receivable and payable, formerly stated separately under "Current Assets" and "Current Liabilities," respectively, are now stated on a net basis; accrued tax liability, formerly classified as a "Deferred Liability," is now classified as a "Current Liability," and liability for taxes collected from employes and others, formerly included in "Miscellaneous Accounts Payable" and "Other Current Liabilities," is now included in "Accrued Tax Liability."

EXPENDITURES CHARGEABLE TO INVESTMENT IN ROAD AND EQUIPMENT PROPERTY

Extensions and Branches	$2,835.92
Additions and Betterments (excluding equipment)	5,879,148.81
Equipment	18,912,799.45
Total Expenditures	$24,794,784.18
Credits to investment in Road and Equipment Property:	
Cost of property retired and not replaced	$2,116,084.90
Cost of equipment retired	1,021,509.48
Total Credits	$3,137,594.38
Net increase in investment in "Road and Equipment Property"	$21,657,189.80

Our Reporter's Report

(Continued from First Page) bond market was not visibly disturbed by the announcement of Secretary of the Treasury Morgenthau that he would market some $4,000,000,000 of new securities during May and June.

On the contrary, the outstanding Treasury issues accepted the news quietly and with only minor variation so far as the price level was concerned. In Government security circles there was no misgiving with regard to the market's ability to absorb the projected new financing.

It was expected in most quarters that the forthcoming undertakings would involve approximately one billion of refunders to take up an approximately equivalent amount of guaranteed issues of the Home Owners' Loan Corporation and the Reconstruction Finance Corporation.

Virginia Public Service

That the investment banking world is hopeful it can proceed with more or less normal business, notwithstanding the Government's huge program, was indicated by reports that the projected financing of the Virginia Public Service Co. is up for renewed discussion.

As corporate undertakings go this business is sizable, calling for the sale of $26,000,000 of first mortgage bonds due in 1972 and carrying a 3¾% coupon, and $10,500,000 of sinking fund debentures carrying a 5% rate and maturing in 1957.

At least two banking groups are said to be interested in bidding for this financing when, as and if the company decides to go through with its proposals.

American Tobacco 3s

Presumably a smattering of the $100,000,000 of 20-year debentures of the American Tobacco Co., brought out last week, are finding their way back to market.

On the day of offering this issue commanded sizable premiums over the issue price of 100, having been reported traded as high as 101⅜, later settling back around 100¼.

In the last day or two, however, scattered offerings have made their appearance, according to market observers, with the result that the debentures, sold at par, are evidently being absorbed by the syndicate's bids.

The high quality investment character of these debentures is such that these isolated offerings should readily be absorbed by discerning portfolio managers.

Stock Offerings Continue

After the market offerings of blocks of listed stocks are helping to keep the investment banking fraternity occupied in lieu of new bond issues.

One firm brought out 3,500 shares of Aluminum Co. of America preferred the other day, and within a comparatively short time reported that the entire block had been sold.

Another firm was reported offering 6,000 shares of American Cyanamid class B stock, for which it was assumed a favorable market could be obtained.

Faces Coffee Surplus

Venezuela is faced with an unprecedented carry-over of coffee at the end of the current coffee year if the crop reaches the estimated 650,000 bags and both the United States and Argentina take the greatly reduced quantities which are anticipated under quota, market and prospective shipping conditions, according to a report to the Department of Commerce made public April 24. The Department's announcement also says:

> Exports of coffee from Venezuela to Europe in 1935 accounted for 72% of the total shipments during the year. By 1940 shipments to Europe accounted for only 12% of the total coffee export trade and at the present time that area is entirely climinated as a market.
>
> Coffee constitutes the second largest agricultural crop of Venezuela in point of value and is the outstanding export crop of the country. The position of coffee in the domestic economy is thus an important one.

March Building Permit Valuations Are Down

March building permit valuations showed a decline of 1% as compared with the corresponding month of 1941, Secretary of Labor Frances Perkins reported on April 25. "The decrease was brought about by a falling off of 13% in indicated expenditures for new residential building and of 3% in value of additions, alterations, and repairs," she said. "There was an increase of 19% in the value of new nonresidential building." Secretary Perkins further stated:

> As compared with February, March permit valuations showed a contra-seasonal decline of 20%. Indicated expenditures for new residential building showed a decline of 13% while new nonresidential showed a drop of 34%. In contrast, an increase of 28% was shown by permit valuations for additions, alterations, and repairs to existing buildings.
>
> During the first quarter of 1942, permits were issued in reporting cities for buildings valued at $624,217,000, an increase of 4% as compared with the corresponding period of 1941. Permit valuations for new residential buildings during the first 3 months of the current year amounted to $281,076,000, a loss of 6% as compared with the corresponding period of the preceding year. Over the same period new nonresidential building showed a gain of 18% and additions, alterations, and repairs a decline of 1%.

From the Labor Department's announcement we also quote:

> The Bureau's tabulations of permit valuations include contracts awarded by Federal and State Governments in addition to private and municipal construction. For March 1942, Federal and State construction in the 2,533 reporting cities totaled $67,163,000; for February 1942, $167,437,000, and for March 1941, $45,802,000.
>
> Changes in permit valuations in the 2,533 reporting cities between March 1942, February 1942, and March 1941 are summarized below:

Class of Construction—	Change from March, 1941, to March, 1942: All Cities	Excluding N. Y. City
New residential	—13.2%	—11.1%
New non-residential	+18.5%	+20.8%
Additions, alterations & repairs	— 2.7%	+ 0.6%
All construction.	— 1.0%	+ 1.5%

Class of Construction—	Change from February, 1941, to March, 1942: All Cities	Excluding N. Y. City
New residential	—13.4%	—14.1%
New non-residential	—34.2%	—35.2%
Additions, alterations & repairs	+28.0%	+29.7%
All construction.	—20.4%	—21.4%

Comparisons of permit valuations in cities reporting for the first quarter of 1941 and 1942 are shown in the following table:

Class of Construction—	Change from First 3 Months of 1941 to First 3 Months of 1942: All Cities	Excluding N. Y. City
New residential	— 6.0%	+ 0.4%
New non-residential	+18.4%	+19.2%
Additions, alterations & repairs	— 1.3%	+ 5.4%
All construction.	+ 3.8%	+ 8.4%

New housekeeping dwellings for which permits were issued in the 2,533 reporting cities in March 1942, will provide 28,,695 dwelling units, or 17% less than the 34,480 dwelling units reported in the previous month, and 8% fewer than the number provided in March, 1941. Dwelling units in publicly financed housing projects included in these totals numbered 2,554 in March, 1942, 14,483 in February, 1942, and 3,073 in March, 1941.

Principal centers of various types of building construction for which permits were issued or contracts were awarded in March 1942, except those awarded by the War and Navy Departments, Maritime Commission, and the Defense Plant Corporation which have been excluded because of their confidential nature, were: West Hartford, Conn., factories to cost $1,048,000; New York City—Borough of Brooklyn, multifamily dwellings to cost $1,452,000 and factories to cost $1,070,000, Borough of Queens, factories to cost $690,000; Chester, Pa., 1-family dwellings to cost $2,500,000; Lower Merion Township, Pa., 1-family dwellings to cost $674,000; Norwood, Pa., 1-family dwellings to cost $871,000; Philadelphia, Pa., 1-family dwellings to cost $1,396,000; Upper Darby Township, Pa., 1-family dwellings to cost $1,558,000; Chicago, Ill., 1-family dwellings to cost $2,289,000 and factories to cost $646,000; Dearborn, Mich., 1-family dwellings to cost $1,014,000; Detroit, Mich., 1-family dwellings to cost $6,595,000; Akron, Ohio, 1-family dwellings to cost $931,000; Cleveland, Ohio, factories to cost $823,000; Columbus, Ohio, 1-family dwellings to cost $608,000; West Allis, Wis., a factory to cost $600,000; Wichita Kans., 1-family dwellings to cost $1,550,000 and multifamily dwellings to cost $696,000; Washington, D. C., multi-family dwellings to cost $1,812,000 and public buildings to cost $3,084,000; Baltimore, Md., 1-family dwellings to cost $630,000 and factories to cost $1,040,000; Norfolk, Va., 1-family dwellings to cost $611,000; El Paso, Tex., water-treatment plant to cost $699,000; Fort Worth, Tex., 1-family dwellings to cost $657,000; Houston, Tex., 1-family dwellings to cost $909,000; Los Angeles, Calif., 1-family dwellings to cost $1,073,000, multifamily dwellings to cost $3,144,000 and factories to cost $1,750,000; San Diego, Calif., schools to cost $715,000; San Francisco, Calif., 1-family dwellings to cost $868,000, and Seattle, Wash., 1-family dwellings to cost $948,000.

Contracts were awarded during March for the following publicly financed housing projects containing the indicated number of dwelling units; Springfield, Mass., $1,074,000 for 300 units; New York City, $2,030,000 for 342 units; Allentown, Pa., $374,000 for 104 units; Bethlehem, Pa., $856,000 for 202 units; Connellsville, Pa., $615,000 for 150 units; New Albany, Ind., $74,000 for 18 units; Detroit, Mich., $974,000 for 210 units; Wilmington, Del., $833,000 for 200 units; Rockledge, Fla., $233,000 for 80 units; Tarrant City, Ala., $134,000 for 48 units, and Seattle, Wash., $3,096,000 for 900 units.

Tomorrow's Markets Walter Whyte Says—

(Continued from page 1693)

market, they are acting well. How long they will continue to do so, is another question. I don't think they can go up by themselves in the face of a general decline. The best they can do under such conditions, is to stand still.

* * *

Without knowing how Congress will act, I would venture to say, that once the problem of taxes is ironed out, the market will have stabilized and adjusted itself to the new program and will act accordingly.

* * *

Here and there signs appear that the stabilization program is not so far away as one thinks. If the majority of stocks manage to keep above Tuesday's lows, the stabilization idea will have gained new stimulus.

W. F., St. Louis, Mo.—Sorry, I can't help you with Gar Wood. I'm not familiar with its market history.

More next Thursday.

—Walter Whyte.

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

Our Reporter On "Governments"

(Continued from First Page)

(1) A definite indication that short-term securities are to be sold to commercial banks in large quantities over the next two years. . . .

(2) A hint that shifting of some of your short-term holdings to long-terms may be smart policy because you'll get plenty of short-terms later. . . .

(3) A suggestion that short-term interest rates may harden slightly (but not enough to hurt the long-term market) as the total of short-terms outstanding increases. . . .

There you have it—a combination of news interpretation, fundamental policy determination and forecasting. . . . If you can find the logical fallacy in this story, go ahead and tell your board not to do anything with the maturity distribution of your portfolio at the moment. . . . If you can't, take some action and see how it turns out. . . . We'll wager you'll discover you've acted wisely and in time. . . .

Following Advice—

There doesn't seem to be any disagreement among any of the key authorities on the advisability of selling short-terms to commercial banks. . . . Consider the statistics.

As of June 30, the Federal Reserve member banks are expected to be holding $22,600,000,000 U. S. Government obligations, as compared with $18,100,000,000 June 30, 1941. . . . As of June 30, 1943, holdings of the member banks are expected to total $36,500,000,000. . .

The American Bankers Association's Policy Commission estimates that public financing must total $18,800,000,000 in the 1942 fiscal year and $33,600,000,000 in the 1943 fiscal year. . . . (In studying these figures, remember that the Commission's members are leading American bankers and that they have worked in close cooperation with Treasury representatives. You may consider them as official, therefore, and allow only a normal margin of error in calculating the future). . . .

It is inconceivable that the Treasury would expect the commercial banks to absorb 40% of the increase in the publicly-held debt over the next fiscal year in long-terms. . . . It is inconceivable that Secretary Morgenthau would ignore the advice of those closest to the situation—especially when that advice fits in neatly with the opinions of Government experts. . . . So, look for formulation of a clear policy on the part of the Treasury soon, aimed at placing short-terms in your portfolios and at placing (1) longer-terms in insurance company portfolios; (2) intermediates or very-shorts in corporate portfolios; war bonds in individual portfolios.

Inside The Market

Whether the ABA's suggestion for maturity preference in the one to 10-year category is accepted or whether the recommendation of other bankers for favoring of the one to five-year category is accepted seems of minor importance. . . . Big point is the average will be around five years. . . . And dealers are wondering whether banks are re-arranging their portfolios to fit in with this prospect. . . .

In case you're doubtful about U. S. Government's ability to keep interest rates where Treasury and Federal Reserve Board want them, consider the fact that on and after May 1, the British Chancellor of the Exchequer proposes to issue a new loan of war-savings bonds, carrying 3% interest, due in 1970 and priced at par. . . . Present issues are due in 1955-66. . . . Any banker want to argue the relative financial positions of England and America? . . .

If you have cash and don't want to take any changes with it over the next few weeks, you might consider investing in these for the time being. . . .

Talking about refunding, Government maturities in the next 12 months total $4,100,000,000 and include Treasury notes, discount bills and the new certificate of indebtedness issue. . . .

Traders report best market interest still is in tax-exempts. . . . Reveal this section of the market is holding better than the taxable list. . . .

Life insurance company purchases of Government bonds so far this year total nearly $300,000,000, against less than $200,000,000 in the same 1941 period. . . .

Railroad Securities

(Continued from page 1693)

lieved particularly well situated for sugar coming from Cuba. As there is no indication of a possible change in this shipping situation it seems reasonable to assume that the company's business will continue at peak levels at least so long as the war lasts. Admittedly, this prospect it apt to keep alive the recent increased speculative interest in the bonds.

Fundamentally, however, and on a long-term basis, there appears to be little question but that the bonds are at least adequately priced. Strictly war-induced earnings will hardly warrant a more liberal reorganization plan by the Commission. Under the final plan, recently released, holders of the subject bonds are to receive only $100 in new income 4½s, and 10 shares of new common. It is believed likely that the income bond interest will be supporable in all but severe depression years, but earnings on the new common will be highly erratic. Substantial earnings are not likely except in periods of real prosperity. Judging by the present market levels of other reorganization securities, the new incomes might sell at 40 while a price of 5 would appear liberal for the common unless some interests should desire to bid for control. Taking these theoretical values for the new securities, the present 5s would be worth 9. To this might possibly be added 2½ points if the interest request is granted, and there is no corresponding reduction in the proposed allocation of new securities.

FIC Banks Place Debs.

The Federal Intermediate Credit Banks on April 16 made a successful placement of $48,260,000 debentures through Charles R. Dunn, New York, fiscal agent for the banks. Of the total amount $42,260,000 were sold publicly at par, of which $16,645,000 dated May 1, 1942 and due Nov. 2, 1942, carries a coupon rate of 0.65% and $25,615,000, dated May 1, 1942 and due Feb. 1, 1943, bears a coupon rate of 0.75%. The other issue of $6,000,000 carrying a coupon of 0.50% and maturing Aug. 1, 1942, was sold privately on a 0.40% basis. Of the proceeds of the sale $38,540,000 will be used to pay off a like amount of debentures due May 1 next and $9,720,000 is for new money. At the close of business May 1 the banks will have outstanding $296,755,000 debentures, an all time high.

UP-TOWN AFTER 3

NEW MOVIES

"Saboteur" (Universal), an Alfred Hitchcock production, with Priscilla Lane and Robert Cummings. . . . An exciting and enthralling adult movie about a young man suspected of setting fire to a defense plant, who is arrested, escapes and ends up by capturing, not only the actual saboteur, but uncovering the hidden ringleaders as well. The story has its share of heroics but Mr. Hitchcock has welded a yarn together that has a ring of authenticity. The subject—sabotage directed from high places; the scenes—beginning in California and coming across the country to New York, are all woven together into a believable pattern. The final shots of the chase that begins in New York's Radio City Music Hall and ends in the capture of the saboteur in the crown of the Statue of Liberty, will keep you on tenterhooks. . . . **"In This, Our Life" (Warner), Bette Davis, Olivia de Havilland, George Brent, Dennis Morgan. . . .** Social consciousness has come to Warner's with a bang. First it laughs off the red bogey in "Male Animal;" then it takes the side of the share croppers in "Juke Girl," and now it comes up with its version of "In This Our Life" and talks right out about the Negro and his troubles in a world ruled by the white man. True, this is not the primary object of the story, still it's an integral part of the saga of the Timberlakes, a family that has come down in the world due mainly to the financial machinations of Mrs. Timberlake's brother. The family consists of four people: two daughters, Stanley, an irascible headstrong selfish girl; Roy, the gentle thoughtful daughter, married and in love with her surgeon husband; the father, a meek unassuming little man, and the mother, a hypochondriac. Stanley, on the eve of her marriage, runs off with her sister's husband. The subsequent divorce and marriage ends in her husband's suicide. Stanley returns home restless and selfish as ever but the family, including her sister, forgive her. Meanwhile, Roy and her sister's ex-fiance have reached an understanding, a condition that Stanley tries to break up. In a fit of rage Stanley drives too fast, and has an accident and kills a child. Panic stricken, she runs off and blames the accident on Parry Clay, a young Negro, who studies law in his spare time and is a handy man during the day. John Huston, who directed the Maltese Falcon, does a splended job in this picture. All in all, it's a fine movie with an excellent cast in the leading as well as in the supporting roles. A particular bit of outstanding work is turned in by Ernest Anderson, the Negro boy. . . . **"Moontide" (20th-Fox), Jean Gabin, Ida Lupino, Thomas Mitchell, Claude Rains. . . .** A slow-moving yarn about waterfront people, their lives, loves and philosophies. Gabin, in his first American picture, is a rugged two-fisted odd job waterfront laborer. He saves a girl from suicide, falls in love and marries her. His buddy resents the new wife and one night while Gabin is away breaks into the cabin. An accident occurs and the girl's back is broken. Gabin returns, rushes her to the hospital and then goes hunting for the man. The photography is magnificent. Angle shots and soft foggy eerie effects dominate. It is an interesting picture, but not the tremendous thing claimed for it. Gabin is effective as a rough hewn thick haired bundle of masculinity. Miss Lupino, in an actor proof part, is capable as always. Claude Rains, as the philosopher, is excellent. Thomas Mitchell, as the sadistic brute, does a good job.

THEATRE—"Porgy & Bess" has been playing at New York's Majestic Theatre since last January. But with one thing and another I just got around to seeing it. It's George Gershwin music at its best. The singing of Ann Brown and Todd Duncan is beautiful to hear. It belongs at the top of any entertainment list.

RESTAURANT—Theodore's (4 E. 56th), that pleasant, softly lighted room is doing a turnaway business these days. Its food, for the price (dinner, $1.65) is as good as ever. But if you plan to eat there before theatre better phone ahead and make reservations. Though a large room, at eight in the evening, it's jammed to the doors. **AFTER-THEATRE. . . .** The gorgeous **Rainbow Room,** 65 floors above Radio City, is still one of the town's show places. The view is breathtaking and if you're tired of it you can always dance to Leo Reisman's music or to Clemente's rhumba rhythms. Current show consists of Helen Tamaris, assisted by Ida Soyer and Daniel Nagrin in dance interpretations of American themes; Billy de Wolfe, whose satirical sketches of night club m. c.'s, frustrated actors, cocktail bar denizens, etc., keep the place in an uproar. For the duration the dress obligatory rule has been lifted, but most of the people here wear dinner clothes, so guide yourself accordingly. . . . **ABOUT-THE-TOWN. . . .** The Banshees "Carnival Street," for the benefit of the Naval Relief Society, May 12, at the Waldorf-Astoria, promises to be the fun event of the month. . . . Myrna Loy, at Jimmy Dwyer's Sawdust Trail, being protected from autograph hunters by six volunteer soldier guards. . . . At El Chico, aristocrat of Spanish night clubs with one of its best shows in years. . . . Frank Buck argues amiably with a parrot in Spanish and is stumped when the bird resorts to Portuguese. . . . Russell Swann who started out as a customer's man and now is a top flight magician and comic, has ten pages devoted to his life in one of those comic magazines the kids bring home and you throw out. . . . Don Loper and Maxine Barrat astride a tandem bike pull up in front of El Morocco and give the doorman the jitters—he knows all about opening taxi doors but from bikes he don't know nothing. . . .

Moyer With Merrill Co.

PHILADELPHIA, PA.—Walter R. Moyer has joined Merrill Lynch, Pierce, Fenner & Beane, Commercial Trust Building, as manager of the bond department of the Philadelphia office. In the past Mr. Moyer was in charge of the statistical department for McMillan, Rapp & Co.

Detail Status Of Foreign Dollar Bonds

The Foreign Bondholders Protective Council, Inc., New York, in issuing its 1940 report on April 27 stated that of the 40 countries having foreign dollar bond obligations outstanding at the end of 1940 in the amount of $5,340,701,-396, there were 42.8% in default as to interest, sinking fund, or principal, as compared with 39.6% at the end of 1939. This increase is due largely to new European defaults — Belgium, Italy, Lithuania and additional defaults in Greece, Poland, and Yugoslavia—which increased to 75% in 1940 from 58.2% in 1939. Defaults in Latin American dollar bonds increased to 77.4% from 77.2% during the same period. The Council's announcement says:

"Computations show that of the $2,286,717,548 principal amount of dollar bonds in default at the end of 1940, $1,499,110,588, or 65% were national issues, 16% were State issues, 9% were Municipal issues, and 10% were corporate guaranteed.

The following table shows defaults grouped according to areas:

	Outstanding	In Default	% In Default
Latin America	$1,571,227,804	$1,216,099,852	77.4
Europe	1,293,965,815	970,603,872	75.0
Far East and Africa	553,299,512	11,427,512	2.1
Canada	1,922,208,265	88,586,312	4.6

"The report shows that on the long-term settlements negotiated and recommended by the Council on 25 issues, the average annual interest return has been approximately 4.3%, the sinking fund 1.2%, or a total service of 5.5% per annum.

"At the end of 1940 full interest payments were made on 25% of the Latin-American dollar bonds and on 25% of European dollar bonds, while 95% of the outstanding Canadian dollar bond issues were paying interest in full, as well as 98% of the bonds of the Far East, Australia and Africa.

"Partial interest payments were made on less than 4% of Latin American bonds, 16% of European bonds, and 5% of Canadian bonds.

"No interest payments whatever were made on 70% of Latin American bonds, on 50% of European bonds, on 2% of Far Eastern bonds, and on less than .005% Canadian non-Dominion bonds.

"The following table shows by areas the percentage of outstanding dollar bonds with respect to interest payments (based upon treatment of last coupon maturing in 1940):

	Full Cash Payment %	Partial Payment %	Payment in Currency Other Than U. S. Dollars %	No Payment %
Latin America	25.54	3.75	---	70.71
Europe	25.35	15.60	9.23	49.82
Far East and Africa	97.93	---	---	2.07
Canada	95.391	4.604	---	.005

Foreign dollar bonds upon which the principal is past due and unpaid are distributed as follows:

Latin America	$90,151,364
Europe	89,680,800
Far East	388,000
Canada	639,404
	$180,859,568

Details as to Latin American and European payments and defaults are supplied as follows by the Council.

"In Latin America, **Argentina** continued to serve its national dollar bonds in full, with the Readjustment bonds of the Provinces of Buenos Aires, Mendoza, and Santa Fe also meeting full service, while Province of Cordoba paid interest in full but continued in default on sinking fund. Certain City of Cordoba 1957 bonds have received some interest, but not for current coupons, and the 1937 issue was completely in default. **Bolivia** has been in default on its publicly offered dollar bonds since 1931. **Brazil**, under its four year plan of Decree 2085 of March 8, 1940, offered interest payments at about 22% of the contract rates or from less than 4/5ths of 1% on certain issues in Grade VII to 3½% on one issue in Grade II. However, the State of Rio de Janeiro has never made any payments under this Decree, and 3 other obligations are in arrears. **Chile** continues to offer interest at approximately 1½% per annum under the plan of its Law 5580, but suspended bond redemptions by Decree 3753 of Dec. 3, 1940 and transferred under that decree sums up to $6,000,000 from the amortization account for other purposes. Further transfers from this amortization account have since been made. **Colombia** followed its temporary offer of 50% interest payments in 1940 with an offer of 3% bonds for the two 6% issues, and scrip for half of the back interest. To the end of 1941 less than 46% had accepted the exchange offer. Departmental, Municipal and Guaranteed Obligations of Colombia continued in complete default, with the exception of Barranquilla, where payments were made on the 4% issue only. **Costa Rica** continued to make current interest payments at 30% of the contract rate with back interest at 1% per annum, as provided for in its temporary plan of March 20, 1939. In **Cuba** only those bonds of the Public Works 5½% issue which had not been exchanged for new 4½% Bonds continued in complete default. **Dominican Republic.** Under the new Convention of Sept. 24, 1940, the General Receivership of Dominican Customs ceased to operate. **Ecuador**, which defaulted on sinking fund payments as early as 1908 and 1910, continues in complete default. **El Salvador.** No change occurred in 1940, all of the bonds continuing in complete default. **Guatemala** is paying full service on one loan, and 50% on account of the contract interest on another. **Haiti**, while continuing to pay full interest, has been in default on sinking fund since Jan. 1, 1938. **Mexico** continued in complete default on national, railway, and State issues. **Panama** made an offer of 3¼% bonds for the 5% issue, and 3% bonds for the 5% Arrears Certificates. Also new 3½% bonds were floated early in 1941, the proceeds being used to retire the 5½% loan. Bonds of the National Bank and of the City of Panama continue in default. **Peru.** No payments were offered during the year on National, State, or Municipal issues. **Uruguay** is meeting full service on its Readjustment and Conversion Bonds. Only the unexchanged bonds of the Government and the City of Montevideo remain in default.

"In Europe, **Belgium** continued to meet its full service from funds frozen in the United States following the invasion in May of 1940, but bonds of the City of Antwerp defaulted during the year. **Bulgaria**, which had been making 40% payments on account of interest, defaulted completely before the end of 1940. **Czechoslovakia** defaulted on Republic sinking fund payments in 1939, and on interest in 1940 following the occupation by Germany. **Danzig.** No payments have been made on these bonds since the German occupation in 1939. **Denmark** continued to meet full service on its National, Municipal and Corporate guaranteed dollar bonds, utilizing for that purpose funds frozen in the United States. **Estonia** met its full service to and including July 1940, but defaulted thereafter. **Finland** continued to meet full service on its Republic, Municipal and Corporate guaranteed bonds. **France** continued to pay full debt service. **Germany** paid interest on the Dawes 7% and the Young 5½% loans during 1940 and the first half of 1941, at 5% and 4% respectively, and made full payment to and including Jan. 1, 1941 on the 3% bonds of the Conversion Office. Non-Reich bonds continued in complete default. **Greece.** Interest payments on the League loans were increased during 1940 from 40% to 43%, and maintained at that rate to and including the Feb. 1, 1941 coupon, when complete default occurred. Bonds of the Athens Waterworks have received payment at a reduced rate. **Hungary.** Interest on the 4½% bonds of the Kingdom was paid in full, but sinking fund payments, scheduled to start on those bonds in August 1940, had not been met. Non-State bonds were offered interest through the Cash Office for Foreign Credits at the reduced rate of 1¾% per annum. **Ireland** continued to pay full service. **Italy**, which had heretofore paid full service, defaulted completely during 1940 on bonds of the Kingdom, the Cities of Milan and Rome, and on Corporate obligations. **Lithuania.** Interest due July 1940 was paid at a reduced rate, but the following year went into default. **Norway** continued to meet full service on its National, Departmental, Municipal and Corporate guaranteed issues. **Poland.** Following German and Russian occupation, defaults occurred under the Readjustment plans in the latter part of 1939 and early in 1940. **Rumania** continued in complete default, with no payments to American bondholders since February 1937 coupons. **Russia** has made no payments on its dollar bonds since default in 1919. **Yugoslavia**, which had been paying full service on its funding bond issues of the Kingdom and the Mortgage Bank, continued to do so during 1940, but defaulted the early part of the following year.

"In other parts of the world, **Australia** continued full interest service, but made no sinking fund payments during the year. Payment of both interest and sinking fund were made in full on the State, Municipal and Corporate guaranteed issues. **China.** The Readjustment bonds went into default in 1939. On Jan. 15, 1939 the Chinese Government stated it must reluctantly announce it could no longer provide service for these bonds in view of the Japanese interference with the pledged revenues. **Japan** maintained full service on all its dollar bonds through 1940. **Liberia.** Interest on the 7% issue, held entirely by one Company, was paid at the reduced rate of 5%. **Canada** met full service on its Dominion issues, but there were defaults in the Province of Alberta and on the Alberta guaranteed issues, and in the Municipalities of St. Boniface and Weyburn. Other Provincial and Municipal dollar bond obligations have been paid in full."

Electric Energy Output

The production of electric energy for public use during the month of March, 1942, totaled 14,-778,578,000 kwh. according to reports filed with the Federal Power Commission. This represents an increase of 12.9% when compared with March, 1941.

The average daily production of electric energy for public use for March was 513,145,000 kwh. This is a decrease of 3.2% when compared with the average daily production during the month of February, 1942.

The production by water power in March amounted to 5,585,109,-000 kwh., or 37.8% of the total output for public use. The average daily production by water power during March reached an all-time high at 193,927,000 kwh.

Total production for public use for the 12-month period ending March 31, 1942, was 170,458,811,-000 kwh. as compared with a production of 146,510,077,000 kwh. for the 12-month period ending March 31, 1941, representing an increase of 16.3% over the previous period.

Reports were received during April 1942, indicating that the capacity of generating plants in service in the United States on March 31, 1942 totaled 44,728,408 kilowatts. This is a net increase of 316,242 kilowatts over that previously reported in service on Feb. 28, 1942. Occasionally changes are made in plants which are not reported promptly so that the figures shown for any one month do not necessarily mean that all the changes were made during that month but that they were reported to the Commission since the previous monthly report was issued, the Commission's report, dated April 20 stated.

Coal consumption by electric power plants was 5,236,353 tons in March, 1942, which is a decrease of 128,353 tons from the February consumption, and an increase of 303,639 tons or 6.2% over the consumption for March, 1941. Of this total 5,019,043 tons were bituminous coal and 217,310 tons were anthracite. This is a decrease of 2.6% in the consumption of bituminous coal and an increase of 3.1% in the consumption of anthracite when compared with the preceding month which had three less days.

The consumption of fuel oil during March, 1942, totaled 1,307,-697 barrels as compared with 1,-531,607 barrels during February, 1942, or a decrease of 14.6%. During the same interval the consumption of gas increased to 15,-516,833 MCF in March from 14,-731,039 MCF in February, representing an increase of 5.3%.

Calendar of New Security Flotations

OFFERINGS

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, were listed in the "Chronicle" April 23, page 1621.
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)
Registration effective 5 p.m. E.W.T. on April 23, 1942.
Offered April 24 at 100 and interest by a syndicate headed by Morgan Stanley & Co., Smith, Barney & Co., The First Boston Corp., Mellon Securities Corp.

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)
Registration effective 5 p.m., E.W.T., on April 24, 1942
Offered April 27, 1942, at $100 and div. by Y. E. Booker & Co., and associates.

Following is a list of issues whose registration statements were filed less than twenty days ago. These issues are grouped according to the dates on which the registration statements will in normal course become effective, that is twenty days after filing except in the case of the securities of certain foreign public authorities which normally become effective in seven days.

These dates, unless otherwise specified, are as of 4:30 P.M. Eastern Standard Time as per rule 930(b).

Offerings will rarely be made before the day following.

SATURDAY, 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

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 $190,537 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)

TUESDAY, MAY 12

HUNTER MANUFACTURING CO.
Hunter Manufacturing Co. filed registration statement with the SEC for 109,560 shares of common stock, of 25 cents par value
Address—Croydon, Pa.
Business—During two years ended Sept. 30, 1940, operations of company consisted of the manufacture and sale of Rex railroad signal lights and the manufacture and sale, on an experimental basis, of munitions. Since that date, the company has been primarily engaged in the munitions business
Underwriters—Nelson Douglass & Co., Los Angeles, Cal., and Barrett Herrick & Co., Inc., New York, each have agreed to underwrite 46,500 shares of the common stock registered, or a total of 93,000 shares
Offering—The 109,560 shares registered will be offered to the public at $4 per share; the underwriting commission is 80 cents per share. 93,000 shares are unissued and are to be offered to the public for the account of the company; the remaining 16,560 shares registered are to be purchased by the underwriters, under purchase option, from certain stockholders, and will be publicly offered
Proceeds will be used to purchase or redeem all the outstanding 36,000 shares of 6% cumulative preferred stock, $5 par value, and for other corporate purposes
Registration Statement No. 2-4990. Form S-2. (4-23-42)

MUTUAL INVESTMENT FUND, INC.
Mutual Investment Fund, Inc., filed registration statement with the SEC for 50,000 shares common stock, of $1 par value each
Address—15 Exchange Place, Jersey City, N. J.
Business—Company is an open-end investment company of the diversified management type, and is qualified to do business in States of Maryland and New Jersey
Underwriter—Mutual Management Co.
Offering—The common stock will be offered to the public at the market at the time of the offering (at present, approximately $7.35 per share)
Proceeds will be used for investment purposes
Registration Statement No. 2-4989. Form A-1. (4-23-42)

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 southern 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

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

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)

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)
Effective 5 p. m. E.W.T. April 21, 1942, as of 5:30 p.m. E.W.T., April 19, 1942

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 construction 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 29, 1942, or not sold on or before June 30, 1942, will be retained by the company, subject to issue and sale, either at private or public sale, at not less than $10 per share
Proceeds will be applied to reduction of outstanding bank loans, aggregating $1,650,000
Registration Statement No. 2-4973. Form S-2 (3-30-42)

HYGRADE SYLVANIA CORP.
Hygrade Sylvania Corp. filed registration statement with SEC for 50,000 shares 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	1,000
Minsch, Monell & Co., Inc., New York	1,000
Brush, Slocumb & Co., San Fran.	500
Herbert W. Schaefer & Co., Balt.	500
Stein Bros. & Boyce, Baltimore	500
Van Alstyne, Noel & Co., New York	500
Wyeth & Co., Los Angeles	500

Offering—The preferred stock will be offered to the public, at a price to be supplied by amendment to registration statement. The underwriting commission is $2 per share
Proceeds will be used for additional working capital
Registration Statement No. 2-4974. Form A2 (3-30-42)
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 3⅜% bonds, due Oct. 1, 1971; and 24,000 shares of $5 cumulative preferred stock no par
Address—607 E. Adams St., Springfield, Ill.
Business—This subsidiary of General Telephone Co. is engaged in providing, without competition, telephone service to 180 communities and surrounding territories in Illinois, including Kewanee, Monmouth, Macomb, Lincoln, Belvidere, Harrisburg, Olney, Mendota and Mt. Carmel
Underwriters, and amount of bonds and preferred stock underwritten by each, follow:

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

Offering—Bonds and preferred stock to be offered to the public at a price to be supplied by amendment to the registration statement
Proceeds from sale of the bonds and preferred stock, together with $105,000 received from sale of 7,000 additional shares common stock, will be used in part to retire following securities of company: $5,750,000 First Mortgage Series A 3¾% bonds, due June 1, 1970, at 105½; 17,098 shares $6 preferred stock, at $110 per share; 1,108 shares $6 preferred stock, owned by parent company, at latter's cost Balance of net proceeds will be used to purchase from General Telephone Corp the outstanding capital stocks of Central Illinois Telephone Co. and Illinois Standard Telephone Co., to make additions and betterments to company's plant and property, and for other corporate purposes
Registration Statement No. 2-4866. Form A2. (10-24-41)
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 3⅜% 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
Amendment filed April 24, 1942, to defer effective date

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:

Calendar of New Security Flotations

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)

Amendment to defer effective date filed April 21, 1942. It is understood that the registration statement may be withdrawn

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)

Amendment filed April 24, 1942, to defer effective date

LIPE-ROLLWAY CORP.

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

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

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

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

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

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

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

Registration effective 11:30 a.m. E.W.T. on April 25, 1942, as of 5:30 p.m. E.W.T. April 13, 1942

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)

Registration effective 11:30 a.m. E.W.T. on April 25, 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 18, 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

Registration withdrawn April 18, 1942

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)

Withdrawal request filed April 24, 1942

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

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 April 25, 1942, to defer effective date

UNION ELECTRIC CO. OF MISSOURI

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

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

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

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

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

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

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

Amendment filed March 2, 1942, to defer effective date

UNION LIGHT, HEAT AND POWER COMPANY

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

Address—4th & Main St., Cincinnati Ohio

Business — Operating electric utility company

Underwriter — Columbia Gas & Electric Corp.

Offering—Stockholders will receive offer to subscribe to 25/94ths of one common share in units of 5/94ths of a share for each 5/94ths of a share held at $5.3? for each unit. On a share basis, stock holders 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)

Amendment filed April 23, 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

VIRGINIA PUBLIC SERVICE CO.

Virginia Public Service Co. filed a registration statement with the SEC for: **$22,800,000 first mortgage 3½% bonds, due Dec. 1, 1971; $5,700,000 of 2%-3½% serial notes, due semi-annually June 1, 1944-Dec. 1, 1951, in varying amounts (from $320,000 to $390,000); 70,000 shares 5¼% cumulative preferred stock, $100 par value; and 628,333 shares common stock, no par**

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

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

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

Proceeds will be used as follows: The 528,333 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)

Amendment to defer effective date filed April 23, 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 April 21, 1942, to defer effective date

New Mtg. Funds Voted

The House on April 22 voted to increase by $500,000,000 the present $300,000,000 authority of the Federal Housing Administration to insure mortgages for housing of war workers.

John Blandford, Jr., head of the National Housing Agency, told the House Banking Committee on April 20 that the FHA's available insurance fund is exhausted and that the increase was necessary to conduct a program covering about 285,000 dwelling units in defense production areas.

In addition to raising the insurance authorization to $800,000,000, the measure increases from $4,000 to $5,400 the principal obligation of any mortgage which may be insured covering a single family residence, from $6,000 to $7,500 on a two-family residence, from $8,000 to $9,500 on a three-family home, and from $10,500 to $12,000 on a four-family home.

The bill also extends the permissible maturity of any insured mortgage from 20 to 25 years.

A bill authorizing expenditure of $50,000,000 for additional housing and public works for Washington war workers was signed by President Roosevelt on April 10. Final Congressional action came on April 6 when the House adopted the conference report, which the Senate had approved on April 3.

Balt. S. E. Ups Rates

The Baltimore Stock Exchange announced on April 22 increases in commission rates to bring them more nearly in line with those charged on the New York Stock Exchange and to make them more nearly uniform with a number of other exchanges. In announcing the decision to increase the rates, Theodore Gould, President of the Baltimore Exchange, pointed out that expenses of doing business had increased to a considerable extent.

The Baltimore "Sun" of April 23 reported the increases as follows:

> Rates on stocks selling at $10 a share are now 15 cents a share, the rate ascending gradually with the price of the stock, ¼ of 1%, being added to the commission for each $1 above $10 at which the stock is selling.
>
> Below $1 a share the rates are as follows:
>
> On stocks selling from 1 through 6 cents a share, ½ cent each.
>
> From 7 through 24 cents a share, at 1 cent a share.
>
> From 25 cents through 49 cents a share, at 2 cents a share.
>
> From 50 through 99 cents, at 4 cents a share.
>
> From $1 to $1.99, at 6 cents.
>
> For each dollar added above $1.99, 1 cent additional is included until at $10 the rate becomes 15 cents a share.

Cost Of Living Is Up 1.1% From Feb. to Mar.

The cost of living of wage earners and lower-salaried clerical workers in the United States rose 1.1% from February to March according to the Division of Industrial Economics of The Conference Board, which under date of April 23 said:

> Food prices showed the largest increase for the month, 1.9%, followed by clothing with a gain of 1.5%. The cost of fuel and light remained unchanged. The other items of the budget recorded advances of less than 1%: sundries 0.6% and housing 0.3%.
>
> The Board's index of the cost of living (1923=100) was 96.1 in March, as compared with 95.1 in February, 94.5 in January, 93.2 in December, 92.9 in November, 92.0 in October and 86.3 in March, 1941.
>
> Living costs were 11.4% higher than in March, 1941. Food prices led the advance over the year period with a rise of 23.1%. Clothing prices were second with a 17.2% rise. Other rises during the 12 months were: sundries, 5.3%; fuel and light, 4.6%; and housing, 3.4%.
>
> The purchasing value of the 1923 dollar declined to 104.1 in March. In February it was 105.2, in January 105.8, and a year ago it was 115.9.

Mtg. Bankers To Aid OPA

The Mortgage Bankers Association of America will assist the Rent Division of the Office of Price Administration in assembling data necessary for determining rent trends in defense and potential defense areas, Frederick P. Champ, President, announced on April 12. A special committee, headed by Guy T. O. Hollyday of Baltimore and a Governor of the Association, has been appointed to collect the information. The Association states:

> The government agency will designate the areas for which data on rental housing is desired and the Association's members in that city will assist in supplying it through questionnaires prepared by the OPA. According to Mr. Hollyday, collecting this data in any particular city does not necessarily mean Federal rent control, under the Emergency Price Control Act of 1942, will be applied to that community.
>
> The questionnaire seeks information as to the number and size and rental units by rental groups, rental income, operating ing and administrative expenses, and taxes.

Marine Ins. Has Prospects

A detailed discussion of the current situation in the marine insurance field, taking into consideration present ocean marine experience, has been prepared by Butler-Huff & Co. of California, 210 West Seventh Street, Los Angeles, Calif. Although the ocean marine experience has been admittedly bad, Butler-Huff & Co. states, the figures given in the newspapers, are, in their opinion, inaccurate and misleading, since the underwriters themselves lack complete reports on premiums and losses. Despite government competition in the marine insurance field, the companies will still retain a large portion of the Ocean Marine business represented by Marine Peril covers on hull and cargo, and by Cargo War Risk cover, the study declares, adding that a modest amount of Hull War Risk business may come from shippers who prefer company coverage, even at higher rates, as well as from coverage of ships of other nations; the volume of such business should, increase, Butler-Huff & Co. feels, in proportion to the number of ships constructed, and the rate structures have been revised to conform to recent losses while the loss outlook is becoming much brighter; the recent ocean marine experience and the adverse publicity given it have helped to provide one of the greatest investment opportunities in years.

Copies of the Marine Insurance memorandum and a detailed summary of the Baltimore American Insurance Company of New York may be had from Butler-Huff & Co. upon request.

Withdraws Action

The Securities and Exchange Commission has dismissed proceedings against Ver Hulst & Co., investment firm of Denver, Colo., and has permitted the firm to withdraw its registration as an over-the-counter broker-dealer. Action against Ver Hulst & Co. has been instituted by the Commission on the grounds that the company had violated the Securities Exchange Act, operated its business without net assets, owed substantial sums to customers, commingled securities of various customers, and had sold securities without the knowledge or consent of the owners converting the proceeds to its own use.

The Commission took official recognition of the fact that the company has discontinued business and arranged for payment of $55,000 in outstanding claims, resigned from the National Association of Securities Dealers, Inc., and George M. Ver Hulst, President of the firm, agreed not to reenter the securities business.

License Revoked

The Securities and Exchange Commission has revoked the broker-dealer registration of A. K. Ettlinger Co., 39 Broadway, New York City, on the charge that the firm purchased securities and resold them at excessive markups. The defendant agreed to the revocation of its registration on the basis of a stipulation of facts presented at the hearing by the attorney for the Securities and Exchange Commission.

N. Y. Legislature Passes Stock Transfer Bills; Relief Now Up To Gov. Herbert H. Lehman

The Legislature of the State of New York, has for the third successive year voted to eliminate the double taxation on odd lot stock transfers. The measure, as passed, would also repeal the stock transfer emergency tax and rearrange the rates from three cents for shares selling under twenty dollars and four cents for those above to a graduated scale, which would vary from one-tenth of a cent on shares selling for less than one dollar to five cents on shares selling at one hundred dollars or more.

The bill, which was vetoed by Governor Herbert H. Lehman in 1940 and 1941, was sponsored by Senator Frederic Coudert, Jr. and Assemblyman MacNeil Mitchell, Republicans of New York City, who contended the levy had caused a diversion of stock transfer business to other states.

San Francisco S. E. To Try Offering System

The Securities and Exchange Commission announced on April 17 that it had declared effective for an experimental period a plan of the San Francisco Stock Exchange for "special offerings." The SEC states that:

> The effect of the action taken by the Commission will be to exempt distributions carried out in accordance with the plan from rules of the Commission prohibiting the payment of compensation for inducing purchases on the Exchange under certain conditions.
>
> This is the second instance in which a plan for special offerings submitted by a national securities exchange has been declared effective by the Commission.

It is also announced that the plan of the San Francisco Stock Exchange is similar to that declared effective in the case of the New York Stock Exchange, a summary of the more important features of which appeared in these columns Feb. 12, page 658.

Correction

In the "Financial Chronicle" of April 23, in reporting the formation of Wesley Hall & Co., First National Bank Building, San Diego, Calif., it was stated that the predecessor firm Miller, Hall & Co. was being dissolved because of the death of Mr. Merrill T. Miller. Mr. Hall informs us that Mr. Miller, although in poor health, is very much alive. Our correspondent in reporting the formation of Wesley Hall & Co. evidently confused Mr. Merrill T. Miller with Mr. Johnston O. Miller, his brother, formerly Vice-President of the First National Trust & Savings Bank of San Diego, who died on Feb. 11th.

Switch Recommendation

Erie Incomes offer an interesting "switch," according to Pflugfelder, Bampton & Rust, 61 Broadway, New York City, members of the New York Stock Exchange. Copies of a special circular they have prepared on the Erie Incomes may be had from Pflugfelder, Bampton & Rust upon request.

Get Sentences

Sentences were pronounced in the Federal Court in New York by Judge Rifkind in connection with conspiracy or mail fraud involving stock in the National Printing Appliance Corporation.

Fred Blaser, Earnest Ingalls, Saul L. Rubin, George A. Liebman, Benjamin Rabinowitz, George T. Friedland, Ira R. Newell and Harry V. Blum, President of H. V. Blum & Co., Inc., now out of business, pleaded guilty and, on the recommendation of U. S. Attorney Eugene J. Finnegan, were given suspended sentences by the Court, with a "certain amount of distaste."

James D. Kennedy of New Rochelle, was sentenced to six months; Don F. Whittaker received a sentence of one year and one day; and William J. Hall received a suspended sentence and probation for one year. All had been convicted after trial.

Allen Bindler, President of Allen Bindler & Co., received an 18 months' sentence.

Allen Bindler & Co., H. V. Blum & Co., Inc., and Whittaker Bros. were each fined $1,000 but the fines were remitted, in the case of H. V. Blum & Co., because the company has gone out of business.

M. Sestric To Manage I. M. Simon Trading

ST. LOUIS, MO.—I. M. Simon & Co., 315 North Fourth Street, members of the New York Stock Exchange, announce that Michael J. Sestric is now manager of their trading department. Mr. Sestric who has been with the firm for some time will replace William H. Taussig who is entering the armed forces.

In The Armed Forces

James R. Runner of the staff of Chas. W. Scranton & Co., 209 Church Street, New Haven, Conn., members of the New York Stock Exchange, is on leave of absence and is now serving with the armed forces of the United States Army. Mr. Runner was formerly with Kean Taylor & Co., and prior to that was with Chase, Harris, Forbes Corp.

Phila., STANY Bowlers Promise Battle Royal

The bowling team of the Security Traders Association of New York will play the bowling team of the Investment Traders Association of Philadelphia on Friday night, May 1, in Philadelphia, at the Hudson Bowling Alleys, at 8 p. m. Three five-man teams will compete for each city, with the scoring on the total pin fall for three strings.

The match is expected to draw a large number of spectators from the New York Association—with Philadelphia eager to avenge the defeat they received earlier in the season in New York and to keep the inter-city championship, based on the total number of pins, which they won last year.

Representing STANY on the field will be: Arthur Burian, Bonner & Gregory; James Cleland, James D. Cleland & Co.; William Kumm, Dunne & Co.; Wellington Hunter, Hunter & Co.; John Ohlandt, J. Arthur Warner & Co.; Edgar Sheppard, Robinson, Miller & Co.; Joe Colandro, White, Weld & Co.; Robert Strauss, Strauss Bros.; Joe Simmons, Hart Smith & Co.; Thomas Gleason, Kirchofer & Arnold; John J. O'Kane, John J. O'Kane, Jr., & Co.; Wilfred G. Conary, B. W. Pizzini & Co., Chairman of the New York bowlers; George Leone, Frank Masterson & Co.; Cyril Murphy, Mackubin, Legg & Co., and Everett Van Tuyl, Van Tuyl & Abbe.

The Philadelphia team is at present composed of: Joe Straubmiller, Investment Registry; Sam and Ed Phillips, S. K. Phillips & Co.; Newt Parkes and Charley Wallingford, E. H. Rollins & Sons, Inc.; Jim McFarland, First Boston Corp.; Ethan Zuber, Suplee, Yeatman & Co.; Alex Bryson, Wright, Wood & Co.; Vic Mosely, Stroud & Co., Inc.; Tom Bowers, Elkins, Morris & Co.; Coyt Williamson, Schmidt, Poole & Co.; Rus Dotts, Bioren & Co.; Elwood Dougherty, A. Webster Dougherty & Co., and Bill McCullough of Frank Morrissey & Co.

Alfred W. Tryder, H. T. Greenwood & Co., is Chairman of the Philadelphia bowlers, with Frank Hass, Rufus Waples & Co., and Ed. Coughlin, W. H. Bell & Co., Assistant Chairmen.

Defense bonds will be awarded for high-3 and for high-singles.

For details as to train, etc., New Yorkers should call Bill Conary of B. W. Pizzini & Co., New York City (Bowling Green 9-6400).

Rogers With Scranton Co.

(Special to The Financial Chronicle)

NEW HAVEN, CONN.—Burton C. Rogers has become associated with Chas. W. Scranton & Co., 209 Church Street, members of the New York Stock Exchange. Mr. Rogers will represent the firm in Meriden and vicinity where he has represented the R. L. Griggs Company of Waterbury for fifteen years.

$800 Million Approved For Naval Shore Facilities

Legislation authorizing an $800,000,000 expansion in the Navy's shore facilities was voted by the House on April 20 and concurred in by the Senate on April 23. The Senate had authorized expenditure of $1,000,000,000 on April 1 but agreed to the House figure on April 23, thus completing Congressional action.

Of the total amount, $392,000,000 would go for new establishments, as follows: Liquid fuel storage facilities, $22,043,250; aviation facilities, $130,300,000; storage facilities, $85,000,000; personnel training and housing, $60,000,000; ordnance facilities, $84,468,000; hospital facilities, $3,710,000; shore radio facilities $7,381,000. The remaining money is for extension of existing facilities.

New York Stock Exchange Weekly Firm Changes

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

It is proposed that Lawrence Craufurd act as alternate on the floor of the Exchange for Robert A. Drysdale, Jr., which will be considered by the Exchange today. Both are partners in Drysdale & Co., New York City.

Transfer of the Exchange membership of Archie B. Gwathmey, 2nd to Alan H. Rosenthal, partner in D. H. Silberberg & Co., New York City, will be considered on May 7.

Henry W. Sage, Jr., partner in Sage & Co., New York City, now signs Henry W. Sage.

H. Robert Samstag, partner in Hamershlag, Borg & Co., New York City, will retire from the firm effective today.

Samuel Y. Gibbon will retire from partnership in W. H. Newbold's Son & Co., Philadelphia, Pa., effective today.

Steven M. Siesel withdraws from partnership in Wm. M. Rosenbaum & Co., New York City today.

Interest of the late Aymar Johnson in Johnson & Wood, New York City, terminates as of today.

Hughes & Bull, New York City, will dissolve effective today.

O. A. McFall & Co., Memphis, Tenn., has been dissolved as of today.

C. E. Welles & Co., New York City, has been dissolved as of today.

"Petroleum On Parade"

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

Copies may be obtained from Tellier & Company on request.

O'Neil Joins Fairman

(Special to The Financial Chronicle)

LOS ANGELES, CALIF.—Richard R. O'Neil has become associated with Fairman & Co., 650 South Spring Street, members of the Los Angeles Stock Exchange. Mr. O'Neil was formerly with M. H. Lewis & Co. and prior thereto was manager of the trading department of Sinclair, Dunlap & Co. and Lord, Abbett & Nicol, Inc.

Budget Estimates Up

Revised budget estimates of the Government were revealed on April 24 by Budget Director Harold D. Smith. The Administration increased its estimates of war expenditures for the '43 fiscal year from $56,000,000,000 to $70,000,000,000 and estimates of total Government expenditures during the 1943 fiscal year, beginning July 1, are reported as having been increased from $63,300,000,000 to $77,500,000,000. It is also stated that for the current fiscal year, which ends June 30, expenditures are expected to total $28,000,000,000 instead of the previously estimated $26,000,000,000.