NASC Minimum Capital Proposal Would Abolish Cherished American Tradition

As the deadline approaches for the banking on the suggested capital requirements of the Federal Reserve Act, as issued if NASD, it is appropriate to call a halt to the understandable desire to give full play to our emotions in considering the issues involved and to concentrate on fundamentals. It was to be expected, of course, that the matter of requiring minimum capital (Article 1, Section 1) would stimulate considerable heated discussion within the industry. This would likewise be the case in any other proposition calculated to abridge a fundamental American right and privilege. Furthermore, the right to protest, in print or otherwise, is a highly cherished American institution and should be vigorously maintained.

In any controversy, however, there is always the danger of too great emphasis being being placed of one of the lesser considerations. It would be in the interest of any other proposition calculated to abridge a fundamental American right and privilege. Furthermore, the right to protest, in print or otherwise, is a highly cherished American institution and should be vigorously maintained.

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Dealers Continue To Register Unqualified Disapproval Of Minimum Capital Proposal

We are continuing to receive letters from dealers in various parts of the country expressing their views regarding the proposed minimum capital proposal. In practically every case, the dealers are definitely opposed to the plan. Owing to space limitations, we feel compelled to issue a selection of the letters read this week. All of those omitted were opposed to the proposal. Mention should be made, however, that many correspondents and the firm with which he is associated are shown, this is done with the express permission of the writer of the letter. In all cases, we sincerely observe the views of our correspondents who prefer that their own identity and/or the firm in question remain anonymous.

DEALER NO. 26

There is one angle of the proposed NASD minimum capital amendment that has yet not received the attention it deserves. I refer to the fact where the name of the corporation and the firm with which he is associated, is held aside and clear thinking prevail, we are reminded that the whole NASD setup is palpably an unanswerable single issue. In Maloney Act language it was brought into existence constitutes a delegation of legislative making functions to an agency. As a matter of fact, this for this reason was held invalid by the United States Supreme Court. Any dealer who may be foolish enough to tie up with this amendment can obtain a restraining order against the NASD and thus prepare the ground work for a review of the Maloney Act by the highest court in the country. Our firm will be glad to donate the equivalent of two years' dues to help defray the legal expenses involved in seeing the case through. If we members must pay our President $15,000 a year, plus the many other expenses, to put many of our fellow members out of business, there can be no doubt but that many will be only too glad to use their dues for legal expenses to further the cause of free enterprise for all.—(From New York City Dealer)

DEALER NO. 27

We have been rather surprised at the vigor of the opposition to the $3,500 minimum capital requirement, as indicated by letters to the Daily News. In Wisconsin we have had a similar requirement for several years. It is not an unanswerable single issue. In Maloney Act language it was brought into existence constitutes a delegation of legislative making functions to an agency. As a matter of fact, this for this reason was held invalid by the United States Supreme Court. Any dealer who may be foolish enough to tie up with this amendment can obtain a restraining order against the NASD and thus prepare the ground work for a review of the Maloney Act by the highest court in the country. Our firm will be glad to donate the equivalent of two years' dues to help defray the legal expenses involved in seeing the case through. If we members must pay our President $15,000 a year, plus the many other expenses, to put many of our fellow members out of business, there can be no doubt but that many will be only too glad to use their dues for legal expenses to further the cause of free enterprise for all.—(From New York City Dealer)

DEALER NO. 28

I have followed with a great deal of interest the controversy raging in your publication regarding the proposed capital requirement for dealers in the NASD. I note that a great deal of heat has been generated but it is my personal feeling that the whole matter is being confused in the minds of too many people. In my opinion, the NASD should accept any dealer who has the background and knowledge to do the job adequately.
Commercial and Financial Chronicle

March 15, 1942
Volume 156 - Number 4088

THE COMMERCIAL & FINANCIAL CHRONICLE

Federal Reserve Bank of St. Louis
Digitized for FRASER

MARKETS FOR MORTGAGE CERTIFICATES

Issued by
BOND & GUARANTY GUAR. CO.
HOME TITLE INSURANCE CO.
HULL & VALVE CO.
LAWYERS TITLE & GUAR. CO.
NEW YORK STATE TITLE & MORTGAGE CO.
 Title & Guar. Co., 400 Nassau St., New York City
All other local companies

Newburger, Loeb & Co.
40 Wall St., N.Y.
Tel. Whitehall 4-3200
Belt Teletype NY 1-1033

Wade Lewin: Waring
With Henry Swift Co.

SAN FRANCISCO, CALIF.--Wade Lewin & Co., merged with Henry F. Swift & Co., 463 California St., mem-
bers of the San Francisco Stock Exchange, Martin Wade, Victor Lewin, and Henry F. Swift, Jr., San Francisco exchange member, have announced that as Wade Lewin & Co., with Henry F. Swift & Co., 463 California St., has ceased, also an exchange member.

The merger of the two firms has been under consideration for some time, and was the expected entry of Merton C. Wade Jr., New York graduate of the U. S. Naval Acad-
emy, in the service in 1917.

All books of Wade-Lewin & Co.
with the consent of the firm's clients, are being transferred to Henry F. Swift & Co.

Almstedt Brothers To
Get NYSE Membership

LOUISVILLE, Ky.--With the acquisition of a majority interest in the line during the summer of the New York Stock Ex-
change, the Almstedt Brothers Company, of Frankfrankfur, Almstedt Brothers, 423 Wall St., New York City, have become members of the New York Stock Exchange. The firm, founded in 1884, announces the purchase of a line on the New York Curb Ex-
change.

Partners in the firm are Fred J. Almstedt, Mr. Richard I. Almstedt, and J. R. Burkholz, Jr.

New Coton Exchange Member
At a meeting of the Board of Managers of the New Coton Exchange, the firm of Newton, Schenck, Jr., a partner of M. H. Siegel, of 50 Wall St., New York City, was elected to mem-
bership in the Exchange. Mr. Schenck is also a member of the New York Curb Exchange.

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Liberty Aircraft Products Corp.

Liberty Aircraft Products Corporation is engaged in the manufacture and processing of parts and components for aircraft and automobile use. The company has made significant contributions to the field of aeronautics, including the design and construction of the Liberty aircraft, which played a crucial role in aviation history.

DIVIDEND NOTICES

The current dividend rates for the companies listed are as follows:

- **NATIONAL DISTILLERS PRODUCTS CORPORATION**
  - Quarter: Third Quarter
  - Dividend: $0.10

- **SANTA FE RAILWAY COMPANY**
  - Quarter: Fourth Quarter
  - Dividend: $1.00

- **ST. LOUIS RAILWAY COMPANY**
  - Quarter: Third Quarter
  - Dividend: $0.50

- **The First National Bank of Chicago**
  - Quarter: Second Quarter
  - Dividend: $0.15

- **The National Bank of Chicago**
  - Quarter: Second Quarter
  - Dividend: $0.10

- **The National Bank of Chicago**
  - Quarter: Third Quarter
  - Dividend: $0.50

- **The National Bank of Chicago**
  - Quarter: Fourth Quarter
  - Dividend: $1.00

The recent growth in volume of business and earnings of business is shown by the following tabulation:

<table>
<thead>
<tr>
<th>Time</th>
<th>Net Sales</th>
<th>Net Profits</th>
</tr>
</thead>
<tbody>
<tr>
<td>1941</td>
<td>1,923,000</td>
<td>160,050</td>
</tr>
<tr>
<td>1942</td>
<td>2,100,000</td>
<td>200,050</td>
</tr>
<tr>
<td>1943</td>
<td>2,300,000</td>
<td>250,050</td>
</tr>
<tr>
<td>1944</td>
<td>2,600,000</td>
<td>300,050</td>
</tr>
<tr>
<td>1945</td>
<td>2,900,000</td>
<td>350,050</td>
</tr>
</tbody>
</table>

For the 12 months ended December 31, 1945, the reported net earnings of $343,000, in addition to which its equity in Liberty's 1945 dividend earned $1,500,000, equaling a total of $1,843,000, of which 15% was paid out in dividends.

In Armed Forces

Spencer B. Koch, Co., 120 Broadway, New York City, New York, a member of the Eastern Oil Royalties Dealers Association, has retired from partnership with Ralph M. Leib, formerly of Newburger, Co., and Louis A. Finkelstein, who is now associated with them.

MUNICIPAL RAILROAD PUBLIC UTILITY AND INDUSTRIAL SECURITIES

**THOMPSON ROSS SECURITIES Corporation**

**CHICAGO**

Building. For the past ten years Mr. Wise has been in business for himself.

**Los Angeles, Calif.—Her-**

meneutics has been associated with E. A. Clark & Co., Pacific Mutual Building.

**Cincinnati, Ohio—Edwin J.**

Wise has been associated with E. A. Clark & Co., Union Trust Building.

**Chicago, Ill.—J. D. Jacobson**

Joins Dept. of Smith, Barris & Co.

**Chicago, Ill.—R. Donald**

Jacobson has joined Smith, Barris & Co., 120 South La Salle Street, as assistant manager of its expanded trading department. The firm, which has long been prominent in investment trust issues, has expanded its office for service on all issues. Mr. Jacobson, with 27 years experience in the securities business, is an old hand at the firm.

**Miami, Fla.—Albert S. Fish**

Has been associated with United Securities Corporation, Biscayne Building.

**Orlando, Fla.—Egas Arthur Denmore**

Is now with the United Securities Corporation of Miami, Mr. Denmore was formerly vice-president of Fink & Co., and prior thereto with Thomson & McKinnon.

**Sacramento, Calif.—Cal L. F.**

James C. Griffith has become af- filiated with Autocar in San Francisco.

**Los Angeles, Calif.—William E.**

Bickerdorfer, formerly of Benjamin & Co., is now affiliated with Sadler, Hales & Co., 120 South La Salle Street.

**Chicago, Ill.—William T.**

Anderson has been affiliated with Harris, Epperson & Co., and prior to that with Swift, Henke & Co. for many years.

**PERSONNEL ITEMS**

Charles A. Parcell & Co.

Members of Chicago Stock Exchange PENOBSCOT BUILDING, DetroI.

ST. LOUIS

**Liberty Aircraft Products Corp.**

Common Stock

BOUGHT - SOLD QUOTED

VAN ALSTYNE, NOEL & CO.

52 Broadway, New York

**Liberty Aircraft Products Corp.**

Liberty Aircraft Products Corporation is engaged in the manufacture and processing of parts and components for aircraft and automobile use. The company has made significant contributions to the field of aeronautics, including the design and construction of the Liberty aircraft, which played a crucial role in aviation history.

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DEALERS CONTINUE TO REGISTER UNQUALIFIED DISAPPROVAL OF MINIMUM CAPITAL PROPOSAL

(Continued from page 90)

1722 had a Musket, but I know not how many bricks and about two pounds "Scouts." To the first redskin who questioned his capital proposal; his little backhoe did not come up again. As I do not use the claymore at present I will be glad to offer a cash reward to any one who will get out an American Indian who is too poor to buy his capital proposal.

Where is the SEC? I thought they were democratically inclined. Yours disgustedly.—(A Small Man, Massachusetts)

DEALER NO 21

Your story of the trader who had little capital but plenty of "guilt" and integrity is distinctly American. I have never seen such a story. For my reward for unsellable work came in the form of a request from the NASD that I consider myself "an undercapitalized" and "a risky" business. I have been in business for 10 years and I think that's just fine.

Why not raise the capital requirements so the RFC could be the only small dealer? I think this is a classic case of the small dealer who for this suddenly a new ruling requiring $35,000 capital—ad infinitum.

I have been made aware the NASD ever helped me earn a dollar—yet they wonder if I'll approve their move to put me out of business. I guess they don't understand human nature very well.

The only real factor is the experience, character, and truthfulness of the contractor.—(From Boston, Mass., Dealer)

DEALER NO 22

I like your aggressive stance on lowering the minimum capital proposal of the NASD (stands for "Now Assisting Small Dealers").

I have spent several months devising nearly 15% of my time as County Chairman of War Bond sales. It has cost me several dollars. My reward for unsellable work came in the form of a request from the NASD that I consider myself "an undercapitalized" and "a risky" business. I have been in business for 10 years and I think that's just fine.

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The only real factor is the experience, character, and truthfulness of the contractor.—(From Boston, Mass., Dealer)

DEALER NO 32

Let me take this opportunity to congratulate you on the fight you and your colleagues have been waging against the RFC on behalf of the small dealers.It is heartily in agreement with the attitude of your editor, and with the attitude of a majority of the small dealers to the recently proposed NASD amendments.

We were particularly impressed with the story which has appeared in the July 2nd issue of The Wall Street Journal by a dealer who at a great sacrifice, raised a small stake to start in business. We believe that this story is typical of a vast majority of investment dealers.

We are confident that major consideration of these amendments by the large trading houses and the distributors of shares of investment funds, will place these houses squarely against the passage of these amendments.

To the dealers have suggested that there should be some organized opposition to these amendments. We are heartily in accord with the thought to definitely join this obvious plan to eliminate the majority of small dealers from the investment business and to make it harder for the small dealer to get a foothold in the business. We should think in terms of the future of the NASD and the morality and integrity of the dealers would not suit our name, should you see fit, to use any portion of this letter for publication.—(From a Cedar Rapids, Iowa, Dealer)

WILLIAM L. SAVAGE

I have read with much interest the editorial in your issue of July 2nd by Joseph Haynes with regard to the proposed financial requirement. Mr. Haynes states the true solution for the problem is an excellent case for sympathizing wholeheartedly with "John Bowman," and extends it to "all dealers.

The carrying-on of a securities business requires, in my opinion, considerably more than a reputation for honesty and a long experience, although these are certainly among the requirements which I would lay down also. The handling of money and investments for customers needs also some organization for accounting, as well as for investigation, analysis, and study of various kinds. It needs the capacity to handle a substantial amount of insurance, and it also requires, in my opinion, enough financial strength so that in the event of any unusual difficulties the errors there is someone to whom his customers may look for recovery.

A man in business for himself who has not as much as $5,000 to protect his business against the default which is inevitable for being in business for himself than a bank or a trust company, is double or even treble insured against the risk of any capital to protect them. State and Federal laws have rigid capital requirements, and every bank is required to maintain on hand such marketable money and securities for their customers and I doubt if anyone can be found who would seriously object to this, even if it is not in the interest of the government. While it is not an impossibility that those who have been twenty years an officer of a bank and whose reputation for honesty is of the highest, could do the work without any capital at all, I do not think it would be widely accepted.

You may say that "John Bowman" will clear all his trans actions through someone else, assuming no responsibility himself for anything except the results of his bank. This he has been doing successfully as small as the securities business goes, he will, in the course of a year, do a very large amount of business in actual dealing, and if he is in the habit of defrauding his clients which have to be rectified and to expect the public to do business with a man who cannot satisfied with a man who cannot maintain his business and hide in any way that he is not paying by asking the public to put money in a bank which has no capital of any importance to the trust, may depend upon it under a true agreement when there are no resources to protect it.

It is my own belief that, far from being an unreasonable or un¬
due requirement, it is ridiculous low, and that the capital (Continued on page 103)
Bank and Insurance Stocks

This Week—Insurance Stocks

Receiving questions from time to time on insurance stocks are, what is their degree of activity, how well are they distributed, how good is their market, etc. No categorical answers can be given to these questions, dependent as they are upon the particular stock, the sponsorship of dealers, and the size of the block. It may be said that in the past two years in the distribution of insurance stock ownership, insurance stocks went a step further in the boom years' process of capital increases and splits-in-up in connection with acquisitions, although not to the same extent that characterized the banking and savings and loan associations and since 1929 insurance companies and dealers specializing in insurance stocks have done much to extend this diffusion of ownership.

It should be remembered, however, that capitalizations of most insurance companies are quite moderate. Among the larger companies, capitalizations of 1,000,000 shares or more are relatively rare. Despite the substantial recovery in the market since 1929 lows, most management are disinclined to capitalize surplus that totals several times capital, although the possibility of profitable stock dividends is an increasingly promising potentiality when more stable and normal times commence. Also, with reinvigorated earnings providing steady internal growth, there is an increasing need to increase capital by means of rights to subscribe to additional stock, since capital funds are quite suitable in relation to even expanded premium volume.

Considering, therefore, the moderate capital structures of fire and casualty companies, distribution of their shares is relatively widespread. Inside interest, as measured by holdings reported for directors and officers, is not significant. Some investors ask why this should be so, when the earnings of insurance stocks are such sound investments. They reason, why are directors holding so much of these issues?

Insurance stocks are sound investments, and the mere fact that reported holdings of directors are small should not be taken to mean that small holdings of stock are always a measure of faith or support for insurance stocks as investments. The fact is, that insurance stocks are held by many directors' families, of various leading fire and casualty companies as of Dec. 31, 1941. The above statement is correct. E. P. White, Cashier
MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION.

Bank of America

NATIONAL HIT, ASSOCIATION

CALIFORNIA'S ONLY STATEWIDE BANK

Condensed Statement of Condition June 30, 1942

RESOURCES

Cash in vault and
Federal Reserve Bank    $ 381,580,555.01
Deposits of Members 712,581,549.63
Total CASH 1,094,162,104.64
Securities of the United States Government and $71,933,964.21
State, County and Municipal Bonds 132,331,389.42
Other Bonds 62,842,376.59
Stock in Federal Reserve Bank 7,978,000.00
Loans and Discounts 88,060,537.86
Acceptances and Bills 6,139,227.99
Bank Premises, Furniture, and Fixtures 61,961,161.32
Other Real Estate Owned 4,840,086.27
Contingent Liabilities for Letters of Acceptance and Endorsed Bills 5,375,711.08
Other Resources 1,068,526.83

LIABILITIES

DEPOSITS:
Demand $1,017,130,518.21
Time $41,461,036.29
Liability for Letters of Credit and on Acceptance, $1,858,406,326.12
Endorsement or Guaranty
Foreign Bills 16,223,811.09
Reserve for Interest and Dividends Due 6,689,000.00
Commissions and Miscellaneous 3,265,447.89

= Gen Longshore 4,000,000 Shares $9,000,000,000
Preferred 462,287,200 Share$18,247,200
Savings Preferred 62,000,000 Shares $63,000,000
Unsecured Debt 10,398,875.12
Reserve for Wartime Purchases 11,840,100.00
Other Reserves 3,016,940.92
Reserve for Liquidation 15,940,000.00
Capital 2,762,990.00
Preferred Stock Redemption Fund 418,513.65

TOTAL LIABILITIES 1,087,707,671.81

*Issued at 1929 Capital—33.5 Shares. Annual Dividend 2.10 Per Share, Bank open
495 branches extant for strength and service

New York Stock Exchange

Weekly Firm Changes

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

Transfer to Henry Rogers Winthrop of the Exchange membership of the late David V. Morris will be continued on July 16th. Mr. Winthrop will continue as a partner in Winthrop, Whitehouse & Co., New York City.

The proposal that W. Herbert Davis act as alternate on the Board of the Exchange for John H. Brooks, Jr., will be considered on July 18th. Mr. Davis is a partner of J. H. Brooks & Co., New York City.

Hugh Knowlton retired from partnership in Kahn, Loeb & Co., New York City, as of June 30th; Wilbur F. Smith, Jr., and Co., New York City, dissolved as of May 19th, 1942.

Old Ben Coal Attractive

An interesting supplementary memorandum on the first mortgage 6% bonds of Old Ben Coal Corporation has been issued by Scherck, Richter Company, Landes Building, St. Louis, Mo., whose firm has been describing recent developments affecting the market. They point out that the latest vote from Scherck, Richter Company upon request. 
**UP-TOWN AFTER 3
ABOUT-THE-TOWN**

Hotel George Washington (Lexington at 23d St.). A family kind of place that is what you have and get when you drop in. Pine-paneled dining room serves good at moderate prices. Service is only fair, but general atmosphere makes up for it. Right now the place is probing prudently for direction when it desires to go up a floor. It's a large, long-tailed kind of a place, devoted to song and to dancing. No dancing. Entertainments are in the nature of those which are supposed to play boogie-woogie better than Hazel Scott. She is pleasant in a way but little thing. Nothing discovered when selling sheet music at a Kresge music counter. Doesn't sing badly but knows her ready wit and personality are stocks in trade. She uses both to good advantage bandying witlicisms with her audience. Funny, too. Then there is Johnny Andrews, a song-stuff artist on the go back. Regularly seen in the air as young. Both entertainers accompany themselves on the piano. Another feature of the "23" Room is the witty attractive Phyllis Sear. She is a master of palms with a Washington following that is awe-inspiring. Understand that the wive of our national pulchritudine makes special trip to New York at regular intervals to consult this oracle. When Miss Sage reads your palm she reads both the veins and the fingers. This foxtrotting virago will give you tables and chairs on top of the room, a platform and a Letharzis on the prowl. According to Miss Sage our traits are both admirable and plentiful, a condition that we are honored to witness our wife of with but mediocre success. Yes, the "23" Room also features a "23 Cocktail" that sells for 23 cents. Sorry, don't know its ingredients. **SCENES IN THE NIGHT.** New York's co-dependent Jimmy Walker waltzing up and down the floor, yelling and arguing loud with himself. **George J. Nathan red and prolific playwright, William Saroyan at the Penthouse Club talking loudly while Naras tries to sing.**

**The George Putnam Fund of Boston**

**Investment Trusts**

**Confirmation Of A Trend**

Last May this column had the honor to suggest that the long-awaited turn in the ebb tide of security prices was at hand. A number of the leading investment company managers among them were some of the leading investment company managers who then said it looked as though it might not be this time. It is true that ever since then the market has been moving in a rather wide and uncertain range. But there was one indicator which we did not mention. And when we tell you that it is, you will understand why we hesitated to discuss it. Briefly, this indicator is a series of weekly industrial communiqués which have been developed by a man of considerable originality. Anyone who has had experience in looking over such indicators in order either for investment or for speculation is likely to look askance at any and all mechanical "systems" for indicating changes in the market trend. However, we must confess that we have come to give considerable weight to the "turn" which our friend from time to time derives from his work. This attitude on our part springs not only from the record of his forecasts, but also from his personal investment results. When a man can show a track record though not spectacular to his investment capital in each of the past two years, it becomes difficult to argue with his methods. Moreover, the principle of the worth of his device is made clear by the amount of time not months he spends on it, as well as by his firm insistence that it "is not a sale." (Incidentally, he has an ex-cover and a man's own as a security analyst and he uses great care in the selection of individual issues.) To make a prediction which may be classified in our April 28, let us say that "his industry" or "his trend" indicator had turned upward for the first time in many a year. In view of this back-ground, we take this interest to report that a confirmation of the upward trend was indicated by the market figures for this past week.

**Investment Company Briefs**

**National Securities & Research Corporation**

Having "called the turn" in the preceding text, this organization in its "Investment Timings" bulletin dated July 2, 1942 sums up as follows: "There are some signs of the beginning of a deterioration in the market structure. This condition may be only temporary, but its present existence warrants caution by those who are at risk of losing the character of the market. Somewhat higher prices seem to be in the air. This is the first time since the end of the war that we have seen in the next few days, but the action of the market registers danger and a downward movement could begin at any time.

**The Penthouse Club 20 COLUMBUS PARK FARMHOUSE**

**A most unique restaurant in a most unique setting.**

**Serving best food, skillfully prepared.**

**Entertainment after 11 P. M.**

**Telephone Falls 8-3810**

**The George Putnam Fund of Boston**

**Prospectus on request**

**MANHATTAN BOND FUND**

**PROSPECTUS ON REQUEST**

**Wholesale/ Dealers**

**HUGH W. LONG & COMPANY**

15 EXCHANGE PL. 120 CO. SPRING ST., JERSEY CITY, N. J.

**COMMERCIAL CHRONICLE**

**FINANCIAL CORPORAION**

**INCORPORATED**

**PEABODY AMERICAN CORPORATION**

**INCORPORATED**

**The George Putnam Fund of Boston**

**Prospectus may be obtained from**

**The PARKER CORPORATION**

**ONE COURT ST., BOSTON**
The National City Bank of New York

Head Office: Fifty-five Wall Street New York
Branches Throughout Greater New York

Condensed Statement of Condition as of June 30, 1942

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>LIABILITIES</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Due from Banks and Bankers</td>
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<tr>
<td>United States Government Obligations (Direct or Fully Guaranteed)</td>
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<td>Obligations of Other Federal Agencies</td>
<td>37,350,406</td>
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<td>State and Municipal Securities</td>
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<tr>
<td>Other Securities</td>
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<td>Loans, Discounts and Acceptances</td>
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<td>Real Estate Loans and Securities</td>
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<tr>
<td>Customers' Liabilities for Acceptances</td>
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<tr>
<td>Stock in Federal Reserve Bank</td>
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<tr>
<td>Ownership of International Banking Corporation</td>
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<tr>
<td>Real Estate</td>
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<td>Other Assets</td>
<td>1,500</td>
</tr>
<tr>
<td>Total</td>
<td>3,128,263,702</td>
</tr>
</tbody>
</table>

New Orleans Bond

Retirement Plan Upheld

The Louisiana Supreme Court has upheld New Orleans' right to reduce interest rate on $12,000,000 of public improvement bonds and call them before maturity.

The opinion of the court, released in the final decision which denied application for an injunction to restrain the City Council and Board of Liquidation from making the plan into effect, states:

"The bonds, bearing date of July 1, 1909, mature July 1, 1956, and carry interest at 4% per year. Under the statute authorizing the issuance of the city bond, the court, given the right to call the entire issue, paying par and accrued interest.

The case is now before the Land Board and in June specified the plan would be carried out unless approved in writing by 90% of the bondholders.

Those approving the retirement plan must surrender bonds to New Orleans banks designated as depositories for Dec. 1, 1942, and refunding bonds will be issued at 2%. Those not in accord with the plan will be paid off at par and accrued interest not later than Dec. 1, 1942.

Detroit Requests Bond Bids

The Detroit Sewerage Commission, in bids on $17,347,000 in 1942 to the League of Virginia Municipalities, disclosed that only informal requests were made by various federal cities for the years 1941 and 1942. The data showed an increase in the per capita total net indebtedness compared with record year on request and without obligation.

In the case of Roanoke, the report expressed belief that the increase was caused by utility indebtedness, which will be paid out of earnings. The report showed for Rich-

monod a 15% decrease in per capita total debt from Jan. 1, 1931, to Dec. 31, 1941, arising from a per capita total net debt of $156.9 years ago, to $129 this past December. Total net debt for Richmond at the close of the fiscal year of 1941 stood at $35,297,725—the largest in the State, with Norfolk ranking next with $29,785,000. Population of the cities studied increased 11% from 1930 to 1940, the report showed, while the total fiscal debt increased on average 3% during the period, and the total of sinking funds increased 86%. The total net indebtedness reported decreased 8% during the 10 years, and the per capita total net indebtedness decreased 17%, or from $137 per capita at Jan. 1, 1931, to $110, Dec. 31, 1941.

Mass. Legal List Issued

Joseph Earl Perry, Commissioner of Banks, has issued as of July 1 a list of investments considered legal for savings banks in Massachusetts. Inquiries should be directed to Mr. Perry at the State House, Boston, Mass.

Flinks' Financial Data Prepared

Allen & Co., 30 Broad Street, New York City, have prepared a sheet which presents the assessed valuation of 150 leading cities. For various purposes, the cities are the cities from which data were obtained by interested parties for purposes of appeal and without obligations.

The National City Bank of New York

Statement of Condition, June 30, 1943

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<th>ASSETS</th>
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<td>Deposit</td>
<td>$2,371,313,072</td>
</tr>
<tr>
<td>Liabilities on Acceptances and Bills</td>
<td>917,019,072</td>
</tr>
<tr>
<td>Less: Own Acceptances</td>
<td>8,539,103</td>
</tr>
<tr>
<td>Taxes in Port and elsewhere</td>
<td>6,539,403</td>
</tr>
<tr>
<td>Unearned Discount and Other Unearned Income</td>
<td>3,054,829</td>
</tr>
<tr>
<td>Interest, Taxes, Other Accrued Expenses, etc.</td>
<td>8,779,621</td>
</tr>
<tr>
<td>Dividends</td>
<td>3,100,000</td>
</tr>
<tr>
<td>Capital Stock</td>
<td>500,000,000</td>
</tr>
<tr>
<td>Surplus</td>
<td>1,885,000</td>
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<tr>
<td>Undivided Profits</td>
<td>104,332,923</td>
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Figure of Foreign Branches as of June 30, 1942, except Chinese and Japanese branches, which are as of December 31, 1941. Figures for the 10 countries shown are the results of the Federal Reserve Board's annual monetary survey and are presented in the tables of public moneys and for other purposes required by law.

FRANK ROONEY

The City Bank Trust Company NEW YORK

Statement of Condition, June 30, 1943

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<td>Deposit</td>
<td>$825,350,075</td>
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<tr>
<td>Liabilities</td>
<td>$801,984,000</td>
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<td>Capital Stock</td>
<td>$1,678,477,975</td>
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<td>Surplus</td>
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Tuesday by Controller Charles G. Osakis, the opening to take place next Tuesday morning.

A program involving the sale of some $33,000,000 of new bonds to refund outstanding higher coupon issues was discussed earlier this year. The original plan was revised, resulting in the marketing of a $15,700,000 issue March 31 on an interest cost basis to the city of $7.29 per cent.

The bonds, which will be general obligations of the city, will mature in varying amounts from July 15, 1942 to 1962. Interest rates not to exceed 31/2 per cent are specified for all maturities through 1945, and not to exceed 31/4 per cent for the final maturity.

"In the event that prior to the delivery of the bonds the in¬
come received by private hold¬
ers from bonds of the same type and character shall be taxable by the terms of any Federal in¬
come tax law, the successful bidder may, at his election, be relieved of his obligations under
the contract to purchase the bonds and in such case the de¬
posit accompanying his bid will be
returned," according to the controller's announcement.

FPFA Temporary Loans
Offered
Sealed bids will be considered by 39 Local Housing Authorities in the near future for the purchase of temporary loan notes aggregat¬
ing $18,290,000. Offers will be opened on $5,459,000 next Tues¬
day, on $3,075,000 July 21, and on
$4,250,000 July 24.

More than one billion dollars of similar short-term obligations have been sold here-to-date by vari¬
ous housing units around the country, all at competitive bid¬
ing. These notes usually go di¬
rect to banks which purchase them for their own portfolios, although certain dealers have competed for this business. While the note is¬
sures are obligations of the various local housing authorities or agencies, the Federal Public Housing
Authority (formerly USHA) plays an important part in arrang¬
ing for periodic offerings of
groups of issues, all of which to
case have sold readily at extreme¬
ly low rates of interest.

Major Sales Scheduled
We list herewith the more im¬
portant 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 ap¬
pened.

July 14
$17,142,000 Detroit, Mich.
On March 31, the city awarded a previous issue of refunding bonds to a syndicate headed by Bankers Trust Co. at New York, National City Bank Trust Co. at New York, and Chase National Bank of the New York, and associates.

July 15
$13,050,000 Atlanta Housing
Authority, Ga.
Of the entire bond, not more than $12,100,000 will be allotted to public habitat. The remainder to be issued by the FPFA as Series B bonds.

July 17
$3,075,000 Cuyahoga Co., Ohio
In March the money earned is to a syndicate headed by A. C. Allen & Co., of New York, National City Bank Trust Co., of New York, and Chase National Bank of New York, and associates.

July 20
$385,000 Akron, Ohio
A mortgage offering of the required amount, this offering is included because of the large money market. Prior award, on June 1, went to syndicate headed by National City Bank, First National Bank, and associates, second best bidder.

July 21
$6,000,000 South Carolina (State of)
In March the money earned of bonds was awarded last March 21 to a syndicate headed by Bankers Trust Co. of New York. Second highest bid received by Banker, Trust Co. of New York and associates.

Partnership Life Insurance
cannot prevent, but will compensate, the loss of a partner in your business.

The Cash Proceeds Will:
1 Enable the survivor to pay the heirs of the deceased partner in full for his share
2 Permit the survivor to carry on as sole owner
3 Assure the cooperation of creditors

You and your partner are invited to discuss the details of this plan
with a Massachusetts Mutual representative

Massachusetts Mutual
LIFE INSURANCE COMPANY
SPRINGFIELD, MASSACHUSETTS

Bertrand J. Perry, President
Lawrence E. Simen
Lloyd Paterson
Donald C. Keane

General Agents in New York City Area
20 Pine Street
17 East 42nd St.
22 East 46th St.

New York City
New York City
New York City

Gibson Lewis
John E. Clayson
One Hansen Place
Raymond-Commerce Bldg.
Brooklyn
Newark

Treasury Promoting Payroll Savings Plan
Following a broad program to put the power of an organized promotional campaign behind the Payroll Savings Plan, the United States Treasury Department has made available to nearly every business firm in the country a complete set of promotional materia.
Determining Customer's Preferences In Securities
An Important Sales Factor

There is an old familiar saying, "It is a difference of opinion that makes a horse race." Securities are the same as any other group kinds of investments. A salesman who disagrees with these pet licenses often timely purchases only to be rebuffed because of, or against, a particular prejudice.

Some years ago, the writer had a client with a Federal Reserve Account quite friendly. One day at lunch, he happened to mention to a certain stock of an oil manufacturer appeared to be attractively priced and suggested that this individual might take on a few shares. For the next hour, it was our task to sit quietly and absorb one of the best lessons on the evils of everything from moonshine to gin that we have ever heard in our life. The more we talked, the more he generated—a half dozen highballs couldn’t have had a greater effect on his blood pressure. Of course, we didn’t make the sale and probably a month passed before we did business again. This man was in an unusual case but it illustrates the point. Here was a man, who hated liquor in any form—he hated it so that he couldn’t conceive how anyone could ever put their money into a company that manufactured the stuff. He also didn’t like the idea that we suggested. Maybe he was unreasonable, biased and bigoted, but these are the things that salesmen get paid for finding out and evading when they go out to do business.

There are people who buy only bonds. Others less to preferred stocks. Others like common stocks as a long-term investment, some taking only care for speculations of the most hazardous type. Yet, no one man is a point to another. We once know a man only because he is utilising company securities because these companies had been elected under the so-called "Death Sentence Act." Some people are only interested in income. Others like the highest yield situation. Furthermore, whether they are stocks, bonds, royalties or what have you. There are people who watch the market—it is that they have a half a point appreciation they want to take a profit. Income means little to them, dividends are secondary to market action. These predilections on the part of many individual investors are the things every salesman must know about before he can have any measure of success with his prospects and clients.

This information can be secured very easily and quickly by giving anyone the least offense. During his interviews with potential clients, the salesman should be able to do these followings just from the types of securities he deals in. Sometimes a direct question like this should be asked, "Mr. Smith, do you have a preference for any particular type of security? That is, bonds, stocks, preferred, or any special industry or class of securities." The answer should be noted with care and if there is a prejudice it should be recorded by placing this information on the customer’s card or any other permanent reference in use by the office. There may be some who say that it is not to the best interest of a salesman to sell securities that people want to buy, but rather to sell them the ones they should have. This is a debatable point, but it is probably more important to the salesman to sell a security and to firm in business to do as much as to sell only as an investment re-former.

After all, there are people who can be led into the path of prudence and care when it comes to investing, and no doubt, every salesman has the obligation to lead them as wisely as possible. The people who wish to buy what they like, when they like, we also believe should be sold what they like, when they like it. As an example, if you tried to sell some of these very attractive appearing tractions bonds during the past year or so to some of these people who have ridden in a trolley in 20 years you’ll know what we mean. You had better sell them what they like or you won’t sell them at all. And that’s important isn’t it brother?

The Securities Salesman's Corner

The George Putnam Fund.

Total liquidating value of this fund on June 30, 1942 exceeded $4,810,000 as compared with $4,790,000 for June 30, 1941. The number of shares outstanding increased in the quarter from 45,559 to a new high total of 45,559. The month of June was equal to $10.39 a share on June 30, after providing for the July dividend at 12 cents, equal with $10.29 on March 31.

The investment of the fund in 2,500 shares of Indiana Power & Light common and 700 shares of S. H. Kress & Co. common were eliminated during the period.

On June 30 the Fund had approximately 1% of its assets in cash which was purchased and preferred stocks and 32% invested in common stocks.

Commonwealth Investment Company

"It is time to look for evidences of sound principles both in the ability to earn and pay a satisfactory minimum dividend, come with a company that is not trying to predict the unpredictable pattern of the war," said President Fuller of this company in a commonsense memorandum to shareholders of "War Stocks vs. Peace Stocks." He makes the point that "Shifting political winds and the new changes is not only difficult and often times hard on the nerves, both of investment advisors and of the people."
San Paulo Bond Payments

J. Henry Macomber, Banking Corp., New York, as agent, is notifying holders of State of San Paulo (United States of Brazil) 15-year 8% sinking fund gold bonds, external loan of 1927, 25-year 8% secured sinking fund gold bonds, external loan of 1928 and 40-year 8% sinking fund gold bonds, external loan of 1928 that it has received funds to pay on or after July 1, 1942. The face amount of the coupons due Jan. 1, 1942, appears to be paid on these bonds. From the announcement we also quote: "Payment will be made in accordance with the provisions of Presidential Decree No. 22329 of Feb. 5, 1934, promulgated by the Federal Government of Brazil, as modified by Decree No. 2246 of March 8, 1936. The amount of payment will be as follows: $6.92 for each $100 coupon with respect to the 8% loan of 1927 and the 8% loan of 1925, and $3.01 for each $50 coupon with respect to the 8% loan of 1928. The acceptance of these payments is optional with the holders, but pursuant to the terms of the decree the payment if accepted must be for full payment of the coupons and of claims for interest represented thereby....." Holders of all 1940 coupons may obtain payment of the amounts presented upon presentation and surrender of the coupons for final cancellation at the office of the special agent, 40 Wall Street, New York. "No present provision has been made for the redemption of the bonds or for the payment of coupons which matured prior to April 1, 1924, but holders are advised to hold them for future adjustment."

Danish 6% Loan Interest

For the information of holders of bonds of Denmark 25-year 6% external gold bonds, due Jan. 1, 1942, Henrik Kauffman, Danish Minister in Washington on July 1 made the following statement: "Arrangements have been made whereby, until further notice, interest for the six months' period ending June 30, 1944, on bearer bonds of the Kingdom of Denmark 6% loan will be paid to holders, other than residents of Denmark, at the rate of 6% per annum on the principal amount. In the absence of coupons covering this payment, bonds shall be transmitted at owner's risk and expense direct (or through a local bank) to the fiscal agent, The National City Bank of New York, Coupon-Paying Department, 20 Exchange Place, New York, N.Y. Each of the bonds will be stamped with the notation that the holder thereof acknowledges receipt in full of all moneys due or payable on account of interest on the principal amount for the six months period ending June 30, 1940. Thereupon the bonds will be returned by registered mail insured, at the owner's risk and expense, together with remittance for interest. The interest payment will be subject to the privilege of licensing as may be granted to the fiscal agent by the U.S. Treasury."
Celanese 3، 3'-Dimethyl

The 20-year 3⅛% sinking fund debentures of Celanese Corporation of America brought out last week have been moving out satisfactorily, as expected, judging by comment in dealer circles.

Brought to market in the amount of $35,000,000 the issue, despite its appeal, was recognized as an undertaking which would require some selling effort due to prevailing condition marketwise.

Latest indications are that the debentures are in the neighborhood of 90 1/2, indicating about $1,000,000 re-mining available.

But from the firmness ruling the market there is little to suggest that the bond-gang-hunters are going to find any appreciable opportunity for the talents here.

Housing Authorities Active

The death in new municipal issues is being filled in partially at least by the rather steady effort of paper for the account of various public housing authorities.

Consisting largely of short-term notes, financing of this type appeals chiefly to large institutional investors, primarily the banks. Early next week further footing is expected to the tune of $6,000,000 will be open for bids.

The largest of the issues to be sold by 12 Authorities around the country consists of $25,000,000 series for the Detroit Housing Authority.

The Chicago Authority is next with a $16,000,000 issue. Atlantic, Ga., is another calling for bids up to next Wednesday on new bonds to take up the recent payment of $15,370,000 now outstanding.

Treasury Rings Bell

Terms worked out by Secretary Morgenthau and his advisers for the current $2,000,000,000 of War Bonds hit the "bull's eye" from all institutions and have generally subscription appeared certain.

With outstanding 2a commanding a premium, the demand for the new issue carrying a similar coupon, and a nine-year maturity, subject to call in seven years, which could have been desired. Some selling of the old issue was dictated by the need of payment of subscriptions to the new bonds.

Banks were reported as very substantial buyers with the new issue designed to fit quite comfortably into institutional portfolio.

Backed The Play

Real teamwork between the Treasury Department and the Federal Reserve Board, designed to facilitate the nation's war financing, is indicated.

The Reserve, through its open market committee, has been active on the buying side of the Government market according to trade reports and its operations were expected to reflect in the weekly statement due today.

It was calculated that purchases intended to bolster the reserve position of member banks would be shown to have run again to the vicinity of $100,000,000 during the week.

Meanwhile the Reserve Board is now empowered, under legislation just signed by the President, to reclassify banks in the New York and Chicago districts and accordingly reduce their current reserve requirements.

Tiglman & Harvey To Be Edwards Partners

ST. LOUIS, Mo. — Allen B. Tiglman and Joshua A. Harvey will become partners in G. E. & Sons, 409 North Eight Street, members of the New York and St. Louis Stock Exchanges and other leading national Exchanges. Both have been associated with the firm for some time, Mr. Tiglman as manager of the investment department.

Haris Trust and Savings Bank

Organized as H. W. Harris & Co., 1885—Reserve 1897

BARTER TRUST BUILDING, CHICAGO

Statement of Condition

June 30, 1942

Resources

Cash on Hand, in Federal Reserve Bank and Due from Banks and Members Banks at Federal Reserve Bank .......... $116,079,269.56

U. S. Treasury Bills, at par .......... $21,640,000.00

U. S. Government Securities, not excepted for Special Account ..

Due prior to January 1, 1948 .......... 42,617,651.04

Due on or after January 1, 1948, 21,213,586.84

State and Local Government Securities, not excepted for Special Account:

Due prior to January 1, 1948 .......... 34,382,992.68

Due on or after January 1, 1948, 5,683,570.70

Other Industrial, Commercial and Investments, not excepted for Special Account:

Due prior to January 1, 1948 .......... 24,731,728.45

Due on or after January 1, 1948, 17,285,831.20

Loans and Discounts .......... 83,952,092.89

Federal Reserve Bank Stock .......... 450,000.00

Customers’ Liability on Acceptances and Letters of Credit .......... 172,602.22

Interest Earned but not Collected .......... 930,919.28

Other Resources .......... 289,416.88

Total .......... $369,050,480.50

Liabilities

Capital .......... $6,000,000.00

Surplus .......... 4,600,000.00

Undivided Profits .......... 3,981,873.57

Reserves for Taxes, Interest, Contingencies, Etc. .......... 6,744,597.65

Demand Deposits .......... 281,454,359.08

Demand Deposits .......... 26,696,396.08

Total .......... $369,050,480.50

Securities with a book value of $11,755,624.39 in the above statement are pledged for secure public and trust deposits and for other purposes required or permitted by law.

MEMBERS: N. Y. CLEARSING HOUSE ASSOCIATION • FEDERAL RESERVE SYSTEM • FEDERAL DEPOSIT INSURANCE CORPORATION

28 Offices Located Throughout Greater New York

Buy War Bonds

Proprietors John M. Berney & Robert H. Gorton, Jr.

73 Broad St.

CONDENSED STATEMENT OF CONDITION

at the close of business, June 30, 1942

RESOURCES

Cash and Due from Banks .......... $60,920,991.73


State, Municipal and Corporate Bonds .......... 8,757,386.47

Loans and Discounts .......... 82,319,289.55

Customers’ Liability under Acceptances .......... 362,618.16

Banking Houses .......... 2,182,518.29

Other Real Estate and Securities .......... 100,143.66

Federal Reserve Bank Stock .......... 420,000.00

Accrued Interest Receivable .......... 210,601.10

Other Assets .......... 65,687.55

Total .......... $211,514,663.71

LIABILITIES

Capital .......... $7,000,000.00

Surplus .......... 7,000,000.00

Undivided Profits .......... 4,322,663.47

Dividend Payable July 1, 1942 .......... 550,000.00

Unearned Discounts .......... 389,076.75

Reserved for Interest, Taxes, Contingencies .......... 3,914,114.81

Acceptances Outstanding .......... $1,189,079.28

Less: Own in Portfolio .......... 64,114.64

Total .......... 544,914.65

Other Liabilities .......... 111,599.19

Deposits .......... 190,091,091.83

Total .......... $211,514,663.71

Tomorrow's Markets

Walter Whyte Says—

(Continued from page 8)

Reserves have meaning to feed upon. Falling to get such news the market marks time by either going sideways or retreating. If it doesn’t violate not violate previous basic levels. In this case the level is approximately 102 on the Dow average.

* * *

From a strict technical viewpoint there is little to say beyond Dow’s theory, has already signaled a secondary uptrend. The development of it might be interesting to point out that this is the first such signal since almost a year ago.

Before you dive overboard remember that the primary trend is still down. In order to get a primary bull market signal (according to Dow) both averages, rail and industrial, have to decline to the lows of April and then advance to new highs. On the decline a reversal cannot break the April lows.

* * *

It is obvious to anybody that wait until the market comes to a cyclical high such a cycle is not only tedious but means that of plenty profit opportunities must be missed.

* * *

If you want news from the home front here is a couple of items I don’t think you’ll find elsewhere. Southern Pacific will pay $1 in September and N. Y. Central 50c in October.

Meanwhile the advice of this column is to continue holding all long position but always remember the slopes.

More next Thursday — Walter Whyte.

(The views expressed in this article do not necessarily coincide with those of the Chronicle. Views have been averaged as those of the author only.)

Established 1850

H. Hentz & Co.

Members

New York Stock Exchange

New York Cotton Exchange

New York Coffee Exchange

Chicago Board of Trade

Baltimore and Ohio Exchange

N. Y. Cotton Exchange Bldg.

NEW YORK

BOSTON CHICAGO DETROIT

PITTSBURGH CLEVELAND

LAMBERTON & CO.

99 WALL STREET

NEW YORK CITY

SUGAR

Exports—Imports—Futures

Dally 4:37 PM
May Exchange Sales  
Market Value Down 3.9%  
The Securities and Exchange Commission on June 29 announced that the market value of total sales on all registered securities exchanges for May, 1942, was $2,267,523,313. It was $2,269,490,596 in May, 1941. Total sales were valued at $91,837,654, a decrease of 1.2% from April. Local sales were valued at $91,837,654, a decrease of 1.2% from April.  

CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO  

Statement of Condition, June 30, 1942  

RESOURCES  
Cash and Due from Banks .......... $772,203,005.24  
United States Government Securities ......  
Direct and Fully Guaranteed .......... $943,918,570.00  
Other Bonds and Securities ....... 39,499,806.17  
Loans and Discounts ....... 20,355,428.25  
Stock in Federal Reserve Bank ....... 3,000,000.00  
Customers' Liability on Acceptances ...... 409,007.00  
Bosan Accrued but Not Collected .......... 3,152,165.00  
Bosan House ........ 11,000,000.00  
Real Estate Owned other than Banking House .......... $2,064,564,216.36  

LIABILITIES  
Deposits ....... 17,754,500,308.01  
Acceptances ....... 4,095,497.41  
Reserve for Taxes, Interest and Expenses ...... 5,234,835.81  
Reserve for Contingencies ....... 17,273,133.33  
Insurance Collected but Not Earned ....... 341,820.78  
Common Stock ....... 5,000,000.00  
Surplus ....... 16,000,000.00  
Undivided Profits ....... 16,000,000.00  

United States Government obligations and other securities carried at $195,075,809.85 are eligible to secure public and trust deposits and for other purposes as required by law.
Calendar of New Security Flotations.

OFFERINGS

NILES TOOL & MANUFACTURING CO. (N.Y.)—Filed a registration statement with the SEC for 126,000 shares of common stock, valued at $10,250,000. Effective 4 p.m., BWT, on July 1, 1942, to offer up to 80,000 shares.

Address—Dearborn, Mich.

Business—Manufacturing and selling for use in the automotive industry, hand tools.

—

TUESDAY, JULY 14

THE MEAD CORPORATION (N.Y.)—Filed a registration statement with the SEC for 6,000 shares of preferred stock, with liquidation preference of $100 per share, and an aggregate liquidation value of $1,000,000. Effective 4 p.m., BWT, on June 30, 1942, to offer 4,000 shares.

Address—Baker, Simmons & Co.

Offered—500,000 shares will be sold per share.

Following is a list of issues whose registration statements were filed less than twenty days ago. These issues are grouped according to the date on which their registration statements will in normal course become effective, that is, twenty days after filing except for 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 date following.

SATURDAY, JULY 11

PARK PLACE-PHODGE CORPORATION (N.J.)—Filed a registration statement with the SEC for 10,000 shares of common stock, valued at $100,000. Effective 4 p.m., BWT, on June 27, 1942, to offer 5,000 shares.

Address—New York City

Business—Operating and operating business of the corporation.

—

MONDAY, JULY 13

BREWSTER AERONAUTICAL CORPORATION (N.J.)—Filed a registration statement with the SEC for 40,000 shares of common stock, valued at $2,000,000. Effective 4 p.m., BWT, on June 30, 1942, to offer 20,000 shares.

Address—Address of trustees: City National Bank of New York, New York, N.Y.

Business—Manufacturing of aircraft and parts.

—

WEDNESDAY, JULY 15

SONDO PRODUCTS COMPANY (N.J.)—Filed a registration statement with the SEC for 50,000 shares of common stock, valued at $1,000,000. Effective 4 p.m., BWT, on June 30, 1942, to offer 25,000 shares.

Address—Address of trustees: City National Bank of New York, New York, N.Y.

Business—Manufacturing of machinery and products for the textile industry.

—

THURSDAY, JULY 16

EQUIPMENT FINANCE CORPORATION (N.Y.)—Filed a registration statement with the SEC for 660,000 shares of common stock, valued at $8,600,000, at a public offering price of $13 per share. Effective 4 p.m., BWT, on June 30, 1942, to offer 330,000 shares.

Address—Address of trustees: City National Bank of New York, New York, N.Y.

Business—Equipment financing for manufactured goods, farm equipment, machinery, and industrial goods.

—

Business—Mining:

—

DATING OF OFFERINGS

We present below a list of issues for which the registration statements have become effective less than thirty days or more ago, but whose public offerings have not been made or are not yet determined or are unknown to us.

BELLMUN AIRCRAFT CORPORATION (N.J.)—Filed a registration statement with the SEC for 20,000 shares of common stock which is to be offered for sale in accordance with the securities act of 1933. Effective 4 p.m., BWT, on June 27, 1942, to offer 15,000 shares.

Address—New York City

—

CALIFORNIA HEAVY INSURANCE COMPANY (N.Y.)—Filed a registration statement with the SEC for 50,000 shares of common stock which is to be offered for sale in accordance with the securities act of 1933. Effective 4 p.m., BWT, on June 27, 1942, to offer 40,000 shares.

Address—San Francisco, Calif.

—

Business—Business in the underwriting of fire, automobile, and other forms of insurance.

—

CAMILLA CANADIAN MINING CORPORATION (N.J.)—Filed a registration statement with the SEC for 200,000 shares of common stock which is to be offered for sale in accordance with the securities act of 1933. Effective 4 p.m., BWT, on June 28, 1942, to offer 150,000 shares.

Address—Toronto, Ont.

—

Business—Business in the underwriting of mining companies.

—

COLUMBIA GAS & ELECTRIC CORPORATION (N.J.)—Filed a registration statement with the SEC for 100,000 shares of common stock which is to be offered for sale in accordance with the securities act of 1933. Effective 4 p.m., BWT, on June 29, 1942, to offer 80,000 shares.

Address—Address of trustees: City National Bank of New York, New York, N.Y.

Business—Business in the underwriting of public utility and light and power companies.

—

Eastern CooperativeWholesale, Inc., filed a registration statement with the SEC for 150,000 shares of common stock which is to be offered for sale in accordance with the securities act of 1933. Effective 4 p.m., BWT, on June 29, 1942, to offer 100,000 shares.

Address—Address of trustees: City National Bank of New York, New York, N.Y.

Business—Business in the underwriting of public utility and light and power companies.

—

FLORIDA POWER & LIGHT COMPANY (N.J.)—Filed a registration statement with the SEC for 200,000 shares of common stock which is to be offered for sale in accordance with the securities act of 1933. Effective 4 p.m., BWT, on June 29, 1942, to offer 150,000 shares.

Address—Miami, Fla.

—

Business—Business in the underwriting of public utility and light and power companies.
Dealers Continue To Register Unqualified Disapproval Of Minimum Capital Proposal

(Continued from page 95)

requirements for the securities business should be more closely conformed to those of a bank than anything that has been suggested thus far.

Mr. Harrington has not a good case on the theory of "John Browne," for "John Browne" has no resources of his own. I think he has no justification for starting out in business for himself and carrying on all the functions of the bank.

I would say that "John Browne" either ought to remain as an employee of some other firm until he has accumulated sufficient funds to go into business for himself properly or possibly he would be qualified to act as an investment advisor for some of his clients on a fee basis, leaving the buying and selling of securities to be done on a commission basis by some other firm better fortified to protect the public against errors, mistakes, or wrong advice. The present amendment to the NASD rules is doing a distinct disservice to the whole financial community.

Dealer No. 35

We wish to congratulate you for the article appearing in your paper Thursday, June 23, concerning NASD Minimum Capital Proposal.

There is no use of adding anything to what has already been said in the article. We have read the speech expressed by you and the dealers whose letters you published.

We have been receiving Security Dealers a real service.

(From a Greenville, S. C., Dealer)

Dealer No. 36

We find that our views and most of the dealers' views in Denver agree with you the benefits of the deal by the individual dealer. We feel that you have made a mistake in the wrong direction, which might have disastrous consequences for a lot of the smaller dealers.—(From a Denver Dealer)

The lacunae "We" will not do in this case. We feel it imperative to tell you what we think.

You rest your case on the following premises: that the SEC have too easily achieved eligibility for membership,

And the syngulism is completed by the conclusion that you will then have an unbridled increase in the number of dealers who are in recognition as a profession operating on a high plane of public service.

What you propose to do, Gentlemen, is to measure a man's in

$75,000 shares & for a term of six months. Any and all of the shares, whether registered or not, may be issued in satisfaction of deposits, and warrants, and 50,000 shares will be offered for cash, $100 par, as well as shares for stockholders in the Delaware stock, at par, are the same as to be able to show a certain balance in your bank, you propose to consider him personally in a professional operation on a high plane.

You plan to shift your members in a sieve whose mesh will only retain the financial cattle. To be sure, a "pick-pocket" will fell through your sieve and then along with the scores of capable and honest dealers who are unable to meet the capital requirements, but that will not invalidate the entire pick-pockethood of the "bank robber" class—as measured by your new scale of evaluation! (At this point, we feel bound to remind you of the difficulty of getting a cement sandwich on bread.)

In our opinion, many of the dealers and brokers expelled by the SEC from our association would have too easily qualifying for the proposed minimum capital requirements. Significant too, is the fact that the SEC did the expelling in many cases, which raises the question: "Are we fighting with wooden swords?"

If, as we imply, the budget of our Association does not permit us to scrutinize the business practice of our members carefully enough, why not admit frankly that the task is too great? The SEC has done an excellent work in this direction, and a duplication of effort is both expensive and unnecessary for our members.

We have only produced one of our drawings holding the various changes in the committees and sub-committees of the SEC, up to the present date, so far, the only tangible evidence of our membership; nevertheless, I am confident that you will endorse along sound lines. Unless you can give logical reasons for this proposed amendment, some of us will conclude that those you do not endorse are valid.

This letter is an open one and we have sent a signed copy to the Financial Chronicle who are free to publish it.—(From Leslie R. d'Avigdor, New York City)

LIABILITIES

Deposits

$2,269,969,921.12

Treasury's Checks Outstanding

19,234,641.76

$2,288,224,762.88

Acceptances

7,784,749.62

Less Own Acceptances

3,562,331.75

4,222,417.87

Liability as Endorser on Acceptances and

92,957.00

Foreign Bonds Borrowed

152,536.00

9,200,000.00

Discount

2,708,500.00

Difference in Balance Between Various Officers

766,580.23

Due to Different Statement Dates of Some

11,082,194.41

Miscellaneous Accounts Payable, Accrued Taxes, etc.

2,398,241,462.39

Total Capital Funds

279,470,556.52

Total Liabilities

$2,587,712,318.91

Capital

$90,000,000.00

Dividends

19,470,856.52

Unrestricted Funds

$90,000,000.00

I. Condensed Statement of Condition, June 30, 1942

Issuer of the Certificate of Incorporation is the City of New York.

This Statement includes the resources and liabilities of the English and French Branches of June 30, 1942, and Belgian Branch as of October 31, 1941.

Member Federal Deposit Insurance Corporation

BAY MEETING CO.

Bay Meeting Co., as the name suggests, is an institution where men engage in all transactions, and all transactions in such a manner as to procure a profit to the Bay Meeting Co., and to the other parties. It is engaged in all transactions, and all transactions in such a manner as to procure a profit to the Bay Meeting Co., and to the other parties.
To From Sneaker-DeBard

The New York Stock Exchange firm of Sneaker & DeBard, with Mr. Sneaker, member of the Exchange and Edward DeBard, Mr. Sneaker has recently been business as an individual floor broker, and previous to that was a partner in Charles V. Sneeker & Co.

Our Reporter On "Governments"

(Continued from First Page)

money market over the quarterly tax date did indicate that Mr. Morgenthau might be calling for a short-term policy for the Reserve with extreme caution. . .

His action was highly consen
tative. These "tap" sales of short-term certificat
e immediately was surely reassuring . . . And most important, the move revealed that there will be their own state and city bonds, and market, are well aware of difficulties, are prepared to take steps at any time to ease a tightening of the money market.

As matters stand today, we may expect . . .

(2) Highly conservative use of the power to institute or to stop a tax-exemption privilege or a suspension may have a very great impact on the money and bond market, and our watchful eye is necessary beyond the control of the fiscal agents.

TAX-EXEMPTS

Municipal bonds, which move with the tax-exempts among Gov
erments, have been acting as a recent weapon in tax warfare.

Yield of representative State and city issues, according to Dow-Jones index of 20 issues, is standing at 2.25%, indicating an advance of 51/26 bond in the average price of long-term municipals since late February, when the yield was 2.31.

For months, this column has urged calm appraisal of the tax-

exempt picture, has begged investors to consider the fundamentals during days of official threats to the privilege and selling by fearstruck holders of high.

To date, its warnings have been con
data, and those who have held on to their tax-exempts and switched against rather than with the tide are seemingly succeeding in turning around the market.

It is true, of course—but as of this writing, the story still holds—if your portfolio warrants it and if you expect a relatively short period in the market as well as at the tax dates as the months go on . . .

The rally in municipals is based on returning confidence in the market. This is the same confidence that was instilled, of course . . . It couldn't be based on anything else . . .

Historically, tax-exempts have been a favorite of individual investors. In fact, it may be said that tax-exempts were a major favorite in 1934 and 1935, and have been in every year since the end of the war.

FEDERAL LAND BANKS

And that leads right into a discussion of the seldom mentioned, often discussed Federal Land Bank list . . . There are six issues of these outstanding, carrying rates ranging from 3% to 5%, bearing ma-
turities ranging from 1946 to 1968, call dates ranging from 1946 to 1948 and prices ranging from 106 to 106 . . .

Yields to call are the only ones that really count—lose from 3.5 to 5.0. But the bonds are exempt from all State and Federal income taxes and are certain to be a great tax saver to both institutional and individual investors, equivalent to the Government obligations, are Government obligations in all but name . . .

You may consider them as indirect or direct securities, inasmuch as a direct sale is a true tax-exempt, and the Land Bank issues will remain right up there . . .

As a matter of fact, Land Bank issues are the most attractive securities to both institutional and individual investors, equivalent to the Government obligations, are Government obligations in all but name . . .

As a matter of fact, Land Bank issues are more like State and Federal issues—no yield loss, no tax on interest income, no risk of default, and the Land Bank high-coupons are fully tax-exempt and yield up to 6% . . .

Trading in these is almost infinitesimal . . . The small amount of bonds outstanding has helped stabilize the market to an extent which has been marked in years. In late recovery issues, we are seeing right now that, despite the high-coupons and tax-exempt, check the Land Banks. They're worth every penny.

INSIDE THE MARKET

Switches these dates are useless, unless you know exactly the tax status of your institutions. There is no need to worry about the tax status of your bonds, but there is no knowledge that makes you worry.

But the tax-exempt list still hold the best moves.

Government securities issued by the Federal Land Banks in the week of June 29, bringing total holdings at $1,808,000,000 and indi
cally 9% of investments so far this year have been in Treasuries . . .

Companies probably bought some 5% certificates . . .