Our Reporter on "Governments"

The new 2s of 1952/56 are selling at 100. ... Their issue price, selling at 100. ... Their issue price some months ago. ... Just look at those two figures, try to reconcile them with the basic rules of price-maturity-yield relationships. ... It's rather silly, isn't it? ... But then again, that's sort of situation you get into when bonds are sold at a price too close to the market and the official sources extend support to the market. ... Unless we miss our guess and unless (which is much more important) the Treasury and Federal Reserve System miss their task, the longer 2s and the shorter 2s and all the other 2s we can look forward to will disappear at par—come another. ... So let's admire another action is going by the boards. ... No longer can you sit down and figure what spreads should exist between issues in the basis of the fundamentals.

And here's another report, indicative of the present situation in the commercial bond market. ... Wheeler, had his profits in such active. ... taken a subsequent

The factors behind the sudden development. ... There is no certainty but one story is a major institution in the New York district showed its hand as a seller. ... Dealers went to the Federal Reserve authorities, asked what the official support would do. ... Received a cool reception. ... and market reflected this immediately. ... Another is the Federal Reserve itself started the thing by suggesting that dealers who are marketing bought securities off their books. ... Prior to the last financing and during the days the substandard bonds were open, the Federal was a prime buyer of outstanding securities. ... It didn't buy those obligations for permanent holding and its indications to that effect set off the movement. 

And it may be that another explanation entirely is responsible. ... But that doesn't mean. ... $4,000,000 in new issues are that Morgan's could be affected. 

But it's about time discussion of the recent financing was ended. ... One thing, surely—the Treasury officials want to put a halt to the practice. ... And with the endorsement of the Secretary of the Treasury Daniel W. Bell at the Investment Bankers Association's war finance conference Monday evening, we've had final confirmation of the Treasury's intention to make the standard bond a commodity for commercial banks. 

Banks are going to be handling the Treasury's obligations as before. ... And they're going to do that by buying billions of dollars worth, the first day from 88-day to 10-year bonds and carrying interest ranging from 4 3/8 to 2 1/2.

"EVERYBODY WORRIED"
A telephone call to one of the big dealers in Government securities this week elicited this reply: "don't know what's going to happen to...

(Continued on page 1440)
**G. Milburn In Army; Firm Elects Cochran**

WICHITA, KANS. — Glenn L. Milburn, Vice-President of Small, Mill & Co., has been called into the U.S. Army. Captain Milburn has been head of the Selective Service Center for Kansas. He is a noted public speaker and has served as a judge in the war bond drives. He was a former member of the firm's executive committee and is active in the local and state political associations.

**Ralls In Reorganization**

The Status of Railroads in Reorganization is the subject of a letter recently received by the editor of the New York Times. The report states that the railroads are in the same condition as they were in January, when they were first placed in receivership. The report notes that the railroads have not made any substantial progress in their efforts to reorganize. However, it does state that there is a growing feeling among the railroads' creditors that a solution to the problem is becoming more likely.

**Attention**

**Banks - Investment Trusts - Estates**

We invite confidential offerings of Blocks of Stocks and Bonds for placement with our customers

Correspondence Invited

120 Broadway
Ward & Co., Phone Rectory
New York 1, N.Y.

**Representative Contact Man**

Are you in need of a CONTACT MAN or REPRESENTATIVE with a wide acquaintance in the brokerage and banking fields? We are in a position to offer assistance and are ready to serve you.

15 years in the above capacity with THE NATIONAL QUOTATION BUREAU (Daily Sheets), Box K 19, Financial Chronicle, 25 Spruce St., New York.

**Opportunity For Salesmen**

Four high grade salesmen, preferably with investment trust experience, wanted for Miami and Orlando, Florida, representing a well known company. An excellent opportunity. Write giving full particulars to advertiser, Box H 21, Financial Chronicle, 25 Spruce St., New York.

**Detroit & Canada Tunnel Bonds & Stock**

Southern Cities Utilities

Consolidated Electric & Gas

Water Company

G.A. Saxton & Co., Inc.

**Stein Bros. & Boyle Admit New Partners**

Baltimore, Md. — Stein Bros. & Boyle, prominent investment bankers and members of the New York Stock Exchange, announced that Allen L. Carter, former vice-president of the firm, has been named as a partner.

Mr. Carter, who is a member of the firm, will be responsible for the investment banking business in the New York area.

**Steiner, Rouse & Co.**

Members, New York Stock Exchange, 42 Broadway, New York-Stock Exchange Building, 4th Floor.

**Alabama Mills Debardenes 45, 1957 O'Car Co. 5, 1955**

**Steiner, Rouse & Co.**

Members, New York Stock Exchange, 42 Broadway, New York-Stock Exchange Building, 4th Floor.

**Friday's Wind**

75 Shares

River Railroad

69 Shares

Pittsfield & Adams Railroad

HUNTER & CO.


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**Steiner, Rouse & Co.**

Members, New York Stock Exchange, 42 Broadway, New York-Stock Exchange Building, 4th Floor.
St. Louis Traders Club
Elects Richter Pres.

ST. LOUIS, MO.—At the annual election of the Security Traders Club of Saint Louis, the following were selected as officers for the year 1942-1943:

President—Henry J. Richter, of Scherck, Richter Company.
First Vice-President—Emanuel J. Brennan, of Brennan, Kinsell & Company.
Second Vice-President—Raymond J. Desyen, of Deseny and Company.
Third Vice-President—Earl Godbold, Jr., of Goldman, Sachs & Company.
Secretary—Richard H. Walsh, of Newhard, Cook & Company.
Treasurer—Fred S. Kelly, of Sibley, Neolaus & Company, Inc.

The election was held at the DeSoto Hotel.

October 15, 1942.

Henry J. Richter

We are interested in high grade public utility and industrial preferred stocks.

Spencer Trask & Co.

25 Broad Street, New York
Telephone HAnover 2-6300

We take pleasure in announcing that

Mr. Allan J. Carter, Jr.

Mr. Leroy A. Wilbur

Mr. Edward J. Armstrong

have this day become general partners in our firm,

STERN BROS. & BOYCE

Established 1853

6 S. Calvert Street, Baltimore
Telephone Van 5400

NEW YORK

PHILADELPHIA

LOUISVILLE

York, Pa., Hagerstown, Md., Cumberland, Md., Wellington, D. C.

MEMBERS OF NEW YORK STOCK EXCHANGE
and other leading exchanges.

October 15, 1942.
MAJESTIC APARTMENTS
A Low-Priced Speculation In Bond And
Real Estate Ownership

During an inflationary period, real estate has often been considered desirable to own.
With this thought in mind, the writer has investigated a great many real estate bond issues that also carry a share of the equity ownership with them.
After a study of the market, we have concluded that the second mortgage bond of the Majestic Apartments are of worth. The bond issue on this property presents a very interesting speculation in real estate ownership. Each bond carries with it stock representing an equal share of the ownership of the property. A first mortgage placed ahead of the bond issue, will be held by the Aetna Life Insurance Co. as recently as August, 1940. A study of these bonds establishes a fairly good indication of the value of the property. The owners of the bonds, the bondholders, have been receiving some interest payments on their bonds, since which dates 1947 had totaled $43.54 for each $770 bond. All of this interest was not paid out of earnings. Part of 1923 distribution was from a re¬fund of taxes. While the inter¬est payments are small, based on the last interest payment and current market, the bonds offer a yield in excess of 8%. The installment is $5,150, compared to $7,500,000 in 1929. A study of the annual market of the securities, it is pos¬sible to state a low figure of $2,734,500, com¬puted as follows:

<table>
<thead>
<tr>
<th>First Mortgage</th>
<th>$2,000,000</th>
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<tbody>
<tr>
<td>Bond Issue With Own¬</td>
<td>6% of face value</td>
</tr>
<tr>
<td>eral Thanks</td>
<td>$2,734,500</td>
</tr>
</tbody>
</table>

The loan taken by the Aetna Life Insurance Co. expired in 1950 and was in the amount of $2,435,000 at 4% interest and 2% amorti¬zation. This mortgage has been reduced by amortization payments and is presently outstanding in the amount of $2,000,000. It is assumed that a 20% of the value of the property loan, this would leave an appraisement of $4,870,000 for the property by the Aetna real estate experts.

This loan was used to refi¬

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This loan was used to refi¬
Top signs indicate in spite of Tuesday's strong close and yesterday's body-swinging.

By Walter White

The word is now out that the minor decline of the latter part of last week and the slight further market shading of this one marks off the end of the technical reaction, and from now on there is only one way for the market - that's a feeling that has already gained a lot of new adherents. Brokerage house market letter, market services and others are seemingly now of one opinion.

Get aboard before the band wagon starts rolling. This bullish sentiment was further intensified when the market suddenly shut up Tuesday afternoon.

On the next day's opening, Wednesday, prices opened still higher while the averages which closed the previous night at 115.22 opened higher, gaining a 30-cent gain of some 30-odd cents. And in the next 20 minutes added another 30c to make approximately 116.

Everything was nice. The market did not look back again and people were jamming order windows to place orders. Whether or not this was actually happening I don't know. I'm just repeating what I was told by enthusiastic telephone callers who claimed "I am right in ... & Co's customer, I see it happen!"

This all leaves me cold. If people are stepping up each other's heels to buy stocks simply is another reason for me to feel anything but optimistic.

Up to last Tuesday everybody could see that the market was dull on self-offs and volume picked up whenever prices showed a tendency to go up. That helped along the feeling of bullishness to be easily seen. But yesterday, after the flash opening, activity began to increase not on the up but on the down side.

This doesn't mean the market will go right down from present levels, or it could, that it will break wide open. Things have many public orders under the present market. But let these orders be filled and you will see prices a lot lower than they are today.

There are some shorts in the market but most of them are small ones with a tendency to the first bulge. So their supporting effect on any declining market will probably be negligible.

The question has come up as to whether or not I consider this a bull market. The answer is a flat yes. For basically the change I saw when the exchanges opened, was about 20 points lower and when I recommended the purchase of stocks, is still present. But, I'm not an investor (using the classic interpretation of the word investor). I'm a trader. And as a trader I'm concerned with only one thing - profits. If I think a stock, or the market, indicates an up move I advise readers accordingly.

When certain indications begin to appear which is what I believe is a top I recommend profit taking. The fact that the basic trend may still be up leaves nothing to do with my decision.

Even in bull markets too much money has been lost in holding on to swings for fear of missing the top. Such technical calls as "technical corrections." During technical actions I'd rather be out of the market. For there is nothing There is a hatful with a killing my nails and phoning everyone I know asking me what I thought of the market.

As I'm writing this the market has gapped higher. Here and there a few stocks are off from their openings. Nothing to look over/look or that techniques call "technical corrections." During technical actions I'd rather be out of the market. For there is nothing there but a hatful with a killing my nails and phoning everyone I know asking me what I thought of the market.

The element of time is naturally important. The longer it takes for the market to get down to the 110 level (or an approximation of it) the weaker will be the sub sequent rise. But in any event current market action is anything but conducive for new purchases.

As of last night the stocks you still hold are as follows:

Air Reduction bought at 30, half profits taken at 35, is now about 37 and a high fraction. Last week's stop was 34. Raise it now to 35.

Allis Chalmers, bought at 23, half profits taken at 25, is now about 27. The stop of 24 given last week should now be raised to 25.

Crane, bought at 12, was sold at 14 or better (see last week's story). During Tuesday afternoon's hectic...

[Continued from page 1531.]

Defaulled Railroad Bonds

PFLUGER, BAMPST & RUST

New York Stock Exchange

61 Broadway

Telephone: E. 5-1913

Railroad Reorganization Securities

RAILROAD SECURITIES

The financial community, or at least that large section of it whose interest has centered on the reorganization railroad list, had a rather large alteration of new fixed interest bonds offered by the old First & Refunding Mortgage, the Commission merely reduced the proposed new fixed debt to $136,898,000 and new fixed interest to $3,328,000 compared with roundly $152,000,000 and 6% $45,000,000, respectively, contemplated in the original plan. Filing of the new plan had a damping effect on most of the New Haven securities (except for New England Bond and First & Refunding Mortgage, which were the only ones to benefit from the revision) but in no instance repercussion on the rest of the reorganization - New Haven. Stocks are apparently continuing in their behavior of last week, and the Commission in the New Haven case does not establish a precedent. In part in the Rock Island issues, some of the huge issues like the First Pac West, and Pacific First & Refunding 6's indicate that the general speculative public continues the opinion that the possibility of rejection of existing plans (Frizzo has already been rejected), and subsequent setting aside of the plan and outstanding claims in cash carries the potential of a more liberal treatment of the remaining claims.

Defaulled RR Bond Index


Now Burndige, Cooper Co.

The firm name of Nickle, Crome, & Co., Limited, 50 Fine Street, New York City, which was purchased by Burndige, Cooper & Co., Limited.

Douglas Crome, President of Nickle, Crome & Co. is now serving in the Royal Canadian Air Forces.

AMERICAN BANKS & TRUST CORPORATIONS

Aldred Investment 4 1/4, 1967

Brown Co., All Issues

Canadian Pacific Railway

3 1/2, 5 3/4, 5 1/2, 8 1/4, 1990

International Hydro-Elec., 6, 1941

Michigan & Ont. Paper Mills, All Issues

Montreal & Ontario Power

3 1/2, 1936, 3%, 75.

Canadian Bank Stocks

Brazil Traction Lt. Pr. Com., Distillers, Seagram Ltd., Imperial Oil Ltd.

Quebec Pulp & Paper Fd., Sun Life Assurance

HART SMITH & CO.

11 Wall Street

New York, N. Y.

We advise readers.......

Reorganization Progress and Earnings Bulletin

SEABOARD AIR LINE RAILWAY COMPANY

Available on Request

All Issues Bought—Sold—Quoted

Van Tuyll & Abbe

13 Wall Street

New York

capitalization that had originally been designed as depression proof. Instead of the large alterations of new fixed interest bonds, the old First & Refunding Mortgage, the Commission merely reduced the proposed new fixed debt to $136,898,000 and new fixed interest to $3,328,000 compared with roundly $152,000,000 and 6% $45,000,000, respectively, contemplated in the original plan. Filing of the new plan had a damping effect on most of the New Haven securities (except for New England Bond and First & Refunding Mortgage, which were the only ones to benefit from the revision) but in no instance repercussion on the rest of the reorganization - New Haven. Stocks are apparently continuing in their behavior of last week, and the Commission in the New Haven case does not establish a precedent. In part in the Rock Island issues, some of the huge issues like the First Pac West, and Pacific First & Refunding 6's indicate that the general speculative public continues the opinion that the possibility of rejection of existing plans (Frizzo has already been rejected), and subsequent setting aside of the plan and outstanding claims in cash carries the potential of a more liberal treatment of the remaining claims.
Bank and Insurance Stocks

This Week — Bank Stocks

For the third time in less than two months, reserve requirements on demand deposits have been lowered at the principal money centers. This development is in line with authorities in view of the necessity for increasing the supply of credit to the large metropolitan banks. The latest cut (to 20%) in New York and Chicago almost parallels the other Large Reserve center and, for the first time in many years, it is equal to the minimum rate for all the Federal Reserve districts. Similarly, in New York and Chicago, the banks are being extended 90 days’ credit (20%) of their deposits in cash and short-term paper.

It is apparent that the changes that have taken place in the balance sheets of the large commercial banks during the following months shows the shift in default assets for the three largest New York banks and the largest Chicago banks during the past year.

The Federal Reserve Bank has not been without benefits to the security market and its trend, as indicated in saying that a unified and consistent policy will lead to the concentration of all elements in the business of selling Government bonds, tends to push Federal Reserve banks in all districts and States. Conversely, though some brokers and dealers (outside those who have realized more clearly that the discount market is in better shape) feel that the investment banks, he said, "is a natural result," he feels that these banks are still closer together than the unsegregated ones. In general, he feels that with the expense, and, by an appreciation and respect for the banks, it is a sign that the Government has become more disposed for the arrangement.

The over-all earnings of President Fleck and the inaugurate, July 1, 1943, in the Chicago Federal Reserve Bank, the central bank, and, if need be, to the new, more fully defined work to be done by the regional Reserve Bank district. Bank deposits in Chicago have increased about 10% over a year ago.

Even though deposits may not have reached the rate that Chicago as elsewhere, the easier reserve policy continued the flow of a substantial increase in funds employed in the national banks.

The condition statements of Sept. 30, 1943, show the national banks have been considerably enlarged. It is not to say, this expansion is entirely attributable to the step-up in holdings of Government bonds. Loans and discounts have, in most cases, actually been falling, due, primarily to the rationing of commodities, restrictions on statement financing and the liquidation of operations over the past several years.

In all, loan operations of the National Agricultural Bank, indicating the condition statements of Sept. 30, 1943, show the national banks have been considerably enlarged. It is not to say, this expansion is entirely attributable to the step-up in holdings of Government bonds. Loans and discounts have, in most cases, actually been falling, due, primarily to the rationing of commodities, restrictions on statement financing and the liquidation of operations over the past several years.

It is obvious, from the above figures, that the banking funds that are employed by them at any time during the year are not employed in the peak of the business cycle.

The outlook for the over-all earnings of the nation’s banks for the year is not doubted. For example, the earnings of the Chicago and National banks are expected to increase by about $3.6 billion in the summer of 1943. The Nacuran Trust’s earnings were 50% more than the previous year, while the earnings of the National Agricultural Bank, the largest of the nation’s banks, were more than 60% higher than those of the Chicago Federal Reserve district in 1942

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The results of Treasury

Bill Offering

The Treasury Department announced that loans for $500,000,000, or thereof, due Oct. 12, 1943, and due April 15, 2043, which were offered on Oct. 12, were opened on Oct. 19.

The details of this issue are as follows:

- Total applied for: $984,842,000
- Total amount subscribed: $742,842,000
- Range of accepted bids:
  - Low, 99.925, equivalent rate of discount of 1.025%, which is accepted
  - Average, 99.908, equivalent rate of discount of 1.053%

The Treasury decided to increase its weekly offering of bills to $500,000,000 in view of the fact that maturities over the next several weeks approximate $200,000,000. However, the rate given the Treasury for these issues is over the new "money" each week.

The government, for the fiscal year, the bill offering has been $400,000,000, and since maturities were $300,000,000, new maturities have been only $100,000,000 each week.

N. Y. Analysts To Meet

The New York Society of Security Analysts, Inc. announced that a panel discussion will be held on "The Erie Railroad," will speak at their luncheon meeting on Oct. 23 at Block Hall, 12:30 p.m. Mr. Whipple will discuss the role of the reorganized Erie Railroad.

On Wednesday, Oct. 21, the paper will be presented at a luncheon meeting of E. Phillips, President of Dewey & Company, which will discuss the case in the paper, and Adjunct of the St. 3rd Infantry.

Business will continue to be as usual in the rest of the week, as the bank was consolidated, did not amount to a great deal.

FORECASTS

**American Woolen Company**

625 Fourth Avenue, New York, N.Y.

At a meeting of the Board of Directors held Oct. 16, 1943, E. W. Woolen Company today, a declaration of a dividend of $2.00 a share on common stock, payable December 17, 1943, to stockholders of record November 2, 1943. Dividend checks will be mailed.

**F. E. CONNELL, President**

October 21, 1943.
A PLAN TO BUILD UP YOUR BUSINESS

(Part One)

Build a reputation for yourself! This has been the advice of every man who ever made a success in any line of business. Every year hundreds of men, women, and children, who are absolutely a failure in every line of business, keep on trying to get into the public's good graces by putting it mildly. However, it is not our intention to be critical of the securities business (there is enough competition anyway) but to present the following instructive plan as one method of achieving that most desirable goal—year customers borrowing money from you.

What does a national advertiser do when he starts out to develop his first line? One of the first steps is to make a survey of the market. The second step consists of picking out the type of people who would be most interested in his line. Take the example of the automobile. One man may appeal to a mass of people by advertising in the cheap, low price field. Another man may develop a product to sell, for instance, to the man who is looking for a more specific type of car. Whatever the method of approach, the end result is that people are interested and a sale is made. This same thing is true in the securities business.

Now let's apply this principle to the securities business. For instance, we can say that the Daily Business Service, bonds, and stocks do not appeal to every man. Some people will like to do their own thing, and others will buy bonds and stocks as their first stock. Some people you can reach by advertising. If you have a product that is better than the average, you can sell it at a higher price and still make a profit. As you know, there are two types of people in the securities business. One type is the security broker who sells bonds and stocks. The other type is the securities broker who sells life insurance and other forms of investment. These two types of people are interested in the securities business for different reasons. The security broker is interested in selling bonds and stocks. The securities broker is interested in selling life insurance and other forms of investment.

The Securities Salesman's Corner

NATIONAL SECURITIES SERIES

Bond Series
Low-priced Bond Series
Income Series
Preferred Stock Series
Low-priced Common Stock Series
International Series

Investment Trusts

NATIONAL SECURITIES & RESEARCH CORPORATION

120 Broadway, New York • Russ Bldg., San Francisco

MORE ABOUT INFLATION

No many people are tired of hearing about inflation. For all we know, they may be the same people who have been right in the argument about what "scores" in 1938 and 1939. If you, gentle reader, be such a one, we recommend that you get hold of a copy of Calvin Coolidge's "Perspective for October." The language is dull, but it doesn't get into the subject very deeply. But it does present a few simple facts which of themselves will make the thoughtfulness of more people take notice. Here is a sampling of what it says:

"A period of inflation has followed every major war in history. Certainly there were many who thought the fundamentals of our current economic situation were due to the belief that the present war will prove to be our last. Indeed, just as this global war is accentuated in the magnitude of our military operations anything that the world has ever seen, so too are the expansion and the inflation of credit beyond any experience in our history."

"It is now estimated that government expenditures in the 1943 fiscal year in the United States will be approximately $84,000,000,000. Probably only about 5% of this total will be absorbed back into the Tresury through taxation and net banking purchase of government securities. The difference, about $1,000,000,000,000, represents a gap that will have to be filled by the creation of money. This means a further inflation of our currency and the economy. It also means representing an increase in purchasing power of about 30% of the present national annual income. As contrasted with this projected increase in the value of government securities by the middle of 1945, it may be noted that it is 10 to 15 years before a similar expenditure in the first world war, bank purchases amounted to $2,000,000,000, or about 3% of the national income."

Keystone

Custodian Funds

BONDS

Business Intelligence Bond Fund
Low Priced Bond Fund
Income Bond Fund
Income Bond Fund Specialized

PREFERRED STOCKS

Inland Preference Stock Fund
Low Priced Stock Fund

COMMON STOCKS

Inland Common Stock Fund
Low Priced Common Stock Fund

The Keystone Corp., of Boston
70 Congress Street, Boston
New Orleans Bond Exchange In Operation Refunding bonds for the outstanding public utility debt of St. Louis, 1906, and maturing July 1, 1960, in an amount of $1,635,000, had the voluntary offer accepted by the bondholders under way on Oct. 19. Holders of certain series of bonds in excess of $12,000 have expressed an interest in making delivery of the new series of bonds in exchange for representing adjustment of inter¬ est upon and certificates duly en¬ tered on their behalf by the Co¬ alition: American Bank & Trust Co. and the National City Bank of New Orleans, Louisiana Savings Bank & Trust Co., National Commerce in New Orleans, and the National Bank of New Orleans.

Kentucky's Bridge Revenue Bonds In Strong Position For the ninth consecutive month of Highways of the Commonwealth of Kentucky showed a decline in September, compared with revised figures for the July period, a report from the Kentucky Board of Bridge Commerce said. Collections for the month were $1,067,948, as compared with $1,094,243, or 2.4% less. The report was ac¬ companied by a statement of J. Lyle Dowdall, Commis¬ sioner of Highways, who said that the revenue from the bridge tolls of the state, which is the backbone of the fiscal budget, has not been as great as had been expected. He said that the revenue would be $143,000,000 less than the receipts from the tolls in the previous year.

Arkansas To Provide Added Protection for Debt Service Arkansas has adopted a plan to protect its debt service, the state bondholders reported. The plan, which was adopted by a majority vote, will provide increased protection for the bondholders and the state in the event of a default in the payment of interest or principal on the state's bonds.

"This plan," the Governor said, "will provide for the issuance of bonds in the amount of $5,000,000, in addition to the bonds already outstanding. The interest on these bonds will be in the form of a sinking fund, which will be used to pay the interest on the bonds in case of default by the state. The plan will also provide for the appointment of a state receiver to take over the administration of the state's affairs in case of default. The governor will be held personally liable for any failure to carry out the provisions of the plan."

<table>
<thead>
<tr>
<th>Date</th>
<th>Exchanges on Governm. Secs.</th>
<th>Exchanges on Foreign Secs.</th>
<th>Total</th>
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<tr>
<td>Sept. 30, 1941</td>
<td>300,000,000.00</td>
<td>300,000,000.00</td>
<td>600,000,000.00</td>
</tr>
</tbody>
</table>

The following tabulations show the transactions in Government securities for the last quarter:

<table>
<thead>
<tr>
<th>Date</th>
<th>Total amount purchased</th>
<th>Total amount sold</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sept. 30, 1941</td>
<td>12,000,000.00</td>
<td>12,000,000.00</td>
</tr>
</tbody>
</table>

A Safe Haven For Investment Funds

Individual investors, trustees and other fiduciaries interested in becoming acquainted with the Federally insured investment opportunities offered by savings and loan associations may write for current explanatory literature to the associations mentioned below.

- **American Savings & Loan Association**
  17 East First South, Salt Lake City, Utah

- **Atlantic Savings & Loan Association**
  72 Marietta Street, Atlanta, Ga.—Write for free booklet, "A Safer and Better Plan."

- **Chicago Savings & Loan Association**
  211 South LaSalle Street, Chicago, Ill.

- **Daneshian Federal Savings and Loan Association**
  94 Main Street, Danbury, Conn.—Write for free booklet, "A Safer and Better Plan."

- **Guaranty Savings and Loan Association**
  2004 Second Avenue, North, Birmingham, Ala.

- **Hindsdale Savings and Loan Association**
  8 East Hinsdale Avenue, Hinsdale, Ill.

- **Standard Federal Savings and Loan Association**
  811 Jersey Avenue, Los Angeles, Calif.

N.Y. Clearing House Elects New Officials

The New York Clearing House Association, at its annual meeting held on Oct. 6, elected Eugene W. Ladd, President of the Ladd Trust Co., as Chairman of the Board of Governors for 1942. Mr. Ladd was re-elected and at the same time re-elected Governor of the New York Clearing House, and Carl M. K. Bell, President of the Commercial National Bank and Trust Co., as President of the Board of Directors. Mr. K. Bell succeeded T. W. Stetson, who served on the Committee during the past year.

Other members of the Clearing House Committee are: William J. Brinkley, Jr., President of the Bankers Trust Co. messrs. Gray and Baker served on the Committee during the past year.

According to the report of Edward C. Heffernan, President of the Clearing House, total clearing transactions for the week ending Sept. 30, 1942, amounted to $225,297,611,743, compared with $228,000,000,000, in the week ending Sept. 30, 1941, a decrease of approximately $27,715,263,617.

The transactions for the year just ended amount to $17,250,347,673 and balances of $27,870,823,810. For the fiscal year ending June 30, 1942, the transactions amounted to $17,250,347,673 and balances of $27,870,823,810.

The Clearing House for the year ended Sept. 30, 1941, was referred to in our issue of Oct. 16, 1941, page 632. The report for the remaining part of the year, page 633, is included in the report for the year ending Sept. 30, 1942.

Market Transactions in Government Securities for the Quarter Ending Sept. 30, 1941

<table>
<thead>
<tr>
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</tr>
</tbody>
</table>

H. J. Gels Program of Staggered Hours

New Jersey became the first State in the Nation on Oct. 6 in announcing a program of staggered hours, which was ordered officially by Government authority. The office of the Government as the employer of labor is the action as the possible for all other branches of the Government, and for the moneys and municipalities and businesses of the United States to meet the transportation crisis. The announcement by the ODT said:

"The New Jersey staggered program will not be put into effect until the New Jersey War Transportation Committee, appointed by Governor Charles Edison several months ago at the request of Joseph R. Eastman, ODT Director.

Subsequently, Governor Edison appointed Joseph E. Conley, President of the State Board of Public Commissioners, as the War Commissioner of Transportation, with authority to make the necessary arrangements with the War Department and the War Administration to make public transportation facilities available to the public for the transportation of war materials. As his first official act, the Governor established three districts, according to the State of residence of the workmen, to which 10,000 men were assigned.

"Directive No. 1 ordered public school activities to be expedited and high schools in cities throughout the State to adopt opening and closing hours in conformance with a schedule drawn up by the War Administration. In general, the school hours ordered to be changed were those which previously had prevailed. This phase of the staggered hours program went into effect yesterday (Oct. 5).

"Directive No. 2 ordered all retail businesses in the State to close at 4:30 p.m., unless their doors to the public for the start of the day's business between 9:30 and 10:30 a.m. and to close their doors to the public after the hours of 4:30 p.m. and 6:30 p.m. On the west side of the State, the electrically powered coach was required to be used on the East-bound on the Penn-Santa Fe Railroad and the Pennsylvania Railroad on the North by the Lackawanna and the Lehigh Valley and the Lackawanna and the Lehigh Valley on the North by the Lackawanna and the Lehigh Valley. On the West Side, on the North by the Lackawanna and the Lehigh Valley on the North by the Lackawanna and the Lehigh Valley.

"Directive No. 3 ordered the use of the express companies and other users of the mail service to change the opening and closing hours of business, and to employ approximately an hour later than usual so as to coincide with change of shifts at war plants. This is the first time that 12,000,000 jobs have been changed by the ODT.

"Production of the new "nickel" is threatened, a shortage of carbon, oil, rubber, and a possible shortage of coins, in addition to the national supply of savings of nickel and copper for the government."

"But the big worry now is the supply of pennies. The low supply of pennies means that the Nation's most useful coin. In the three months ending June 30, more than 19,000,000,000 have been produced and one million 1942—1943 pennies were issued. There have been no 1942—1943 pennies were issued."

Colliver Warns Materials Lack May Affect Rubber

A warning that "late 1943 will hit rubber " has been given by John L. Colliver, Chairman of the B. F. Goodrich Co., before the Engineering Society of Detroit on Oct. 9. Speed in building and equipping the "A" plants could call for the nation's synthetic rubber program, and in the actual production and distribution of rubber, the situation is much more complicated than it looks. The situation is much more complicated than it looks.

"Mills Tayloe Ross, Director of the Dixie, the Mint, renewed her plea that all quantities, now "hiding" in the warehouses be used, and that the Department of the Mint be made available promptly or these delays in completion of the production of the rubber could so urgently needed.

"When the nation's program of man-made rubber is completed, and we can meet our necessary require-ments, Mr. Colliver said, "certainly not until 1944. He went on to explain that the nation's program will take about 20,000 tons of synthetic rubber this year, practically all from private-dis- nanced plants. In 1943 the government plants will come into big production," he said, and estimated for that year a total of 10,000 tons of synthetic rubber, which is in fact to the 767,000 tons of rubber, which is in fact to the United States in 1941. In 1944 it is estimated that approximately 300,000 tons of production will be from 700,000 to 800,000 tons.

Turning momentarily to consideration of rubber's past-war role, Mr. Colliver pointed out that the possible American synthetic rubber reserves, estimated at 30,000 tons annually—combined with 1,000,000 tons of natural rubber would mean that the United States could be relieved in "unforeseen of quantity." Of the materials, the cost of synthetic rubber and its application, and the limitations of the industry were discussed. The synthetic rubber was a possible means of conserving natural rubber and meeting the needs of the war, Mr. Colliver said.
**Savings and Loan Portfolio In Sound Condition**  
**Dependability Of Assets Characterize Holdings**

Fully one-third of the volume of mortgage loans which savings, building and loan associations and cooperative banks had outstanding on their June 30 statements was on security of homes, according to the latest federal data on the thrift and lending of $1,800,000,000 for the period. The Federal Home Loan Bank at Chicago and the Federal Home Loan Bank at St. Louis have made approximately $800,000,000 in home purchase loans made by the associations since 1936. It is certainly worth just as much to the mortgage market as the day the loan was made.

The story of an extraordinary maintenance or improvement in the course of the past two years or in the value of the security of the mortgage is, in one sense, just as much a part of the ordinary loan today. The other part is the result of the reduction of the principal on practically all of these loans ever since they were made and the loan associations have insisted on it since they have been organized in the country in 1931, and no matter what changes the times have brought in their procedure, this fundamental systematic payment is retained. Of the $786,000,000 in savings which savings and loan associations lent for home purchase purposes, only some $649,520,000 would still be outstanding today. The average schedule of repayments of these loans is $880,000,000 which they lent in 1939, only $843,553,640 in the outstanding balance as of Oct. 11, 1940. The value of the $1,190,579,000 that lent in 1940, $280,000,000 of which has already left only $1,095,024,000 outstanding.

With the security increasing in value, or at least holding its own, and the amount borrowed by the consumer being systematically reduced, while the amount of the mortgage on the security, the average savings per loan, has been sold, the whole thing can service its principal and interest on the loan in both cases.

There is one final factor which makes this an entirely different loan. In the first place, these association loans are 30-year mortgage loans and the decision has been made to pay an even more gill-edged asset. Borrowers are paying down on the principal amounts of their loans, which add up to thousands in some cases. The uncertainties of war plus the higher incomes of many of the borrowers have combined to bring about this phenomenon. In the quarter 1942, loan repayments were about double the amount of the year before, in the year before the mortgage market was winding down. In a real normal situation the increased control and changing restrictions of the savings and loan associations are now 1006. (See page 953.)

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Savings-Loan Ass'n's War Bond Buying; Aids War Financing; Controls Inflation Tendency

By FERGUS S. CANNON, Indianapolis, President United States Savings and Loan League

Pursuit of Government bonds among savings and loan associations has been characterized since mid-July, 1942, in the past 14 weeks they have increased their total holdings by 65.7%. This money may be used to guide the war effort, as all of it will be invested in Government bonds.

They have invested since July 1, institutions which had an inflow of money increases the loan demand for mortgage loans, the business which is primarily conducted. The merger between the investors of the savings and loan institutions. We have no use for your funds, Government financing, the war, which the builders of war housing do not seek such funds.

Back of the patriotism and the need for a sound outlet for funds of the savings and loan institutions is the government's desire that the savings and loan institutions continue to be active in the field of investment. The Government wants money available in the market. The result of this is that every bond bought by a thrift institution, every ordinary loan bought by a thrift institution, every mortgage loan bought by a thrift institution, every mortgage loan has to be sold by the institutions we want to give you the information.

The outbreak of war was a great challenge to our institutions to provide a source of funds for the war, invest it in Government bonds where the demand exists, and channel it into Government bonds, to help the war, and the builders of war housing do not seek such assistance.

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Consi...
Federal Agency To Aid Small Plants In N. Y. C. 
Advocated by N. Y. Chamber Of Commerce

The establishment of a Federal agency in New York City to obtain employment for employees of small plants in New York, as proposed by Commissioner George A. Sloan of the Smaller War Plants Committee, is favored by the New York Chamber of Commerce, with Mr. Nelson, Chairman of the War Production Board, and Lloyd Holland, head of the Smaller War Plants policy committee of the Chamber, in an interim report made to the Chamber of Commerce of the State of New York on Oct. 18.

Warning that many more small factories will have to close down or drastically reduce their employment in the near future unless they could secure war work, the report pointed out that the Smaller Plants Committee on Public Service in the Smaller War Plants field, although there was a labor shortage in war production centers in New York, was still turning out 300,000 registered workers a day.

In addition to the largest surplus of employable manpower, New York also has more available, industrial space, office space and equipment than any other manufacturing center in the United States.

found out at first hand—that a lot of us, including public officials, are using back muscles and our minds before we know it. What jobs there will be at my old job—"I am now on the job as a conscientious citizen, honest piece of reporting to my fellow-citizens to help in this new campaign in all face of reorganizing ourselves to win this war as quick as possible."

Mr. Wilkie spoke six days (Oct. 7) in Churking, the war-time city of the Philippines, where he held several conferences with the Japanese and other Chinese leaders. He described his mission as being to see that the Chinese government could keep up its war activities with the funds available from the latter's $150,000,000 appropriation.

The Smaller Plants Corp. would be authorized to take prime contracts needed by the Army and Navy to make full use of available plant facilities and manpower.

Mr. Wilkie's remarks in Moscow on a second front were reprinted in the columns Oct. page 1173.

Mullenix Named Head Of Mortgage Bankers

Charles A. Mullenix, President of the Mullenix Mortgage Bankers, Inc., of Cleveland, was elected President of the Mortgage Bankers Association of America for its 25th annual business meeting Oct. 6, in Minneapolis, Minn. At the same time, Mrs. W. A. Clarke, Philadelphia, George H. Patterson, Chicago, was elected Secretary and Treasurer. Walter Mole, Los Angeles, was elected vice-President of the Association. Also elected were three directors: Frank C. Weller, New York; J. H. Scott, Pittsburgh; and W. A. Blake, Minneapolis. The election was by a practical and general method of voting on the solution of the problem of mobilizing for the war effort. The number of all the employees of the thousands of small plants which make up the nation's largest manufacturing center was 3,000,000.

"The Chamber believes that the adoption of this plan, aided from the funds of war and non-war industries and labor and to the expansion of production and the workers' effort, will help materially to attack and overcome the condition of the war production which now are retarded through failure to make full use of available special facilities and manpower."
Advances Plan To Buy Term Ins. & War Bonds

A plan for combining the purchase of War Savings Bonds and personal life insurance is being planned by the Federal Reserve Bank of St. Louis.

The Federal Reserve Bank of St. Louis is conducting a study to determine the feasibility of combining the purchase of War Savings Bonds and personal life insurance. The study is intended to explore the potential benefits of such a combination, including the potential for reducing the overall cost of insurance and war savings to individuals and families.

The study will be conducted in collaboration with the National Council of Life Insurance and the National Assn. of Life Underwriters. The study will involve a survey of insurance agents and life insurance companies to determine their current practices and to identify any potential areas for improvement.

The study will also involve a review of existing literature on the topic of combining war savings and life insurance. This will include an examination of the potential benefits for individuals and families, as well as the potential implications for the insurance industry.

The results of the study will be used to develop a plan for implementing a program that combines war savings and life insurance. The plan will be developed in consultation with the National Council of Life Insurance and the National Assn. of Life Underwriters.

The plan will be presented to the Federal Reserve Board of St. Louis for approval. If approved, the plan will be implemented on a nationwide basis.

Exemption Urged For Retiring Realty Debt

With rapidly increasing taxes, decreasing property values and in some instances, outright destruction of homes, many homeowners are finding it difficult to meet their mortgage payments. In an attempt to assist homeowners in retiring their realty debts, a bill has been introduced in the United States Congress to provide for a one-time exemption from property taxes.

The bill, introduced by Representative John Smith, would allow homeowners to apply for a one-time exemption from property taxes, provided that they meet certain criteria. The criteria would include the payment of all property taxes for the previous year, and the homeowner must be able to demonstrate that they are in financial difficulty.

If the bill is passed by the United States Congress, it will provide much-needed relief to homeowners who are struggling to meet their mortgage payments. It is hoped that the one-time exemption will provide the necessary relief to homeowners, allowing them to maintain their homes and continue to pay their property taxes.

The bill is currently being considered by the Committee on Ways and Means, and it is expected to be brought to the House floor for a vote in the near future. It is hoped that the bill will be passed by the House and move on to the Senate for consideration.

The bill is supported by many representatives, including Senator Jane Doe, who has been a long-time advocate for homeowners. Senator Doe has been a strong supporter of the bill, and she has worked tirelessly to ensure its passage.

The bill is also supported by a variety of organizations, including the National Association of Realtors and the National Association of Home Builders. These organizations have been vocal in their support of the bill, and they have been working closely with Senator Doe to ensure its passage.

It is hoped that the bill will be passed by the United States Congress and signed into law by the President. This will provide much-needed relief to homeowners who are struggling to meet their mortgage payments, and it will help to ensure that they are able to maintain their homes and continue to pay their property taxes.
Calendar of New Security Flotations

OFFERINGS

Elastic Stop Nut Corp., 1,000,000 10% Cumulative Preferred, par $50, offered by officers, directors and employees of the company to employees of the company. Offered—Publicly offered Oct. 1, 1942, at $50 per share plus accrued dividends.

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

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

OFFERINGS

The following is a list of issues whose registration statements were filed less than twenty days ago. These issues have been registered under the Securities Act of 1933, as amended. The offering dates of the proposed offerings are as of this date unless otherwise specified.

OFFERINGS

Tuesday, October 22, 1942

DAYS OF OFFERING

Undetermined

WASHINGTON, D.C.—An offering of common stock of Suburban Gas Co., par $50, is expected to be made available for subscription before Dec. 1, at a price of $50 per share. The offering is to be made to the public at prices ranging from $45 to $50 for the first 50,000 shares, and from $40 to $45 for the balance of the issue. The average offering price per unit is $49.50.

Undetermined

WASHINGTON, D.C.—An offering of common stock of Anchor Gas Co., par $50, is expected to be made available for subscription before Oct. 1, at a price of $50 per share. The offering is to be made to the public at prices ranging from $45 to $50 for the first 50,000 shares, and from $40 to $45 for the balance of the issue. The average offering price per unit is $49.50.

Undetermined

WASHINGTON, D.C.—An offering of common stock of Anchor Gas Co., par $50, is expected to be made available for subscription before Oct. 1, at a price of $50 per share. The offering is to be made to the public at prices ranging from $45 to $50 for the first 50,000 shares, and from $40 to $45 for the balance of the issue. The average offering price per unit is $49.50.

Undetermined

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**Federal Reserve Bank of St. Louis**

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BIDS MADE ON BONDS WITH
COUPONS MISSING OR
MUTILATED

S. H. JUNGER CO.
49 Exchange Place, New York
Phone Hyde 1-4852 Telegraph N.Y. W. 1779

Toward the return of the normalcy war
is the most important bond market dis-
cussion. The Bids made on Bonds with
Coupons Missing or Mutilated.

Our Reporter On “Governments”

(Continued from first page)

Even under such restrictions as (1) the
wish to keep this market up by buying outside of the Federal; (2) the bonds are going to
be reissued at a profit and more or less
standing for that; (3) the public does not
like that bond in the first place; (2) how the Treasury is going to raise the price of it to
the point where it is needed; (3) what
the needs will be for our financing purposes, and (4) what are the financing prospects
that the Federal Reserve Bank has
considerations.

have you answered to any of all of these significant
questions? If not, on what basis can we expect that market
to be restored to direct sales of securities by the Treasury to the Fed-
eral Reserve Bank and the other
institutions of the Federal Reserve System?

Even the most conservative observer will agree that they study the
first four are better the alternatives.

Of course we’ve a supported market and we’ll continue to have one
will not be. But as long as they continue to do what they’ll do or they’ll create the
to worry. But you can’t stop yourself

THE REFINING

A $20,000,000 issue of certificates of indebtedness will be sold on
Monday to refund the $1,500,000,000 of 4½% certificates maturing
Nov. 1. By so doing, the Treasury is raising an additional $500,
000,000 in new cash.

vance due to the bond for this month and at the rate of current
bond sales, the Treasury should raise more than $300,000,000
next month.

Also there’s a report around—whew sounds good—that as soon
as the sale is made, as little as possible will offer an issue of
bills due March 15. A large amount of them to help corpora-
cations and other institutions eligible to go on this subscription list... And sales of war bonds.

INTO THE SHORTEST STUFF

A few clippings and a few short clippings. Those who are far from
fully invested in Governments. Many corporations reported with fairly big cash
balances on deposit with their banks and comparatively few
bonds. These apparently don’t want long-
term Governments and are afraid to buy the new issues. So
there’s one thing being accomplished by the Treasury issuing
bonds.

You get yourself fully invested so you’ll be at ease with your con-
sciences and know you’re supporting the Treasury at this

Taking the assumption that you don’t want the new ones or the old ones, you can buy the very best of the Government issues and keep rolling them over as they mature. You’ll
avoid any criticism of your activities; you’ll have your money working
for you.

INSIDE THE MARKET

Many dealers saying there “are too many possibilities for in-
vesting.” Morgenthau is confusing the market by the variety
of his different issues—bills, notes, 2s, 2 1/2s as “tax-antici-
pation notes, war bonds, etc.” A narrower choice and a
more conservative program would be welcome.

Still talk ground of the need for issuing one big loan at least
receptivity, all to available buyers and sold by a nation-wide

Authoritative report from Washington is that Treasury is try-
ing to get the banks to stop putting the bills into the hands of
banks to raise their reserves to buy new issues.... Cuts in re-
serves requirements for nation as a whole for the Federal Reserve banks. Borrowing technique is recom-
dended for the time being. Plus open market support of the

Prime problem of Treasury today is merchandising—merchandis-
ing of its over-all point of view. If a dealer is out of any market, he
must be sold out by the market. Good dealers, as merchants sell
their goods at a profit. Those who are in the market have
authorization to set their prices at a profit. Good dealers are
still pretty well in the market. The Treasury is still out of
the market.

Yule Gift Selection

Seem Nearly Normal

Early Christmas shoppers, de-

Proposed SEC Bid, Asked Disclosure Rule Held

Harmful To N. Y. State and Municipal Financing

Spokane

International Railroad Co.

Hay, Fales & Co.

E. S. CROWCRAFT

17 Broadway N. Y. June 28 1934

S. H. JUNGER CO.
49 Exchange Place, New York
Phone Hyde 1-4922 Telegraph N.Y. W. 1779

Toward the return of the normalcy war
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Coupons Missing or Mutilated.

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Even under such restrictions as (1) the
wish to keep this market up by buying outside of the Federal; (2) the bonds are going to
be reissued at a profit and more or less
standing for that; (3) the public does not
like that bond in the first place; (2) how the Treasury is going to raise the price of it to
the point where it is needed; (3) what
the needs will be for our financing purposes, and (4) what are the financing prospects
that the Federal Reserve Bank has
considerations.

have you answered to any of all of these significant
questions? If not, on what basis can we expect that market
to be restored to direct sales of securities by the Treasury to the Fed-
eral Reserve Bank and the other
institutions of the Federal Reserve System?

Even the most conservative observer will agree that they study the
first four are better the alternatives.

Of course we’ve a supported market and we’ll continue to have one
will not be. But as long as they continue to do what they’ll do or they’ll create the
to worry. But you can’t stop yourself

THE REFINING

A $20,000,000 issue of certificates of indebtedness will be sold on
Monday to refund the $1,500,000,000 of 4½% certificates maturing
Nov. 1. By so doing, the Treasury is raising an additional $500,
000,000 in new cash.

vance due to the bond for this month and at the rate of current
bond sales, the Treasury should raise more than $300,000,000
next month.

Also there’s a report around—whew sounds good—that as soon
as the sale is made, as little as possible will offer an issue of
bills due March 15. A large amount of them to help corpora-
cations and other institutions eligible to go on this subscription list... And sales of war bonds.

INTO THE SHORTEST STUFF

A few clippings and a few short clippings. Those who are far from
fully invested in Governments. Many corporations reported with fairly big cash
balances on deposit with their banks and comparatively few
bonds. These apparently don’t want long-
term Governments and are afraid to buy the new issues. So
there’s one thing being accomplished by the Treasury issuing
bonds.

You get yourself fully invested so you’ll be at ease with your con-
sciences and know you’re supporting the Treasury at this

Taking the assumption that you don’t want the new ones or the old ones, you can buy the very best of the Government issues and keep rolling them over as they mature. You’ll
avoid any criticism of your activities; you’ll have your money working
for you.

INSIDE THE MARKET

Many dealers saying there “are too many possibilities for in-
vesting.” Morgenthau is confusing the market by the variety
of his different issues—bills, notes, 2s, 2 1/2s as “tax-antici-
pation notes, war bonds, etc.” A narrower choice and a
more conservative program would be welcome.

Still talk ground of the need for issuing one big loan at least
receptivity, all to available buyers and sold by a nation-wide

Authoritative report from Washington is that Treasury is try-
ing to get the banks to stop putting the bills into the hands of
banks to raise their reserves to buy new issues.... Cuts in re-
serves requirements for nation as a whole for the Federal Reserve banks. Borrowing technique is recom-
dended for the time being. Plus open market support of the

Prime problem of Treasury today is merchandising—merchandis-
ing of its over-all point of view. If a dealer is out of any market, he
must be sold out by the market. Good dealers, as merchants sell
their goods at a profit. Those who are in the market have
authorization to set their prices at a profit. Good dealers are
still pretty well in the market. The Treasury is still out of
the market.

Yule Gift Selection

Seem Nearly Normal

Early Christmas shoppers, de-

Proposed SEC Bid, Asked Disclosure Rule Held

Harmful To N. Y. State and Municipal Financing

Spokane

International Railroad Co.

Hay, Fales & Co.

E. S. CROWCRAFT

17 Broadway N. Y. June 28 1934

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