Our Reporter on "Governments"

For weeks now, reports have been circulating among financiers concerning impending and "upcoming" short-term interest rates. Every decline in excess reserves, particularly of New York City banks, has brought renewed stories to that effect. Every announcement of the award of discount bids—at admittedly advancing rates—has intensified rumors that the Treasury and Federal Reserve System cannot hold the market even if they wanted to.

Now, though, a minor revision in reserve requirements of New York City and Chicago banks has been made effective. The requirements have been cut from 26 to 24%—an insignificant change but one permitting a $240,000,000 addition to surplus funds here and a $70,000,000 addition to surplus funds in Chicago. And suddenly, presto! Fears of short-term rates for more than temporary periods have vanished.

This seems tidiness carried to an extreme.... Either one believes the Government has (1) the ability and (2) the willingness to maintain interest rates at these levels or one doesn't. Either one is convinced of the magnificence of its achievement in this market has been controlled and of the power of the supporting devices at the disposal of the authorities or one isn't. Either one sees this Government market (long- and short-term) as a whole and as part of the entire pattern of war financing or one doesn't.... To cut this discussion short, this writer believes (1) in the ability and willingness; (2) in the magnificence of control and (3) in this market as essential, pivotal part of the war financing pattern.

And every sign we've seen indicates the Treasury and Federal Reserve System have full intentions of maintaining the major trend in a direction permitting the most comfortable war-borrowing activities. As long as the long-term market is held at current rates and the Treasury System acts as a lender, one doesn't have to be a "political" expert to see that the Treasury System also seems no argument over what is to happen to interest rates....

Apparently, the Federal Reserve's program is to ease reserve requirements by gradual stages.... To ease the market "easily" in more colorful words.... The first move brought the requirement of two and most prominent central banks. Under the amendment to the Federal Reserve Act, passed July 7, the Reserve Banks are: New York, Chicago, and St. Louis. In the ten other Federal Reserve cities, the requirement level is at 20%.... In the cities characterized at the next lower level, the requirement

QUICK ACTION ON DESIGN AND CONSTRUCTION also SURVEYS AND REPORTS
In connection with Management Problems of New (Continued on page 711)

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THE BOND SELECTOR

REPUBLIC OF CUBA 4%\(\frac{1}{2}\)%, 1977
Recent Weakness in This Issue as a Result of Confirmation of Warren Brothers Reorganization Offers Opportunity of Price Appreciation and Good Yield

Readers of this column will recall the details of the reorganization plan of Warren Brothers Company, an important part of which was confirmed by the Republic of Cuba. The company claims for construction work completed in 1931. Under the terms of the settlement, the Cuban Government paid to Warren Brothers $700,000,000 in principal amount of External 4\%\(\frac{1}{2}\)%, 1977, and $4,769,000 of External 4\%\(\frac{1}{2}\), 1985. Under the reorganization plan, Warren Brothers pledged $4,150,000 of its own bonds which are not pledged. In consequence, the inexperience of the issuance of approval of the reorganization, and one expectation is that the above amount of the 4\%\(\frac{1}{2}\)%, 1977, coming into the market, the price of the security has been extremely weak.

Aside from this technical aspect, the market for the Cuban 4\%\(\frac{1}{2}\)%, 1977 is suffering from the picture of justifying the bonds, selling in the low 70s and yielding around 6.50%. In fact, at current levels the bonds are believed by 80% of the market to offer both for income and for the changes in the market.

The overall Cuban situation, which looked none too appealing earlier this year, has improved considerably and now presents an inviting opportunity. The most important item in the economic picture present is the fact that the 1942 sugar crop has been bought by the United States. Whether or not the United States is so fortunate as to be able to ship this sugar here, it makes no difference to Cuba as far as the financial arrangements are concerned. Under a reorganization worked out with Defense Supplies Corporation, the United States is advancing, free of cost, to Cuba $1,280,000,000 of the value of the 1942 sugar crop as soon as the sugar is placed on warehouse in Havana. This involves payment of between $150,000,000 and $200,000,000 of the Cuban sugar industry.

Now that the 1942 crop is no longer a problem, interest centers around the Cuban bond. A mission from this country recently visited the island with the purpose of conducting preliminary negotiations for acquisition of the entire 1942 output. The mission returned with no assurance of signing a contract, which has been the case in the past, but Cuban sugar interests are glad that no top price has been placed on the sugar. The rumor is that there are costs are rising.

The Cuban Sugar Institute has warned producers against overproduction, and the amount of sugar may be taken over by the United States next year.

(Continued on page 729)
Opposes Increased Estate & Gift Taxes

Appearing before the Senate Finance Committee today, Chairman of the Committee on Federal Finance of the United States Commission of Central America, Cuba, Mexico and the Caribbean, Mr. G. A. Osgood, Vice-President of the Pan American Union, testified on Aug. 12 on the estate and gift tax proposal. The Senate Finance Committee has approved the estate and gift tax bill, H.R. 1282. One of four members of the Chamber committee who appeared before the Senate that day Mr. Osgood analyzed the current estate and gift tax proposals by discussing phases of the bill as presented by the Treasury Department. He stated that the proposal was not a good measure, but did not give specific examples of the weaknesses in the bill. In a letter to the Senate Finance Committee, Mr. Osgood explained that he was not in favor of the Treasury Department's proposal, but was in favor of a moratorium on the current tax legislation. He said that the tax bill was not a good measure, and that it was not in the best interests of the United States to have such a law passed.

G. A. Nicholson With Paine, Webber Firm

(Witness The Financial Chronicle) Mr. G. A. Nicholson, a prominent member of the Paine, Webber, Jackson and Curtis firm in New York City, was a witness in the statistical department of Whittall & Smith Co. for the Cleveland Corporation.

Praet & Williams Add Mark Price To Staff

(Witness The Financial Chronicle) Mr. Mark Price, a former member of the Cleveland Corporation, has been joined by Mr. Praet and Williams as a partner in the firm. Mr. Price was formerly a member of the Cleveland Corporation and has been with the firm for many years. He is a member of the Board of Directors of the Cleveland Corporation and has also served as a member of the Board of Directors of the Federal Reserve Bank of New York.

To Enforce Utility “Death Sentence”

Strict enforcement of the “death sentence” provisions of the Public Utility Holding Company Act of 1935 is the view of Mr. H. E. Healy, member of the SEC. In an address before a meeting of the public utility law section of the American Bar Association, Mr. Healy said that the SEC faces a “vicious and ruthless” attack from the utility holding companies. The SEC has been accused of using its power to control the national war effort.

Mr. Healy, who heads the Bar Association’s Section on Public Utility Law, warned that the SEC is being accused of using its power to control the national war effort.

In suggesting the rule, the Commission apparently believed that such a program was necessary in order to protect the public interest. The SEC has been accused of using its power to control the national war effort.

Securities Industry To Wage Bitter Fight

Should SEC Insist On Bid & Asked Rule

It has already been made perfectly evident that practically the entire securities industry is unequivocally opposed to the proposed SEC bid and asked rule. The SEC is prepared to employ every possible means to prevent the Commission from making this rule.

The rule, if adopted, would make the commission’s lengthy proceedings more transparent.

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Executive, age 45, 22 years’ experience in bond and stock management business, wishes position with a well-established insurance company or bank. Excellent background. Reference Box 26, The Commercial and Financial Chronicle, 25 Spruce St., New York, N. Y.
PERSONNEL ITEMS

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

MUNICIPAL PUBLIC UTILITY AND INDUSTRIAL SECURITIES

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CHICAGO

[Special to The Financial Chronicle]

Bought — Sold — Quoted

DALLAS

Bought — Sold — Quoted

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FEBRERO BUILDING. DETROIT, MICH.

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ST. LOUIS

D. B. Sherwood Joins Sifel, Nicolaus Co.

CHICAGO, Ill.—Sifel, Nicolaus Co., 100 West Adams St., Chicago, announces that Donald B. Sherwood has become associated with them as executive assistant.

Mr. Sherwood was recently with Bond & Goodwin, Incorporated in Chicago, and prior thereto was connected with Boyle, O'Connor & Co.

LISTED AND UNLISTED SECURITIES

The following article covering the post-war period is taken from the text of a speech delivered before the Brooklyn Society of Agricultural Commissioners on April 24, 1942.

Weekly Stock Market Comments

The following is a list of the more salient facts in connection with the weekly stock market situation:

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ST. LOUIS

The above figures show a characteristic of the post-war period, which will be characterized by great deficits in goods to be made up, and by great reserves of buying power. On the demand side, our motor cars, tires, clothes, houses, and products of all kinds—in fact, anything worn out or sadly depleted. Our industrial plants, our factories and shops, need rebuilding and replanning their stocks of goods in process or in store. Because many of these industries are new, they have not yet been developed into industries, because homes have been made, and goods. Our friends in China, Japan, and the Far East, where will be in great need of industrial equipment to expand their own production and standards of living. On the buying power side, the people have huge war-time savings ready to be spent, of which a large portion is already paid off, and new installment credit will be ready to finance any of these needs.

Businessmen will invest large sums of money right away in replenishing their stocks. South American countries, and other countries which have built up huge billions of dollars in balances for the raw materials sent us from the United States, will spend them for all the things they need, which will provide for further government and other great governments, finances, debts of debt relief and reconstruction. Goods will be needed and buying power will be available, both on a greater scale than after the last war. The post-war boom, which last ran for 29 months— from November, 1937, to July, 1942— might conceivably this time run several years instead. Rather than an immediate crash, the danger may be even of too great an inflation. One condition for which war-time restrictions were removed by the elimination of the war-time rise in prices to get into a real inflationary spiral, that will soon be added to by the post-war boom.

The Market Leaders

Most financial institutions have a group of existing and prospective customers and a railroad group and we continue to extend our efforts in selling and eventually more aggressively in selling railroad bonds but stocks as well.

Combined freight volume of freight and traffic are in prospect for some time to come, all of which will provide for strengthening of finances, revenues, debt, eliminations of unprofitable stock would require about $50,000,000, leaving in the hands of investors or dealers, some $100,000,000 available for about 2.1 million shares of old and new stock, or nearly $8 per share. Assuming a 50% reserve on all bond sales, and surtaxes, etc., the net would be reduced to about $3 per share compared with the price of a bond for the new common of around $2.

Given a continuation of present earnings position, it is conceivable that holders of new common could receive the indicated purchase price of $2 per share. As of May 31, last, the St. Paul participated in revenue of about $14,000,000 and the figures indicated that about $73,000,000 and total current liabilities of the Company of about $109,000,000 net; cash amount to $45,400,000.

There is nothing we can say now where, in a situation potentially as critical as the St. Paul Adjustment, about the relative percentage price appreciation. In our opinion, it are relatively insignificant as compared with the potential enhancement of our bonds, and we believe that before the time is reached when we can say that the St. Paul Adjustments sold at 13, or about five times the present yield, etc., the 1933-42 price range has been about 1 low, 3 high.

Grace Leadership

Looking at some of the more respectable situations, we might direct attention to the Southern Pacific in the financial Chronicle,* "Businessmen for the Future" issue, in which Mr. Mooney states that the Southern Pacific is now associated with Frasbie & Company in investment in their development.

In the Armored Forces

Jack H. Bond, Vice-President of Hanover National Bank, South Texas Bank Building, San Antonio, Tex., has been appointed a Lieutenant in the U.S. Army as a volunteer officer candidate and is reporting for duty as a first lieutenant.

Blair F. Clagbaugh, special partner in Blair F. Clagbaugh & Co., Great Northern Building, Harrisburg, Pa., is now in the armed forces.

Herman A. Feldman, manager of the Cincinnati office of Geary, Jack McNab, Legg & Company, 22 Liberty Street, New York, has been appointed a Lieutenant in the U.S. Army Air Corps, Procurement Division, and is stationed in Miami, Fla.

Preston J. McNurlen has been commissioned a Lieutenant in the Air Corps of the U.S. Army Air Force, and expects to be called to active duty shortly. McNurlen & Huncan, 1201 and 1203 Federal Bldg., Los Angeles, Ind., will discontinue business as of July 1, 1942, having been already on duty as Major of the Army Air Force in the United States Army.

F. Aubrey Nash of Richard J. Beck & Co., 39 Broadway, New York City, notified the firm in order to accept a commission as a Lieutenant in the U.S. Army Air Force.

George F. Ryan, one of the founders and Vice-President of Ryan-Nichols & Co. in charge of the Southern Pacific Lines, has been commissioned a Captain in Army Air Corps, as a result of the Army Aviation, and is now in training at Miami Beach, Fla. He is on the government's list of men available and owing to the fact that these other members of the St. Louis organization have joined the Army, it appears that the firm office of McNurlen & Huncan in New York, will be discontinued for the duration. The main office, located at 105 South La Salle Street, which has recently taken new quarters on the fourth floor, was left open where business facilities were obtained.

George H. Sibbitts, Jr., Vice-President of Smith & Lombardo, Inc., First National Bank Bldg., 1228 South Broad St., Richmond, Va., has been commissioned a First Lieutenant in the Army Air Corps and is now on duty at Miami Beach, Fla.

Walter H. Weil, Jr., Treasurer of Wel & Company, Inc., Union Building Arcade, New Orleans, La., was appointed a Second Lieutenant in the Armed Forces on Aug. 14. Mr. Weil is presently stationed at Camp Beauregard, La., where he is attending the vol¬unteer candidate course and has been assigned to the aviation corps.

John G. Wright, manager of the Bond Department of Keane & Co., Penrose Building, Detroit, has been commissioned a Second Lieutenant—Commander in the U. S. Navy. Mr. Wright has been in the investment business in De¬troit since 1921, and was a partner in Wright, Martin & Co.

Billard J. W. Williston & Co.

St. Louis 90

Members St. Louis Exchange

D. B. Sherwood Joins Sifel, Nicolaus Co.

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Federal Reserve Bank of St. Louis

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"Treasury," officials stated that the dividends paid by the

companies had assets in the
Philippines and to a lesser extent
in the United States. The
companies do not have assets
in the United States and are
not subject to the same
regulations as those in the
Philippines. The Treasury
is looking into the matter
and will take appropriate
corrective action.

The companies were
insisted that the

assets were frozen
in the Philippines and
that the company

would not be able
to meet its obligations.

The Treasury also
indicated that it would take
steps to protect the

interests of the

creditors of the

companies.

The situation in the

Philippines was

described as

critical, with

many

businesses

failing.

The Treasury considered it

imperative to take

prompt action to

prevent a widespread

financial crisis.

The Treasury's actions

were seen as a

positive step to

stabilize the

situation in the

Philippines.

The Treasury's decision

to freeze the assets of

the companies was

seen as a significant

move to protect the

interests of all parties

involved.

The Treasury's

decision was

welcomed by many

in the

Philippines, who

viewed it as a

positive step to

address the

crisis.

The Treasury's

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Bank and Insurance Stocks

This Week — Bank Stocks

Money makes the wheels go 'round—and the wheels are beginning to revolve at a rate never before witnessed in this country. Wars are expensive. Peace requires maintenance expenses and they always leave the world poorer. No war of any size has ever left the world any richer than before. The Federal Reserve system, in business, has set a pace that calls for appropriations in order to carry on its operations.

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for the past five years but because of a severe loss in the last year 1934 and 1935, the company has been in a period of consolidation and reorganization. The insurance business is a very conservative and slow moving industry and the results of the past few years have been good. As a result, the company's capital stock has increased from $150,000,000 in 1935 to $250,000,000 in 1938.

Stock Clearing Corp.
To End Night Branch

The Stock Clearing Corporation, a division of the New York Stock Exchange, announced on Aug. 24 that its "night branch" service would be discontinued entirely on Sept. 1. Abolition of the corporation, which was founded in 1922, was said to be decided upon since the number of stocks that can be cleared off the New York Stock Exchange has been reduced considerably in recent years to about 10% of its former level and the corporation will be eliminated will save members of the Exchange a considerable amount of money in clearing charges.

The announcement, made by John Dassau, First Vice-President of the Stock Clearing Corporation, was "noteworthy inasmuch as the New York Stock Exchange is the most expensive luxury in the world. Our present advisability of stock exchange membership is far greater than that of any other financial institution in the world. And, in the bucket".

Inasmuch as the New York Stock Exchange is the most expensive luxury in the world, our present advisability of stock exchange membership is far greater than that of any other financial institution in the world. And, in the bucket".

Therefore, although this may appear as a "night branch" in the stock exchange, it is necessary whether or not the official rate is raised. In any well run trading corporations, the open market is beginning to obtain a higher average return on its loans and investments than it has generally been the case in recent years. What is even more important, of course, is that total earnings for the year will be considerably increased. As a matter of fact, the banks are practically forced to issue loans at higher rates than they used to, and this means that the higher rate of interest means that the amount of money available for loan will be increased.

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The Securities Salesman’s Corner

Even Shorter Prospectors Would Help Increase Sales

The SEC prospectors that securities salesmen are required to deal with is still too long. The SEC.orgs don’t like to read involved, legislative phrases—the facts are, that the disclosures of material and relevant data is designed to protect, through the average prospectus

What are the components of an offering form the basis of the information that the investor must be given by the prospectus investor? Then, if a reasonable amount of data is available, it should be submitted, and shall be made available, by a reasonable amount of time on file with the Commission. This document could be supplied. The term prospectus as used in this context, means a prospectus which carries all pertinent financial information that would be primarily used by dealers and investors. This is especially important to the investor. The legal department has been largely concerned with the investor. The investor must be reasonably concerned with the investor. The investor must be reasonably informed of the investor. The investor must be reasonably sure that the investor. The investor must be reasonably sure of the investor. The investor must be reasonably sure of the investor.

Says Counsel Refused To Approve Capital Rule

(Continued from first page) The bank has made during this period, with total resources rising from $12,000,000 to $5,000,000,000, to $2,000,000,000,000. While capital funds rose from $12,000,000 to approximately $2,000,000,000, the bank assets played, by the bank of today in the market. The bank of today in the market. The bank of today is an essential part of the investor: The bank of today is an essential part of the investor. The bank of today in the market. The bank of today is an essential part of the investor.

Mr. Baird also stated quite clearly that the investor: The bank of today in the market. The bank of today is an essential part of the investor. The bank of today in the market. The bank of today in the market. The bank of today in the market.

Before concluding the portion of this letter relating to Mr. Baird’s view, I should like to call the investor’s attention to the investor: The bank of today in the market. The bank of today in the market.

With respect to questions of solvency or insolvency, Mr. Baird stated that the Association, at least in his judgment, believed that the Association is essentially sound from a financial standpoint. As I have been told, that the Association is essentially sound from a financial standpoint. As I have been told, that the Association is essentially sound from a financial standpoint. As I have been told, that the Association is essentially sound from a financial standpoint.

Regarding the investor: The bank of today in the market. The bank of today in the market. The bank of today in the market. The bank of today in the market. The bank of today in the market.

Mr. Wendell has been in the Chicago business community for nearly forty years. At the time of the establishment of the Association in 1919, he was associated with the Chicago Board of Trade. His company is the third to take action in the Chicago Board of Trade Exchange which provide for the investor: The bank of today in the market. The bank of today in the market. The bank of today in the market. The bank of today in the market. The bank of today in the market.

Saling To Be Partner

In A. Wiesenberg Co.

Appropriately and misleadingly to lead your body to believe that its comments on solvency were an endorsement of the secured position. This is, it seems obvious, is not the case.

When I appeared before you this morning to present the facts surrounding the vote taken by the NASD were such as to create a very strong reaction of opinion from the members; that is, the majority of the members voted to refuse to do so for fear of reprisal; it was evident that none of those who voted in favor did so because of economic considerations. As a matter of fact, it was possible that very few people voted in favor of it. It is true that a number of members did vote for the proposal. The Commission Exhibit No. 5 contains every important detail. If any other aspect is raised, I stand alone in various members.

I therefore repeat what I said at the hearing—the vote should have been decided by secret ballot. Very respectfully yours,

Frank Duane, President,
New York Clearing House

P. Johnston 25 Years With Chemical Bank

(Continued from first page) The bank of today in the market. The bank of today in the market. The bank of today in the market.

Mr. Johnston has been with the bank since 1919. He has been with the bank since 1919. He has been with the bank since 1919. He has been with the bank since 1919.

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Until last Monday all indications were that the status of tax exempt State and city securities would not be disturbed in the contemplation of a surprise move on that day, the Senate Finance Committee meeting held to talk over the apple card. Voting 9 to 7, the Committee decided to make income from future issues of such bonds free from Federal taxation. This action reversed the stand of the House on the matter, which had been taken on the recommendation of Secretary Mor- gan, head of the Department of Justice, since it constituted a "special privilege." Senator George, the Chairman, in announcing the decision, emphasized the present emergency. This was evidently taking wary cognizance of the pressing opposition that was manifested at recent hearings by the Council of Mayors and numerous other municipal and State governments. Inasmuch as the action of the Senate Finance Committee betrays a law, it must be approved by both the Senate and the House and before the House more apt to listen to the pleas of local officials, it would be surprising if the final tax bill provision will be made for the revenue from State and municipal securities.

Market Little Changed

While a financial market dog which had been thought to be dosed suddenly barked, the munic- ipal market was for the time being over concern over the Senate Committee action. There is a policy of "watch and wait," since the matter is still open to negotiation. This latest move is regarded more or less as a trial balloon. Most in- terest centers on the New York trading markets, demonstrating the feeling that the market would be moved in price is attributed to the feeling that a process has been 1942.

Local Housing Notes

Ruled Exempt

The Bureau of Internal Reven- ue has decided that Miami, Fl., will not be included in the list of localities where temporary tax notes issued by local government will be made exempt from Federal income taxes. The ruling in the case of Miami, Fl., was the result of an investigation of the expenditure of local property taxes to the end that local residents are not unduly burdened with local assessments.

"Local housing authorities created pursuant to State law," which are the issuers of the temporary loan notes, "are not immune to the burdens of taxation of States and, therefore, their obligations should properly be considered in the scope of section 4 (a) supra, of the Public Debt Act of 1941, as amended." Hence such "tem- porary loan notes issued by the local housing authorities are ex- empt from the tax." Municipal Bond Club Special Meeting Called

At a special meeting of The Mu- nicipal Bond Club held at the Waldorf-Astoria hotel, New York, June 6, 1942, it was voted that the club would meet each month to receive bulletins and other pertinent information in connection with the new tax bill. The Club plans to publish a weekly supplement containing a "National Bond Market" and "New York Market" section.

Municipal Bond Analysis Prepared

J. Austin White, proprietor of White & Company, 40 State Bldg., Indianapolis, advises us that his "White's Analysis of Municipal Bonds," has just been published and copies are now available for distribution at a $50 copy.

We have not as yet had the opportunity to examine the book but we are informed that its nature is rather extensive information concerning the bond market of the United States and every city of 10,000 or more population. It includes data concerning the market contained in his 112 page publication will be of considerable value to anyone interested in municipal bonds.

The book concerns itself chiefly with two factors which enter into the dollar sale of municipal bonds, the first of which is the characteristics of the municipal population in any particular city. It is the feeling of the White's group that a city's willingness to pay—secondly, is simply the result of an over-all economic pursuit, which represents the same.

Eight years of research work and five months of compilation and research work to make the public information, says Mr. White, using Federal Census reports as his fac- tual base.

Cities Practice Economies To Meet Effects Of War

Cities cutting corners in their budgets to counterbalance war- time expenses and reduce in excess of what is the usual practice are no longer ignoring the threat of street maintenance and building improvement as a menace to be left vacant by elected officials.

This is the finding of a survey made by the International City Managers' Association, which se- cured reports on wartime econ- omies in 251 cities.

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Ark Road Field

Highway revenues of the state of Arkansas in the first seven months of the year were 2.2% ahead of receipts in the comparable period of last year. As applied by the state's department of revenue shown recently. Total net highway revenues for the months amounted to $8,490,112, comprising 18,739,348.

This showing comes as a direct contrast to the experience of some states, which have had a tough time with the problem of dwindling highway revenues as a direct result, of placing the sale of tires and, in some cases, the registration of gasoline.

The advance in the state's highway receipts, 2.2% above the comparable period of last year, is brought about by the location of army cantonments, other public buildings, and the population of the federal defense industrial plants in the state. Governor Samuel E. Goddard, in his budget message, recommended that the number of motor vehicles brought into the state, because of this increase in population, be used to offset any reduction in taxes that might otherwise be expected to result from the war.

Miss. Lists Large Cash Surplus

Those who advocate more sales taxes to solve State and Federal fiscal problems during war time may be reassured at the size of the surplus in the treasury, which is placed at $8,089,233, compared with a cash deficiency of $57,276,689 on June 30, 1941. The surplus shows that the State did have available cash for expenditures of $71,004,073, leaving a heavy cash balance for current purposes, including executive department expenses, interest payments, support of the teachers' colleges and the like.

Canadian Bonds

Continue Strong

Most opposition in this country are following with interest the continued market firmness of Canadian government obligations outstanding, and the market's evident tendency toward reduced offered prices as between Canadian and American obligations.

Republic Investors Fund, Inc., a leverage fund with bonds and preferred stock in the capital structure, the reported the value of its common shares on June 30, 1942, of $847,777, equaling the market value of outstanding.

The successor in the retirement of Earle T. Shaw as general partner and Bell B. Watts as special partner in Fellows Davis & Co., the present partnership will be dissolved as of July 1, 1942, at which date the firm will be known as Fellows Davis, Inc.

Interest of the late W. Harold G. Armstrong, former director of the Dairy Section, both Stockbouff, and ink, 111, will be received on Sept. 24, 1942.

Investment Trusts

Continued from page 711, 446, equaled the market value of the common stock before deducting the dividend of $0.40 per share payable Aug. 15.

Keystone Custodian Fund, Series "B," reported net assets as of June 30, 1942, at $3,004,973, as compared with net assets of $1,825,309 on December 31, 1941, the net assets valued at 99.8% above the number of stock shares of $85,591.

Keystone Custodian Fund, Series "A," its annual report for the fiscal year ending December 31, 1942, listed net assets at $414,746, as compared with net assets of $128,092 on December 31, 1941, the net assets valued at 99.9% above the number of stock shares of 1,486.

This compares with a net asset value of $5.70 per share on Dec. 31, 1941.

Sovereign Investors, Inc., had net assets of $333,132, as of June 30, 1942. This amounted to $4.67 per share, and 96.6% of the market values out standing of that date.

Wells Fund, Inc., for the month ended June 30, 1942, shows net assets valued at $1,018,955, compared with $787,603, on Dec. 31, 1941, or an increase of $231,352, or 29.1% above the net asset value at the close of the period. The fund declared a payment of $0.36 per share in dividends during the period. This compares with a dividend of $1.23 per share as of Dec. 31, 1941.

In addition, the Fund contained $44,716 in the capital structure, the $10,000 par value of when the dividend was declared.

Investment Company Briefs

The intermediate trend of stock prices is confirmed as upward in the August 1942 issue of the "Security Review," published by the Investment Company Institute.

The issues are that higher prices will be seen before any extended down movement takes place under normal conditions. The price increase contains an interesting discussion on the importance of "velocity" in stock selection.

The Aug. 14 issue of Investment, a "lagging investment" program which states that stocks may not show 35% income preferred stocks, 80% income common stocks, and dividends, and an approximate return of 10%. The fund is represented by Keystone Custodian Fund, Series "B," "K" and "S."

Under the title, "Bank's Earning Assets Expand to Record High," the fund's financial statement was published in the new edition of the "Investment Banker's Guide." The record high is seen in the future. The near runs of the successful bidder and the highest income. Another issue is also appended.

(Ed. Note—Very few municipal bond issues of major size are coming to market in the near future. With expenditures for local improvements held to bare necessities by the demands of war time policies, the prospects naturally is that for some time to come the amount of new issues to be offered will be small."

September 1

$845,000 Maryland (State of). Issued July 4, 1941, is in low because of earning and dividend rates. The bonds pay annually a 3% interest, payable July 1 of each year. The bondholders are the State of Maryland, 857,600, of New York, 36,000, and the FIRST Boston Corporation

September 2

$709,444 Long Island, Minn. Last April the city issued bonds in the amount of $709,444. This bond was sold to the "Northern Trust Co. of Chicago and the bond is held in the public market.

September 15

$1,500,000 New Orleans, La. The bonds issued by the "Bank of New Orleans," are of $1,500,000, are rated bond for the "New Orleans Bank and Trust Company., and the First National Bank of New Orleans.

September 22

$500,000 Honolulu, Hawaii. These bonds are registered by the "Hawaii Land and Investment Co." The bonds are registered by the "Hawaii Land and Investment Co." The bonds have been issued in the capital structure, the $10,000 par value of the common stock is equal to $10,000 when the dividend was declared.

The August issue of Calvin Bullock's "Personal" dealing with the possible rise in the capital market in the future. The issue is based on the discussion. This issue has been published in "Leverage in Agriculture." In addition, the Fund contains $19,000 of the Fund, a nine-year, nine-months performance is given.

Be To Sweetwater Partner

Brendan Is Buck Partner

John F. Brennan, member of "To Sweetwater," has become a partner of "Buck & Co., 39 Broadway, New York City, a member of "Buck & Co., 39 Broadway, New York City and Curb Exchanges." The firm is now active as a personal floor brokerage firm as a partner in Stein, Brennan & Co.
New York City Gains On Convention Relocations

The New York Convention and Visitors Bureau has announced that the American Psychological Association of New York, Inc., on Aug. 10, released a list of conventions that it had originally intended to hold their conventions in New York City, but the city, finally, because of lack of hotel or transportation facilities, was unable to accommodate them, to avail themselves of New York City's superior accommodations over and above those available in any other location. A plan that had been selected originally, the list also disclosed, had been released to the organization that they would be scheduled to meet here, but decided to move the conventions to meet in New York City, in effecting the states of New York and New Jersey.

The two lists revealed that the expectations of the APA was indeed justified as the city's offerings, in many cases, greatly outstrip the offerings available in other convention areas, the APA report provided. However, human nature being what it is, it is only logical that if the APA had been able to place its conventions as it intended in the first place, it would have been to New York City's avail.

In releasing the list C. N. Nichol, director of the Convention Bureau, pointed out that 15 of the 40 conventions transferred from other cities, which had been the city out of business, and that 9 were conventionally scheduled to be held in Washington, but because of New York City's overwhelming facilities, has been compelled to move. To date, New York City has secured 55 conventions which, it has been stated, had been scheduled for citywide Atlantic City where convention facilities are not available in such facilities, greater ease of transportation is secures, and for regular

Stirrup Pumps Delayed

James M. Landis,Dickson, of the Securities and Exchange, pre¬
dicted on Aug. 13 an indefinite delay in the issue of the stirrup pumps for fighting fires in the cases there after. Mr. Landis, of the New York, "it is the obvious that is in the public interest, as the pump is a polyvinyl-butyral, a substitute for rubber in use. Then the pump will hold.

The substitute was developed at the request of the (C.D.C.) when it found last May that rubber hose could not be obtained, but the Army and Navy have requisitioned the entire supply because of the usages, many forms of waterproof garments and contain¬

ments. This was stated by Mr. Landis issued as Sec¬
ond, (N. Y.) Regional Headquarters.

"Every possible source is being explored to procure a satisfactory stirrup pump,dbg. Mr. Landis said. The military use of the pump is 100,000 feet of hose had been opened and the pumps in hand was 800. The number was ready to let contracts when we were informed Aug. 4 that pri¬

erly, where have steadfastly refused to

business is he skillful at evading and circumventing laws and regulations. This proposed regulation can be evaded with much difficulty by the firm of New York, and the dealer is required to keep books and records which are subject to examination by the SEC, and to have a registered chief accountant who is subject to examination by the SEC. It is difficult to see how the proposed rule can strengthen those already in effect, except as it requires a dealer to tell a customer what his profit is on any transaction, and to charge a close his cost price.

If the SEC's proposed rule is to state the prices of its competitors, should not every merchant and dealer be required to do the same? Why is the SEC not interested in the cost of a product? Is not a lawyer compelled to tell his client the best price he has been able to locate among other lawyers for the same service or advice? Or a dea against are themselves against the SEC that the office visit or an operation? There is no difference, for the security dealers, as are the lawyers, can charge what they wish to sell. In every field there are a few high price and low profit boys, but in the security field the SEC is not provided by the opinion, by the honest, sincere dealers, merchants, doctors or lawyers who seek to build their businesses by a reputation for being square should be permitted to compete.

It appears to me that this proposed rule completely fails to consider and understand certain phases of over-the-counter business particularly in smaller communities which have small losses of local business and are not quoted in the newspaper. It often happens that there is but one market for a certain security which may be the house of origin. Many firms do not trade in these securities except as they may lose to the small firm that is the market. It is not possible for that firm to get other bids and asks.

In the cases of active securities, however, the complications caused by this proposed rule will be many. The consolation dealers would be compelled to give their clients a competitive price. They must ascertain their bids and asks. He could not make or confirm a bid or ask, even after he had done. Let us take a case of a security that enjoyed an active market with several local dealers interested. Dealer A might be selling at $2,075 for the firm would be willing to pay that. He calls other dealers, and finds that the best bid they offer is 29. Dealer A may decide that he was sure to get a 29, and the price is $2,125, it is now 100. The low bid will tend to become the general bid and the high bid will be forced up. There will be no opportunity to be hindered and price fixing will be encouraged by the workings of this proposed rule.

The customer will not be benefited and he will know that dealers have been, and, indeed, have been compelled to compare notes by this rule which is inherently a destructive competitive bidding.

Some security was traded in Indianapolis and Chicago and he would be compelled to get the best bid and ask price to get the information required under this rule. Greater activity in the security the market as compared to the other might result in higher prices which would put the dealers in the less active market in entirely bright light in a customer's eyes. The customer must be told the best bid and ask and if Chicago, will ask less than that prevailing in Indianapolis, Indianapolis would be compelled to drop its price and likewise, in a way, so as to conform to this rule, which would be an utterly destructive competitive bidding."
To Secure Art Collection
For National Gallery

President Roosevelt informed Congress yesterday that the Widener art collection has been willed to the National Gallery of Art in Washington, D.C., for an appropriation of $150,000,000. The ruling of the proposed estate is that the Treasury would be in the hands of the estate.

The Associated Press reported that the Widener family would allow the gift to be made, Washington August 30.

"Mr. Roosevelt said the collection is the smallest of the private art collection in existence in the United States, and that the gift would be made by the Treasury, the National Gallery, and the state of Pennsylvania.

Widener was a millionaire who had served as a member of the New York Stock Exchange. The collection was made up of paintings and sculpture, and copies of his correspondence with the artists.

The Chief Executive said that the gift was a great satisfaction to knowing that the nation's art would be preserved.

His office was yesterday, and Mr. Roosevelt sent a letter to the President, within 24 hours after his death, expressing his regret.

The collection will be housed in the Marble Gallery donated to the Government by the late Andrew Mellon, where the letters and correspondence of the collections are now displayed.

In his message the President said in part:

"I need not dwell on the general beneficent work of Peter A. Widener of Philadelphia, who for many years has made possible to his collection of paintings which are now displayed at the National Gallery of Art was established at the seat of Government."
Propose Tax Deductions To Aid Those
Mealing "Abnormal Fixed Commitments"

Proposals designed for the relief of debt burdened corporations
and individuals were presented to the Treasury Department on Aug.
25. Under the Treasury plan, ac-
crion of a business property or
an individual would be allowed to
take advantage of the following
deductions on individual and
in buying war bonds, the
Committee was told by Ralph
E. Davis, chairman of the
ate.

1. A post-war credit of 12% of
all taxes collected, including
nurs
with the earnings on
excess-profits taxes.

2. A "general reserve" consist-
ing of a corporation's excess-profits net income, which
in the absence of a law in
house to meet outlays for deferred
funds, to ordinary company
ories, and similar charges
reduced to reinforce the company's
operating efficiency before the
war.

The plan was not
recom-
recommended a system of post-war
bonds. It was left to the
Committee, and interest centered
upon the proposals to stimulate
war bond sales by government
Members of the Senate
have contended from the
beginning that such a system
would result in outright
oppression, which was
necessary in order to
increase the balance on commercial
banks to finance the deficit
during the post-war current
fiscal year.

Secretary Morgen-
thad resisted all such pro-
posals, and had insisted that vol-
untary war savings calls
had been expected to bring in a
large sum to help balance the
current fiscal year, should be
considered, he said at the hearing.
Yesterday, however, the
Secretary declared that the
Treasury would fail to attain its sales quota in
August for the third straight
month.

You will have to ask the
American public," Mr. Morgen-
head, "for the reasons for this
failure.

He added, however, that the
Postal Savings System is
"intended for the time being.

Mohair Unrestricted

The War Production Board on
Aug. 13 released mohair from the
Strategic Material Conser-
vation order so as to encourage man-
ufacture and use of mohair in
civilian fabrics. Previously
mohair was being conserved
for war use only, but it is now not
developed as rapidly as an-
other material. As a result, stocks
amount to 19,000,000 pounds
will be shorn soon from the
Angora goats in Texas.

The limitation on mohair used in the
United States was turned into
piles flat with the mohair
exclusive, but, since autos are
still being manufactured, this
market is now lost.

Tomorrow's Markets Walter Whyte
 coincide with those of the
Chronicle. They are presented as those on
Barometer.

LAMBORN & CO. 99 WALL STREET NEW YORK CITY
SUGAR
Export-Import-Futures

Up-Town After 8

The movies

"Somewhere I'll Find You" (MGM), is the last picture for
the duration but it won't stop men who see it from
what with envy (and longing for kin) the latest
newspaper photographs
how such fun and met such interesting people; or make the ladies
stop to buy a new dress or to brighten their lives.

For Gable is again the gay young Lothario who knows all the
answers, who knows but that he's been back to sell theensors
and Robert Siegel, brothers, and ace foreign correspondents, arrive from
abroad, Gable, to tell his boss off, and Sterling, a
Turk, to buy his paper. They are about to new Gable and the
blonde Miss Turner haven't met, but when they do the kid
brother is as nervous as a -- in the cool. Miss Turner is
ready to suit her heart but finds that Gable really doesn't want her. He's just saving his kid brother from her.

So to help mend her broken heart she goes to India, where she promptly loses herself. So the brothers put on the
Stanley-Dr. Livingston act, go hunting for her, find her, and then they all star off for old Manhattan. Then it's
no longer a burning story of love among unimpressed newspaper people. It becomes an exciting drama as seen through the eyes of
the boys trapped on Corregidor and in Bataan. The love tale of the Gables, Turners, et al, becomes a thrilling adventure as they
put up against the Japs. If nothing else in "Somewhere I'll Find You" matters the exciting scenes toward the close make up for it.

You probably thrilled to "London Can Take It" and to the other
documentary movies while waiting to get a date if you want to see one that will lift you out of your chair burning to do
something, to join in, to help, then don't fail to see "Moscow Rises
Back to Life" (M.G.M.).

The characters are not Hollywood actors posing theatrically. For one
reason, they are not actors at all, but ordinary life-size Russian
masterpiece. For another, a man fighting for his country, his home,
his family, his life, he is filmed in fighting his camera. This
makes for the "Moscow Rises Terrific." You are part of the
Red Army as it moves in and recaptures Russian villages after village
last December in the attack on the Nazi performers. You are with
them as they charge in tanks, on horses and on foot. You are
right there at the scene of the battle. No actor could hit a note as
village not as a part of a Fitzpatrick technicolor travelogue but as a
man right there in the front line. You see it as it happened, as
as Nazis are flushed out from under perches. You see the Nazi
handiwork. The innocent civilians, old women, babies and
old lady who are killed. You see other Nazis -- and
doing in yellow, and boys
swinging from a gallows. It's a picture of Nazi horror you won't soon
forget. You see a man fighting a near impossible battle in
They are dying. Nothing like it has yet come out of this war so far. "Moscow Rises" is a human story. You will see the
villagers with the "convenience." It's redolent of the Paris
that is being cleared of Germans ($2.50). Be sure to see it and have
of the interesting people. Soldiers of Free France in New York have already
discovered the nostalgic charm of the place and make a bee line for it.
In fact, all the bravest are near enough to hear it. I'm familiar, however, with the ability of the
gas grill to get you up into a
and sometimes into going through it
The star of the supper program is Luba
Malina, who is also featured in "The Life of
Gable and another," a
and English, and a
Mr. Terracell, magician. While giving the effect of
size the place is really small so it would be wise to phone ahead for reservations.

In writing about the Penthouse Club I unwittingly overlooked
Miss Frances Thomas, the young lady who knows all-sorts-and-
tells-all, or as much as a lady can tell. Miss Thomas, a palm reader
who takes your hand, shines a flashlight on it, thing about it and
let you have it. She comes closer to the facts than a Dus & Brandt-
street report. Embarassingly close. As the read your wife's palm, a
lady who is a scotsman away back, I last back and start at my
suspense's amusement. But when my turn came it was something else.
Finally I had my palm read. It was Liverpool, Eng., last year.
Serves me right. Next time I have a hand-holding session with the
in the state Miss Frances Thomas
see in it my wife stays at home.

Central Park to the north. Serving best food, skillful
A most unique restaurant in a
32 CHELSEA PARK SOUTH
An Elegant Time
A menu of exquisite choice
Serving best food, skillful
Entertainment after 11 P. M.

R. R. Fairfield Co. Acquires
Wls. Inv. Counsel Firm
CHICAGO, ILL. -- The invest-
ment club of that city, R.R.
Fairfield Co., 103 West Adams
Street, announces the acquisition
of the clientele of Associated Bank
Trust and Investment

The latter firm was
formed by the late
Egbert A. Brown, who was well
known in banking circles through
out the State of Wisconsin.

The Theatre Department
announced on Aug. 14 that re-
depositions of war savings bonds
have been insignificant in volume
in comparison with the total
amount outstanding or with
monthly-monthly sales.

As of May 1, 1942, the
receipt of $900,000,000 from the sale
of war bonds in July, the redemp-
tions amounted to slightly under
3%.

Of the $7,550,000,000 of E, F
and G bonds sold through July,
1942, the Treasury Department
in May 1, 1941, 98.7% still are held
by the more than 20,000,000 indi-
viduals who bought them, the Treasury

For all series of United States
savings bonds, A through G, in-
cluding the readmissions in de-

Deaths 4-727
July Life Insurance Sales Decline

The sales of ordinary life insurance in the United States in July amounted to about 21% below the volume sold in the corresponding period of 1949. A survey issued by the Life Insurers League of Hartford, Conn., made available Aug. 14, showed that for the first seven months of 1942, aggregating $4,031,746,000, it was even with the amount sold in the same period of 1941.

The sales volume and the ratio of the volume reported by the Bureau as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales Volume (in millions of dollars)</th>
<th>Ratio (to the comparable period of 1941)</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 1942</td>
<td>1,089,597</td>
<td>1.00</td>
</tr>
</tbody>
</table>

"America's And War"

Inter-American cooperation and hemispheric defense have been furthered by measures used with varying degrees of success in the Caribbean. The program of free shipping to the United States and the United Nations for the 1942-43 crop years has been extended to cover items of agricultural importance to the Caribbean countries.

A proposed agreement is to be signed providing for the sale to the United States of a certain quantity of sugar from the Caribbean countries for a term of years.

Move To Reclassify

Married Women and Draft

In a special statement to Congress on Aug. 13 recommending that classification of all married men be based on a "current" basis, Dr. L. S. Rowe, head of the American Union, points out that the War "reflects a singular lack of understanding of international relations." With a "prophetic vision," he continues, "we must assume that the events of the past 25 years have so affected the trends of events severally been considered, and adopted appropriate measures to meet the contingencies that might arise. He concludes, "The measures adopted were not the spontaneous action of a single individual or a single group of individuals; they were the result of a long and arduous process of thought by many years to improve the reciprocal position of the United States and the American Republics in one great circle around the world."

"The Americas And The War"

The War has not affected the United States and has been purchased for $25,000,000,000 by the Pan American Union, Washington, D.C., in May. This is in addition to the money which the United States has already invested in the expansion of the Panama Canal. The United States has paid about $25,000,000,000 in construction of the Panama Canal.

To Buy El Salvador Rubber

The State Department announced Aug. 24 that El Salvador has agreed to sell to the United States all the rubber of the El Salvador Federation for the next four years, except what may be consumed by the armed forces and the essential requirements.

This is the eleventh such agreement made with the United States and the British Empire, France, and the United States of America and the Republics of Argentina, Brazil, Chile, Colombia, Ecuador, Mexico, Peru, and Venezuela.

Dried Fruit Ceiling To Be Up 15% At Packer Level

The Office of Price Administration announced on Aug. 19 that the price ceiling on dried prunes, pears, peaches, apricots, figs and raisins has been increased by 15% from July 1.

Concessions For Panama

As Promised By Roosevelt

President Roosevelt, in his special message to Congress on Aug. 13, commended the concessions which have been granted by the United States to the Republic of Panama. "I do not believe there is a single instance in which the United States has ever done more for a foreign country than it has done for Panama in this case."

British Supply Mission

The British Purchasing Commission, 15 Broad St., New York, is in the United States to purchase goods for the British Ministry of Supply. The mission is known as the British Purchasing Mission and is responsible for the purchase of goods for the British Ministry of Supply.

Dried fruit ceiling was increased from $500,000 to $75,000,000 sales values for a number of dried fruit products. The new ceiling is effective immediately.

"Stamps No. 6 and 7, for two pounds of sugar, may be used until midnight, Aug. 22. Additional cents on this second two-pound bonus."

The Office of Price Administration, established new regulations for the sale of the stamps, allowing for the sale of two pounds of sugar for $6 and 7 cents and for the sale of two pounds of sugar for $8 and 7 cents.

The regulations also stated that for the sale of two pounds of sugar for $8 and 7 cents, the stamps must be used on the same day as the purchase of the sugar. The stamps are valid for one year from the date of purchase.

The Office of Price Administration also announced that the stamps would be sold in denominations of $2, $4, and $8 for the sale of two pounds of sugar, and that the stamps could be redeemed for two pounds of sugar if they are used on the same day as the purchase of the sugar.

An investigation was made of providing allowable sugar inventories for the sale of stamped goods and the results of the investigation were published in the 1940-41 Sugar Industry Survey of the United States. The survey estimated that the United States had a sugar stock of 1.4 billion pounds as of Dec. 31, 1940.
Calendar of New Security Flotations

Following is a list of issues whose registration statement will be filed within the next twenty days. These are the issues that have been given the order of filing dates. These dates are grouped according to the dates on which the registration statements will in normal course become effective, that is, when filed with the SEC. These dates may not necessarily correspond to the actual effective dates, which are seven days after the SEC receives the registration statements. The SEC will provide the dates of effectiveness for these issues in the following week's issues of New Security Flotations.

These dates, unless otherwise specified, are for 4:30 P.M. Eastern Standard Time as of the date and time of filing (8/20/42)

Offerings will rarely be made before the day following.

TUESDAY, SEPT. 1

THE TRON COMPANY
The Tron Company has filed a registration statement with the SEC for 5,000 shares of preferred stock, par value $100 per share.

Business—Company manufactures, finishes, and distributes bleached cotton, rayon, and synthetic fabrics in the state of New Jersey.

Undertaking—Ray & Co., Atlantic City, N. J. (filed for company underwritten by 8/20/42)

UNDERTAKING

Boston, Mass.

BONDX INVESTMENT CORP., Boston, Mass., has filed a registration statement with the SEC for $1,000,000 of preferred stock, par value $100 per share.

Business—The corporation is engaged in the ownership and management of real estate.

Undertaking—Koch,allah & Co., Boston, Mass. (filed for company underwritten by 8/20/42)

BONDX INVESTMENT CORP.

Boston, Mass.

WEDNESDAY, SEPT. 2

BOND INVESTMENT TRUST OF AMERICA
The Bond Investment Trust of America has filed a registration statement with the SEC for $2,000,000 of preferred stock, par value $100 per share.

Business—The trust is engaged in the ownership and management of real estate.

Undertaking—Bond Investment Trust of America, Inc., New York (filed for company underwritten by 8/20/42)

BONDX INVESTMENT TRUST OF AMERICA

New York

THURSDAY, SEPT. 3

BURLINGTON MANUFACTURING CO.
The Burlington Manufacturing Co. has filed a registration statement with the SEC for $5,000,000 of preferred stock, par value $100 per share.

Business—Company is engaged in the manufacture of rayon, cotton, and synthetic fabrics.

Undertaking—Burlington Manufacturing Co., N. Y. (filed for company underwritten by 8/20/42)

BURLINGTON MANUFACTURING CO.

N. Y.

FIDELITY INVESTMENT CO., Boston, Mass., has filed a registration statement with the SEC for $1,000,000 of preferred stock, par value $100 per share.

Business—The corporation is engaged in the ownership and management of real estate.

Undertaking—Fidelity Investment Co., Boston, Mass. (filed for company underwritten by 8/20/42)

FIDELITY INVESTMENT CO.

Boston, Mass.
President Roosevelt instructed the heads of all Federal and Departmental agencies to refrain from public debate of differences with the directors of the banks and other agencies. The President said that “too often in recent months” there has been public debate among agencies which contributes “only to the confusion of the public and are a direct and serious handicap to the prosecution of war.”

In dealing with the many complex issues involved in the public debt policy and in conflict with the public interest, the President’s conference with the heads of the Government, opinions sincerely held, and no resulting conflict. However, often in recent months, responsive and responsible officials of the Government have made public criticism of other Government officials and have made public statement based either on inadequate information or on failure to appreciate all the aspects of a complex subject and in a public communication.

Brenda Heads Must Settle Disagreements Privately Orders FDR

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Brenda Heads Must Settle Disagreements Privately Orders FDR
Result of Treasury Bill Offering

Secretary of the Treasury Henry Morgenthau, Jr., announced on Aug. 24 that the tenders for $550,000,000 in Treasury bills dated Aug. 28 and maturing Aug. 28 were accepted. Tenders received on Aug. 21, were opened on Aug. 24 at the Federal Reserve Bank of New York. The amounts and discounts are as follows:

<table>
<thead>
<tr>
<th>Tendered</th>
<th>Accepted</th>
<th>Discount</th>
</tr>
</thead>
<tbody>
<tr>
<td>$550,000,000</td>
<td>$489,002,000</td>
<td>$60,978,000</td>
</tr>
</tbody>
</table>

Total accepted 3,582,850

High 50 6/40

Low 49 1/40

Equivalent rate approximately 0.827%

Yield 2.039%

James Brown Dies

James A. Brown, Vice-President of the N.Y. Central Co., Inc., Atlanta, Ga., died at the age of 52. His father, Frank Brown, was connected with the American Railway Union and was associated until 1914 when he joined A. C. Evans & Co.

Attractive Situations

The current situation in Phila. is much the same as in the rest of the country. The current situation for securities is not particularly favorable to investors. There is no indication of any change in the price of any of the major issues. The stock market is at a standstill.

Wm. Stafford, Sr.

William F. Stafford, Sr., member of the New York Stock Exchange, and president of the New York Stock Exchange, died on Sept. 1. In the past Mr. Butler was a limited partner in the firm of Blauer, Simons & Co.

Our Reporter on "Governments"

Continued from first page.

In all cities, the requirement against demand deposits is 14%.

Chances are the requirement rate will run along as is for a while and then, when the Chicago and New York banks get into a tighter position again, the rates will be cut again. Maybe to 22%. And then, a third step might bring them down to 20%.

Inside the Market

To indicate the "squeeze" on bank bills before reserve requirements are met, the New York Federal Reserve Bank is working to bring about the $500,000,000 of Federal funds to the New York Federal Reserve Bank at a peak of $800,000,000 one day recently. That was the highest level shown at any time during the year. The funds of banks from the Reserve Institutions was unusual and very high. The funds were being lent to members of the Reserve to enable them to meet their obligations.

The Federal Reserve has been working on the problem of the Federal Reserve Bank of New York, and the Chicago Reserve Bank and the Central Reserve Cities, which is the statutory limit, has been in effect for a long time.

Regarding the Reserve Board's action on Aug. 18, the following statement was made.

"Officials said the action had been because the lendable balance of Federal Reserve banks had fallen to $15,000,000, the level which was set as the lowest limit of the first World War. As recently as 1936, the lowest level reached was $35,000,000 more than $3,500,000 of such idle money was being used."

"Behind the action was an important change in the law of the national money occasioned by the war. In peacetime, the country was able to get more money from abroad than it was able to use."