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FINANCIAL CHRONICLE

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OUR REPORTER'S REPORT

Evidently rather persistent liquidation by certain institutional holders of portions of their municipal bond portfolios is not proving sufficient to satisfy the needs of dealers who have specialized for years in that particular type of security.

The latter, who do business largely on a merchandising basis, have been complaining no end of comparatively light supplies on hand, a direct reflection, of course, of the virtual dearth of new issues over a period of months.

But according to those in investment quarters who get around, large holders, chiefly banks, have been going over their portfolios and weeding out municipals in rather steady fashion.

The reason behind such activity is not definitely known, though it is assumed that one of several conditions could explain it. Largely, however, it is considered as intended to put such investors in funds to participate to the fullest extent in government war financing.

Moreover, if money rates should tend to stiffen a bit on Treasury offerings, it is possible to understand why holders would wish to lighten up a bit on municipals even though the latter are currently somewhat under their high levels of a few months ago.

Rail Equipments Seen

Action of the War Production Board in making available sufficient materials for the construction of some 400 locomotives and 20,000 freight cars in the initial eight months of 1943, is expected to lend a fillip to the dormant railroad equipment market.

Considering the contention of the railroads by and large that

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HOW DID WE GET THIS WAY?

THE ANATOMY OF CAPITALISM

By H. B. LOOMIS and JOHN B. KNOX

of John B. Knox & Company

Editor's Note: New Deal program makers, now wearing postwar planning labels, continue as in the past to pore over their blue prints with their backs to the world of realities. Their products are every whit as dangerous as they ever were—perhaps more so since the war appears to have lent them additional psychological support.

The best way to combat such seductive proposals as those now appearing almost daily, perhaps the only effective way, is to turn the flood light of fundamental truths upon them.

It is with hope of doing its part in combating this menace that the "Chronicle" is presenting a series of articles, of which this is the third, which call the reader's attention pointedly to certain fundamentals often overlooked in this day and time. It can think of no better contribution to postwar planning.

Part III

Life teaches by penalty as well as by reward; penalties which cannot be eliminated by fiat as they prove the laws and not the laws the penalties. They are one of the inevitabilities of life, which owes nothing to any man. What we can and do do is divert them from those who have incurred them to those who have not. The greater part of fuzzy-minded reform consists in just this operation.

Individualistic man cannot live in a socialistic economy like an ant in a formicary, a parallel used by the muddy-minded who attempt to reason by analogy. Every experiment has proven that the result is always different from the one envisaged. Their failure bears testimony to the folly of blinding one's self to facts in the pursuit of an ephemeral ideal.

The theory of socialism and collectivism is based upon inaccurately presented and ill-digested information from which unjustifiable imputations are drawn. It contradicts

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Our Reporter On "Governments"

By S. F. PORTER

And again, it is a pleasure to report that the Treasury has done and is doing a superb job with the latest financing deal—the largest in the history of the world and the major test of Secretary Morgenthau's ability to raise as much money as possible from non-banking sources. . . . This $9,000,000,000 borrowing is beautifully worked out. . . . Its terms seem to please everybody from the salesman out to sell as many securities as he can to the investor out to buy as many as he can. . . . There's an issue for every source and an issue that is attractive. . . . The dates are staggered. . . . Payment is well arranged. . . . The preliminary period is long enough to permit widespread selling preparations. . . . Even the time for announcing the deal was well chosen because the implication is the entire operation will be wrapped up and done with by Christmas and the Government's borrowing will be stiff competition for the heavy spender in the pre-holiday period. . . . In short: "Goodwork, Mr. Secretary!" . . .

Here are some sidelight points that may interest you prior to the actual selling campaign, due to start Monday morning, Nov. 30. . . .

1. The coupon feature of the new "on sale" 2½s of 1968/63 is considered particularly attractive. . . . One of the objections to the old "taps" was the registered character of them, for the smaller holders (up to $1,000,000 or so) felt the Treasury "was looking over their shoulder at all times" and resented the unmentioned pressure against selling. . . .

2. In the New York market following the Thursday night announcement of the financing terms, several fair-sized sales of the longest-term taxable 2½s of 1972/67 were reported, presumably from investors liquidating the 72s in order to get cash to buy the 68s. . . .

3. There were no indications that the Federal Reserve System was supporting the 72s and dealers suggested support was unnecessary for this non-competitive issue. . . .

4. The market is expected "to do whatever the Fed tells it to do between now and the day the books are closed on the last open offering." . . .

5. Were it not for the general expectation that there will be more offerings of the new "on sale" 2½s next spring, the 68/63 issue probably would be worth a decent premium in a few weeks. . . . It's a good issue. . . .

6. Feeling is the "on sales" will get up to a ⅛ to ¼ premium over the next several weeks; the 1¾s will get up to a ⅛ premium; and the certificates, of course, will become more attractive as their maturity date nears. . . .

7. The general forecast is Morgenthau will get his $9,000,000,000

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United States Savings and Loan League War Conference Proceedings

Included in Special Section Starting with page 1881

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Announce Candidates For NASD District 13

The nominating committee of District 13 of the National Association of Securities Dealers, Inc. (New York, New Jersey, and Connecticut), has presented to the members a slate of successors for the Governors and committee members whose terms are expiring on Jan. 15, 1943.

Henry G. Riter, III, Riter & Co., has been nominated to succeed Laurence M. Marks, Laurence M. Marks & Co., as Governor. Julius A. Rippel, Julius A. Rippel, Inc.; Wright Duryea, Glore, Forgan & Co.; Tracy R. Engle, Engle, Abbot & Co., Inc.; and George N. Lindsay, Swiss American Corporation, have been nominated to succeed on the district committee Mr. Riter, Russell V. Adams, Adams & Mueller; Harry W. Beebe, Harriman Ripley & Co., Inc.; and Richard C. Rice, J. K. Rice, Jr., & Co. David S. Rutty, Sage, Rutty & Co., Inc., has been nominated to fill the unexpired term (running to 1945) of Robert C. Common, Vietor, Common & Co., who resigned as a committee member.

Members of the Nominating Committee are: William J. Minsch, Minsch, Monell & Co., Chairman; Joseph W. Dixon, Graham, Parsons & Co.; Pierpont V. Davis, Harriman Ripley & Co., Inc.; Frederick C. Kraehling, Frederic H. Hatch & Co., Inc.; J. Winner Parker, Parker & Weissenborn, Inc.

To Form E. & M. Klauber

Edward Klauber and Murray Klauber, both members of the New York Stock Exchange, will form the firm of E. & M. Klauber, with offices at 120 Broadway, New York City, as of Dec. 1. Mr. Murray Klauber was formerly in business as an individual floor broker. Mr. Edward Klauber has recently been active as a floor broker and prior thereto was a partner in Spero & Klauber.

STANY To Elect, Vote On By-Law Amendment

The Security Traders Association of New York will hold its annual meeting and election of officers on Friday, Dec. 4, at 5:00 p.m. at the New York Produce Exchange Luncheon Club. The polls will be open from 4:30 to 6:00


Chester E. deWillers


B. W. Pizzini

p.m. and after the meeting, a buffet supper will be served.

Candidates for president of the Association are B. Winthrop Pizzini, B. W. Pizzini & Co., and Chester E. de Willers, Schoonover de Willers & Co.

The following unopposed candidates are unanimously elected:

First Vice-President: James F. Musson, B. J. Van Ingen & Co., Inc.

Treasurer: George V. Leone, Frank C. Masterson & Co.

Directors: L. A. Gibbs, Laird, Bissell & Meeds; Allan F. Moore, H. Hentz & Co.; Joseph Nye, Freeman & Co.

National Committee Alternates: Charles King, Charles King & Co.; George Kranz, Amott, Baker & Co.; Harold B. Smith, Sweetser & Co.

Second Vice-President: William K. Porter, Hemphill, Noyes & Co.

Secretary: John S. French, A. C. Allyn & Co.

National Committee. Wellington Hunter, Hunter & Co.; Thomas A. Larkin, Goodbody & Co.; Cyril M. Murphy, Mackubin, Legg & Co.; Wm. Henry Pflugfelder, Pflugfelder, Bampton & Rust.

Gratuity Fund Directors: Charles H. Jann, Lazard Freres & Co.; Walter Kennedy, A. M. Kidder & Co.

Also to be voted upon by the members of the Association are the following proposed revisions to the By-Laws, to be revised and rewritten as follows:

Article I, Section 4

"The membership of the corporation shall be limited to four hundred (400) Members plus such Honorary Members as may have been elected but not including 'Service Members' as defined in Section 6. The membership may temporarily exceed the limit because of the re-instatement of 'Service Members' in which case, no new members may be admitted until the number of Members again declines to less than four hundred."

Article I, Section 5

"The membership of any Member who ceases to be engaged or employed as a trader shall automatically terminate at the end of one year following such a change of status. The Board of Directors may, however, in its discretion waive this provision or reinstate any former Member who again becomes engaged or employed as a trader. Any former Member requesting such reinstatement shall make written application therefor to the Secretary. Except that in the event of a Member entering the military or naval service, said Member shall retain his membership in good standing for the period of the current calendar year. At the expiration of that time he may, upon application in writing to the Secretary, become a Service Member and may continue as such upon payment of that part of the annual dues, namely two dollars ($2.00), applicable to the Gratuity Fund and all assessments made by such fund. The Service Member shall not be entitled to vote but shall continue to enjoy all the other privileges of a Member in good standing."

Article I, Section 6

"A Member who is in the armed forces of the United States shall be known as a Service Member. Service Members will be limited to not more than one hundred (100) Members. A Service Member upon notification of his discharge from the armed forces, in writing to the Secretary within a period of three months after such discharge shall become a Member of the Association providing he qualified as specified in Article I, Section I and in Aritcle III, Section 3 of the By-Laws."

Wheeler Exec. Mgr. Of Victory Fund Group

NEW ORLEANS, LA.—Macrery B. Wheeler of Wheeler & Woolfolk, Inc., has been appointed Executive Manager of the New Orleans Region of the Victory Fund Committee, it is announced by W. S. McLarin, Jr., Chairman of the Victory Fund Committee of the Sixth Federal Reserve District, Atlanta, Ga. Mr. Wheeler will devote full time to the work of this committee and will maintain offices in the Federal Reserve Bank Building, New Orleans.

Other members of the New Orleans Regional Committee are: Geo. H. Nusloch, Chairman; Keehn W. Berry; John Dane; Gilbert Hattier, Jr.; R. S. Hecht; Walter D. Kingston, Oliver G. Lucas; Daniel L. Scharff; John B. Shober, and P. H. Sitges.

DEALER BRIEFS

Boston, Mass.

I am frank to state the public has very little interest in investment securities under existing conditions. However, the long-term outlook for the business can be viewed with confidence if for one reason alone—those purchasers of War Savings Bonds will be the security investors of tomorrow. — *Sherman Gleason, Sherman Gleason & Co.*

Softness in both peace and war stocks in face of decidedly better war news indicates to us that caution in making commitments should be observed until a clearer picture of the reason for such action becomes evident. — *Frederick M. Swan, F. M. Swan & Company*

Charlotte, N. C.

Since 1923, in addition to our Municipal Bond business, we have maintained an active department trading in local securities, specializing in textile shares. In January 1941 our Mr. R. S. Dickson, President, wrote an article concerning the outlook for the textile industry. At that time Mr. Dickson pointed out that "It appears that well selected textile shares, at current prices which are well below 1937 levels, offer appreciation possibilities over the next few years." At the time of this article the average of our 25 southern textile stocks stood at $51.15; this average now stands at $68.42, or an increase of $17.27 on the average.

Some of the stock included in this average has shown remarkable enhancement in value. For instance, Textiles, Incorporated, common stock was quoted on the bid side at $1.25 per share, where it is now bid $3.75 per share and is paying dividends at the rate of $.40 per annum. American Yarn and Processing Company common stock stood at that time at $84.00 per share bid and it is now quoted at $110.00 bid. Orr Cotton Mills was quoted January 1941 at $18.00 bid, against a bid of $59.00 at the present time.

The remarkable thing about the whole matter is that the averages have still not reached 1937 levels when they stood at $74.00 per share although earnings, according to 1941 statements, have more than doubled and dividends have shown a substantial increase. Looking at the industry from a long-pull standpoint, we believe there is still good money to be made in selected shares since higher prices in textile stocks are more than likely to be reached a year or so after the war is over. We find our customers willing to purchase the higher grade textile stocks not merely from the standpoint of enhancement, but for income, which income is more than likely to be well above the average for some time yet.

It is our belief that the demand for textile shares will increase during the next several months and the averages will more than likely reach the 1937 level or above. — *H. L. McAllister, Vice-President, R. S. Dickson & Company, Inc.*

Portland, Maine

Although Portland is a very busy city at the present time due to the shipyards located here, we, as dealers, have not yet seen any of this money; however, two of our largest commercial banks have recently ceased paying interest on savings deposits, and we are beginning to get some of this cash for investment. One way that we are operating which we think is fair to ourselves and fair to our country in its war efforts is offering a combination of bank and insurance stocks together with series G bonds. We have had a great deal of success in this endeavor. — *Carl K. Ross, Pres. & Treas. Carl K. Ross & Co., Inc.*

Portland, Ore.

The recent indication that the tax-exempt feature on municipal bonds would not be changed, combined with less timidity on the part of present holders and potential buyers of Pacific Coast municipals, particularly those in the western portions of Oregon and Washington, has once again caused a noticeable decrease in the supply of available bonds to a point considerably below the demand. Isolated lots of bonds which have come into the market in the past few weeks have been extremely high priced and have not been readily bought for this reason. Because of the small amount of new issues to be sold, which consist principally of refunding, we anticipate a steadily declining volume in the municipal business unless something happens which might again cause the more timid present holders to liquidate. As a result, municipal dealers on the Pacific Coast will have more time to help the Treasury Department do the war financing job.—*Wm. W. Fordyce, Fordyce & Co.*

Buzby Regional Mgr. For Victory Fund Com.

William D. Buzby, Jr. has been given leave of absence from Butcher & Sherrerd, Philadelphia, of which firm he is a general partner, to assume the position of Regional Manager of the Victory Fund Committee in the Third Federal Reserve District, which embraces Eastern Pennsylvania, Southern New Jersey and Delaware. Mr. Buzby will devote his entire time to organization and direction of the Committee's activities in Philadelphia, with headquarters in the Philadelphia Federal Reserve Bank.

Edward C. Bendere, also on leave of absence from the firm of Merrill Lynch, Pierce, Fenner & Beane, is the Executive Manager for that District.

Kramer Elected V.-P. Of Chicago Clearing Corp.

Harold I. Kramer has beeen elected Vice-President of the Chicago Stock Clearing Corporation, it is announced by Kenneth L. Smith, President. The Chicago Stock Clearing Corporation is a subsidiary of The Chicago Stock Exchange. Mr. Kramer, who also serves as Manager and Assistant Treasurer of the Clearing Corporation, has been in its employ since 1929.

E. S. Lee With Navy

Eugene S. Lee, Vice-President of the Valley National Bank of Phoenix, Arizona, is now a Lieutenant Commander in the U. S. Navy. Commander Lee, an Annapolis graduate, is stationed in Tucson, Arizona (545 East Third Street), where he is an instructor.

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Meyer Willett Honored By N. Y. Dealers Ass'n

A luncheon was given in honor of Meyer Willett, senior partner of Bristol & Willett, by the Board of Governors of the New York Security Dealers Association at the Bankers Club Tuesday, Nov. 24.

Meyer Willett

A silver salver bearing the following inscription and facsimile signatures of the Governors was presented to Mr Willett:

"THE BOARD OF GOVERNORS
of the
NEW YORK SECURITY
DEALERS ASSOCIATION
in presenting this tray
to
MEYER WILLETT

record their affection and esteem for him, and their deep appreciation of his constant and untiring efforts to further the work of the Association and the securities industry.

"Harry R. Amott, Philip L. Carret, James Currie, Frank Dunne, Tracy R. Engle, Frederick C. Kraehling, John J. O'Kane, Jr., Fred J. Rabe, John F. Sammon, Robert Strauss, Clarence E. Unterberg."

Frank Dunne, who presided, expressed his gratitude to Mr. Willett for the cooperation he had received since he had assumed the Presidency of the Association, and Clarence E. Unterberg also referred to the large contribution of time and effort Mr. Willett has given over a long period of years, and made particular mention of the service he rendered the industry in connection with the establishment and development of an accurate quotation system.

Mr. Willett in responding recalled some of his experiences while serving on various committees and assured the Governors of his continued cooperation.

New Orleans Bond Club Elects New Officers; Members In Service

NEW ORLEANS, LA.—The following officers were elected by the Bond Club of New Orleans for the year 1942-1943:

President: G. Shelby Friedrichs, Woolfolk, Huggins & Shober.

Vice-President: H. Wilson Arnold, Weil & Arnold.

Secretary-Treasurer: B. Frank Williams, National Bank of Commerce.

Directors: William Perry Brown, Newman, Brown & Co.; Stanley S. Carothers, B. S. D'Antoni & Co.; John P. Labouisse, Lamar, Kingston & Labouisse; and James E. Roddy, Scharff & Jones, Inc.

Members of the Bond Club who are now serving in the armed forces are:

Samuel T. Alcus, Jr., Waters & Alcus.

Blaise S. D'Antoni, B. S. D'Antoni & Co.

Ladd Dinkins, Louisiana Savings Bank & Trust Co.

Ford T. Hardy, Merrill Lynch, Pierce, Fenner & Beane.

C. H. Hyams, 3rd, Hyams, Glas & Carothers.

L. V. Lamar, Lamar, Kingston & Labouisse.

Fred J. McCormac.

Leon E. Newman, Kohlmeyer, Newburger & Co.

Morris W. Newman, Newman, Brown & Co.

Erwin Schweickhardt, B. S. D'Antoni & Co.

L. B. Scranton.

A. Palmer Smith, Jr.

Walter H. Weil, Jr., Weil & Co., Inc.

L. M. Williams, Jr.

Preferred Stock Guide

The October number of "The Preferred Stock Guide" has just been issued by G. A. Saxton & Co., Inc., 70 Pine Street, New York City. The "Guide" which contains quotations, price range, dividend information and other interesting comparative figures, arranged in tabular form, may be had upon request by writing to G. A. Saxton & Co.

Latest On Seaboard Ry.

Van Tuyl & Abbe, 75 Wall Street, New York City, have just issued a memorandum on the latest developments in Seaboard Air Line Railway Company, copies of which may be had from the firm upon request.

War Changes In NASD District Committees

Military and other war duties of members have brought a number of changes in the District Committees of the National Association of Securities Dealers, Inc. Changes in various Districts follow:

District No. 1 (Idaho, Oregon, Washington): Richard H. Martin, Chairman, of Ferris & Hardgrove, resigned. He was succeeded by George R. Yancey, Murphy Favre & Co., Spokane. Frank A. Bosch, Warren Bosch & Floan, Portland, also resigned. Fred M. Blankenship, Blankenship & Gould, Inc., Portland, and June S. Jones, Atkinson, Jones & Co., Portland, fill the vacancies on the Committee.

District No. 2 (California, Nevada): Willis H. Durst, O'Melveny, Wagenseller & Durst, Inc., Los Angeles, elected to fill unexpired term of Donald O'Melveny, deceased.

District No. 4: James M. Dain, J. M. Dain & Company, Minneapolis, and William Mannheimer, Mannheimer, Caldwell, Inc., St. Paul, resigned, to be succeeded by Charles A. Fuller, Charles A. Fuller Company, Minneapolis, and Sidney H. Henderson, Henderson-Weidenborner Company, St. Paul.

District No. 5 (Kansas, Oklahoma, Western Missouri): Walter I. Cole, Beecroft, Cole & Company, Topeka, and A. E. Weltner, A. E. Weltner & Co., Kansas City, elected to vacancies on the Committee.

District No. 6 (Texas): Lewis Pollok, George V. Rotan Co., Houston, and John D. Williamson, Mahan, Dittmar & Company, San Antonio, elected to Committee; J. L. Mosle, Mosle and Moreland, Inc., Galveston, and Elmer A. Dittmar, of Mahan, Dittmar & Company, San Antonio, resigned.

District No. 7 (Arkansas, East Missouri, Kentucky): J. Mountford Aull, Bankers Securities Company, St. Louis, elected to Committee to succeed John D. McCutcheon, John D. McCutcheon and Co., Inc., St. Louis; James R. Vinson, of J. R. Vinson and Company, Incorporated, Little Rock, resigned; vacancy to be filled by annual election.

District No. 8: William W. Miller, Gavin L. Payne & Company, Inc., Indianapolis, elected to the Committee to succeed G. William Raffensperger, of Raffensperger, Hughes & Co., Inc., Indianapolis, resigned; Eugene McGuire, McGuire, Welch & Company, resigned from the Committee.

District No. 10: Robert J. McBryde, James C. Willson & Co., Louisville, resigned from the Committee.

District No. 12 (Pennsylvania, Delaware): Nathan K. Parker, Chairman, of Kay, Richards & Company, Pittsburgh, resigned. William K. Barclay, Jr., Stein Bros. & Boyce, Philadelphia, succeeds Mr. Parker as Chairman. Joseph Buffington, Jr., Young & Co., Inc., Pittsburgh, succeeds Mr. Barclay as Vice-Chairman. Willard S. Boothby, E. H. Rollins & Sons, Inc., Philadelphia, elected to succeed John C. Bogan, Jr., Sheridan, Bogan Co., Philadelphia.

Conning & Company And Ballard To Join

HARTFORD, CONN.—Following the dissolution of Ballard & Co. on Dec. 3, Eugene Ballard, member of the New York Stock Exchange, and W. Thurston Rowley will form the new Exchange firm of Conning & Company and Ballard with partners of Conning & Company.

Offices of the new firm will be located at 50 Lewis Street. Partner will be William S. Conning, William C. Goeben, John D. Britton, Eugene Ballard, and W. Thurston Rowley. All partners will make their headquarters in Hartford.

Customers Brokers To Meet

The Association of Customers' Brokers of New York will meet on Nov. 27 at 3:45 p.m. at the New York Institute of Finance, 20 Broad Street, New York City (room 902) to discuss practical suggestions for tax adjustment in investment accounts under the Revenue Act of 1942.

H. L. Federman, head of the Statistical Department of Ira Haupt & Co., and Frank Saline, associated with Myles H. Vernon, member of the New York Stock Exchange, will point out the practical implications of the Revenue Act of 1942 as affecting security portfolios. Time has been allotted for questions.

Curb To Decide Disposition Of Delinquent Memberships

The Board of Governors of the New York Curb Exchange at its meeting held on Nov. 18 transferred to its chairman, as trustee for disposition of delinquent memberships, the seats of three regular members. Ordinarily, the Exchange said, on acquisition of such seats, the trustee offers them for sale. However, because the three seats transferred to the trustee were held by members now serving in the armed forces, no such disposition of them will be made, and final decision will be a matter for future consideration by the Board of Governors.

"News & Views"

The latest issue of "News & Views," released by Butler-Huff & Co. of California, 210 West Seventh Street, Los Angeles, Calif., contains a discussion of recent events affecting Home Insurance Company and other insurance companies. Copies of this interesting bulletin may be had from Butler-Huff & Co. upon request.

Lamm, Guthy Co. To Be Formed In New York

The New York Stock Exchange firm of Lamm, Guthy & Co. will be formed in New York City as of Dec. 1. Partners in the firm will be Harold J. Lamm and William H. Guthy, both Exchange members, general partners, and Catherine Lamm, a limited partner. Mr. Lamm was formerly active as an individual floor broker. Mr. Guthy was an individual floor broker and prior thereto was a partner in D. H. Silberberg & Co.

Tomorrow's Markets Walter Whyte Says—

Don't believe tax selling is wholly responsible for present market action. Deeper reasons involving international politics probably at fault. Consider market low within sight.

By WALTER WHYTE

It's comforting to write week after week that the market is the beginning and the end of everything that matters to the world of finance.

* * *

Over the years I've had it hammered into me that to interpret the news, or anticipate it, without regard to market action was the quickest way to red ink. Time and again I found this to be true. But the times I refer to were, in the light of present day developments, normal ones.

* * *

Today's markets are faced with conditions they never had to cope with before. Precedents are almost useless. Wars are not new. Markets have gone through them before. But the underlying conditions that brought this one on are so different that no ordinary yardstick can be applied.

* * *

Last summer with the outlook a deep indigo, averages hovering around the 100 (Dow) figure, this column recommended buying. Through all the succeeding months it kept repeating that stocks be held, though within certain limits. Well, you know what's happened. The market went up to across 117.

* * *

But if the market went up the news was hardly any help. The Germans were all but inside Stalingrad. The Japs were the cock of the walk in the Pacific. And the British were being chased back almost to Cairo. Still the market went up. So I kept advising holding, but kept my fingers crossed by giving you stops.

* * *

A few weeks ago the market picture I saw began changing. Having reached the 114-116 range, the objective forecast here on Sept. 24th, I began to advise cashing in. Oddly enough the news began to improve. The United Nations were making a stand in Egypt. We were finally licking the tar out of the Japs and the Red army was giving the Nazis plenty of grief. The market, meanwhile, instead of reacting, sagged slightly then went up again. Forecasts of big markets ahead became the accepted thing.

(Continued on page 1887)

REAL ESTATE SECURITIES

REAL ESTATE BOND SINKING FUNDS

Some New York real estate bonds in addition to their other advantages enjoy an annual, or semi-annual, sinking fund. Usually a better than current market price can be obtained by making a tender to the Trustee operating the sinking fund.

Two outstanding sinking funds that have already taken place this year have been the Hotel Taft, which accepted over $182,000 face amount of bonds and the Hotel St. George, which accepted over $370,000 worth of bonds.

One issue, namely the Roxy Theatre, operates a sinking fund **every month!**

A good sinking fund operation will take place in the Lewis Morris issue on Dec. 1. They have over $70,000 with which to purchase bonds. The securities are currently quoted in the market in the middle 50's, so that a considerable amount of bonds should be accepted.

The following exceptional sinking funds in the Prudence group issues this year are very interesting. The amounts available for sinking fund were as follows:

Series	AA	May	$46,000	Oct	$102,000		
"	4	May	71,000	Oct	100,000		
"	6	Apr	100,000	July	115,000		
"	7	May	137,000	Oct	360,000		
"	8	Feb	129,000	Apr	102,000	July	$68,000
"	9	Mar	122,000	May	122,000		
"	11	Aug	85,000				
"	12	Mar	114,000	Aug	129,000		
"	13	Jun	80,000				
"	14	Apr	101,000	July	108,000	Aug	107,000
"	15	Mar	156,000	July	50,000		
"	16	Apr	81,000	Aug	70,000		
"	17	Feb	134,000	May	90,000	Oct	262,000
"	18	Apr	83,000	July	100,000		

A partial list of possible sinking fund operations listed according to month are enumerated below:

December

Butler Hall, Garment Center, Graybar Building, Harcou Estates, Herald Square Building, Lewis Morris Apartments, Pierrepont Hotel, Realty Associates, 2 Park Avenue.

January

Bevoc Corp., Courtlo Operating, Eton Lodge, Locust Arms, Prince & Lafayette, Rhebem Theatres, Stuart Court, 320 East 57th St., 34 South Goodman.

February

Eton Hall, Ten Broeck Apartments.

March

New Weston Hotel, 6th and 4th Street, Tyler Building.

April

Kramon Development, 48th St. Realization, Master Printers.

May

London Terrace, Macrid Corp., Nivelle Corp., 61 West 39th St.

June

Butler Hall, Gramott Corp. Herald Square Bldg.

July

Alden, Carnegie Plaza, Eton Lodge.

August

Bretona Corp., Hotel Lexington, Hotel Taft.

September

Butler Hall, Coney Island Theatre, Film Center Building.

October

National Tower Building, Hotel St. George.

November

Berkly Carteret, Nivelle Corp.

PERSONNEL ITEMS

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

(Special to The Financial Chronicle)

BOSTON, MASS.—**Edward Marchese** is with **Brown Brothers Harriman & Co.,** 10 Post Office Square.

(Special to The Financial Chronicle)

CHICAGO, ILL.—**John E. Cahill** has become associated with **Dempsey-Detmer & Co.,** 135 South La Salle St. Mr. Cahill was previously with Bear, Stearns & Co. and prior thereto for a number of years with Stein, Brennan & Co.

(Special to The Financial Chronicle)

CHICAGO, ILL. — **Frank E. Wright** has joined the staff of **Rawson Lizars & Co.,** 135 South La Salle St.

(Special to The Financial Chronicle)

GRAND RAPIDS, MICH.—**William L. Ewing** has become affiliated with **Paine, Webber, Jackson & Curtis,** Peoples National Bank Building. Mr. Ewing was formerly local representative for Cray, McFawn & Co.

(Special to The Financial Chronicle)

MINNEAPOLIS, MINN.—**James C. Simonton** has become connected with **J. W. Goldsbury & Co.,** 807 Marquette Avenue. For many years Mr. Simonton was associated with the Northern Pacific Railway.

(Special to The Financial Chronicle)

ORLANDO, FLA.—**Leo J. Sheehan** has been added to the staff of **United Securities Corporation.** Florida Bank Building.

(Special to The Financial Chronicle)

ST. LOUIS, MO. — **Thomas R. Ferrenbach** and **John F. Lane** have become associated with **Edward D. Jones & Co.,** Boatmen's Bank Building. Mr. Ferrenbach was formerly with Gatch & Co. and its predecessor, Gatch Bros., Jordan & McKinney; in the past he conducted his own investment counsel business.

NSTA Service Flag

The following are members of the Detroit Securities Traders Association who are now serving in the armed forces. The Detroit Association is an affiliate of the National Security Traders Association:

Pvt. Harry B. Buckle, Allman Everham & Co.

Major Thomas S. Clayton, Clayton & Co.

Major Fred O. Guider, Keane & Co.

Major Kenneth H. Owens, Van Grant & Co.

2nd Lieut. Herbert Schollenberger, Jr., Campbell McCarty & Co.

2nd Lieut. David D. Williams, Campbell McCarty & Co.

Lieut. Com. John C. Wright, Keane & Co.

Lieut. (J. G.) Arthur J. Zuber, Goodbody & Co.

Pollak Mfg. Looks Good

Expansion of operations, comfortable financial condition, and satisfactory profits are reported on Pollak Manufacturing Co., according to Ward & Co., 120 Broadway, New York City, which states that this company has been a production leader in the Metropolitan district in getting the "Double E" award from the Navy because of the quality and quantity of production and the six plants now operating keeping ahead of scheduled deliveries.

Ward & Co. specialize in this issue and their files contain timely information which may be had upon request for Memorandum No. 263.

SEC Revokes Registrations

The broker-dealer registrations of Wight & Co., Asbury Park, N. J., and Seybolt & Seybolt, Inc., Springfield, Mass., have been revoked by the Securities & Exchange Commission. The Wight firm had already been enjoined by the Chancery Court of the State of New Jersey, and the Seybolt company by the Federal District Court of Massachusetts.

To Be Mabon Partner

Mabon & Co., 50 Broadway, New York City, members of the New York Stock Exchange, will shortly admit Peter F. Dunigan to partnership in their firm. Mr. Dunigan will act as alternate on the floor of the Exchange for Rudolph Nadel.

Doehling and Lewis With Ira Haupt Co.

John P. Doehling will be associated with Ira Haupt & Co., 111 Broadway, N. Y. City, members of the New York Stock Exchange, beginning Nov. 30, in their municipal bond department. Mr. Doehling has recently been in business as an individual dealer in N. Y. City. Prior thereto he was with Campbell, Phelps & Co., Inc.

Milton F. Lewis, formerly with G. A. Saxton & Co., Inc., and Distributors Group, Inc., has become associated with the firm in their public utility department.

Test For Good Fire Stock

Buckley Brothers, 1529 Walnut St., Philadelphia, Pa., members of the Philadelphia Stock Exchange, have just issued an interesting memorandum on the ten tests for a good fire stock and how the Standard Fire Insurance Company of New Jersey meets these tests. Included are comparative figures on growth, earnings, and dividends of the company for the past ten years as well as an analysis of Standard's investment portfolio. Copies of this memorandum on Standard Fire of New Jersey, which Buckley Brothers consider offers particularly attractive possibilities at this time, may be had from the firm upon request.

Mexican Newsmen at NYSE

Eight Mexican newspapermen, guests of the United States Government, were welcomed to the New York Stock Exchange by Emil Schram, President, and by Robert DeF. Boomer, Chairman of the Exchange's Inter-American Hospitality Committee. The newspapermen, representing Mexico's most important newspapers, Excelsior, El Popular, Novedades, La Prensa and El Nacional, have been in this country for the past week and are commencing a month's tour of America's war industries.

Frank Meyer With Beer Co.

(Special to The Financial Chronicle)

NEW ORLEANS, LA. — Frank Meyer has rejoined the staff of Beer & Co., 817 Gravier St., members of the New York and New Orleans Stock Exchanges. Mr. Meyer was formerly New Orleans representative for First Investors Shares Corporation and in the past was with Beer & Co.

Our Reporter On "Governments"

(Continued from first page)

and the biggest financing in world history will go over with a bang. . . .

THE ISSUES

You have all the facts and figures on the various offerings by now, naturally, and it is to be taken for granted that you have made up your mind on what you're going to buy and in what amounts. . . .

To recapitulate, however, adding some of the insider comments, here's the setup for the December-January transaction:

There are the "on sale" 2½s of Dec. 15, 1968, callable 1963, to be issued in coupon or registered form, to be available to all buyers except commercial banks. Books will be opened Nov. 30, will remain open several weeks, possibly until a few days before Christmas. The Victory Fund Committees will concentrate on sales of these and the entire market will be gone over with a fine-tooth comb. Estimate is that in the New York district alone, insurance companies will take $750,000,000 of the bonds and non-bank buyers other than insurance companies will boost the total of purchases in this district to $1,000,000,000. Total purchases may hit $3,000,000,000 and maybe more but this last is a completely in-the-dark guess.

There are the ⅞% certificates of indebtedness, due one year from date of issuance. For commercial banks, books on these will be opened Dec. 16, will close Dec. 18. Subscriptions from banks will be restricted to $2,000,000,000 with subscriptions over $100,000 to be allotted on a percentage basis. There is no limit on purchases by non-bank sources and allotments to these buyers will be in full. Corporations are expected to buy large amounts of these. The c. i. market is in excellent shape.

There are the 1¾% bonds due June 15, 1948. For commercial banks, books will be opened Nov. 30, will close Dec. 2. Subscriptions from banks will be limited to $2,000,000,000 with subscriptions over $100,000 to be allotted on a percentage basis. There is no limit on subscriptions by non-bank sources and allotments to these buyers will be in full. The 1¾s may be compared with the 2s of March 15, 1950/48, currently selling at 101¼ to yield 1.74% to call date. These are attractive bonds, to corporations and estates as well as banks and should be bought in large quantities by non-bank investors.

Books on purchases of these 1¾s and the ⅞% certificates by other than commercial banks open Nov. 30, probably will remain open during most of December.

Then, in addition to these three new special issues, there will be the intensified sales campaign covering the war bonds, tax savings notes and discount bills. Particular emphasis will be laid on the series F and G war bonds.

INSIDE THE MARKET

There won't be another financing until February, giving the market one of the longest breathing spells it has had since the war started. . . . Feeling is prices will fluctuate more normally after this deal is completed and before the next one comes, for there'll be no new financings on the immediate calendar and lots of portfolios will be readjusted. . . .

From now on, financings will be on a bi-monthly basis, an innovation long urged and devoutly to be desired. . . .

The Treasury began November with $3,500,000,000 in cash, will get $9,000,000,000 from this deal, another $2,580,000,000 from income tax payments and other revenues in December. . . . Feeling is the total will be ample to carry the Treasury through until February. . . .

Excess reserves position of New York banks considerably easier now. . . . Last report showed surplus funds in this recently hard-pressed district up $150,000,000 in week to $515,000,000. . . . Excess reserves for country as a whole at $2,490,000,000 now, the highest level in five weeks. . . .

Banks in New York, though, do not expect easy position to continue for long. . . . It has been due to lack of Treasury borrowing recently and some inflow of funds from the interior. . . . New borrowing will change situation. . . .

Morgenthau complimented widely on timing of deal and fact that announcement came several days before date set for actual sale. . . . Beginning Nov. 20, salesmen, banks, dealers in all parts of the United States were lining up their customers. . . . Even by now, sales figures are pretty well worked out. . . . By time books open, the deal will be well set—an excellent situation considering the urgency of success and the comparative unimportance of the surprise technique these days. . . .

Old tap 2½s holding up well. . . . Selling at 100⅜. . . . Probability is issue wouldn't be so steady were it not for the registered feature of the loan, which militates against sales. . . .

Treasury tax note sales totaled $200,000,000 in first 17 days of November against total sales for October of $921,000,000. . . . Great sales effort will be made to put these over, but adverse factors are (1) Christmas spending and (2) coming tax payment. . . . Even so, sales for first 17 days are mighty close to monthly totals chalked up earlier in the year. . . .

War bond sales for same period were $330,500,000. . . . December sales of these will be held down by same influences but good record is expected. . . . And January sales will be heavy due to early-year investment by those buying up to the maximum allowed of the Series E issue. . . .

C. K. Morris In Service

Lieutenant Charles K. Morris, United States Naval Reserve, has reported at Dartmouth College for indoctrination.

The Chicago investment firm of Charles K. Morris & Company, Inc., which Lt. Morris established the first of the year 1938, has suspended business for the duration inasmuch as all other principals of the firm left previously to join the armed forces or to enter government service in a war capacity.

Lieutenant Morris, upon his graduation from the University of Minnesota in 1926, entered the Diplomatic School in Washington, D. C. after which he became a foreign service officer of the State Department. He later became a foreign service officer of the Department of Commerce and served in this capacity in Constantinople, Paris, London and in British West Africa. He returned in September, 1929, to enter the securities business. He is secretary of the Bond Club of Chicago.

N. Y. Stock Exchange Weekly Firm Changes

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

Albert W. Bianchi has been approved as alternate on the floor of the Stock Exchange for William L. Strong, Jr.

Frederick W. Allen, partner in Wood, Struthers & Co., New York City, died on Nov. 14, 1942 on which date his interest in the firm ceased.

RAILROAD SECURITIES

The Reading Jersey Central Collateral 4s, 1951, have been among the few spots in the marginal railroad group able to move consistently higher in recent weeks of general uncertainty in this section of the list. In the face of the development of at least a modest peace psychology, augmented by the apparent incidence of the usual year-end tax selling, this issue has been selling at successive new 1942 highs. In fact the bonds are selling about 10 points higher than in any year since the speculative boom that culminated in 1937. To all intents and purposes the bonds are no more than a debenture of the Reading Company, as the pledged collateral (common stock of Central Railroad of New Jersey) will unquestionably be eliminated in eventual reorganization of that road unless there is a drastic change in the reorganization philosophy of the ICC and the courts. Nevertheless, the bonds have pushed 10 points ahead of the obligor's mortgage bonds.

The answer, obviously, lies in the question of maturity which has assumed such great importance in investment feeling towards bonds of all but the strongest credits in the past few years. More and more the general run of investors has come to ignore the question of mortgage protection in the case of the so-called marginal properties, and, more strangely, appears to ignore the implications of the favorable influence on good mortgage bonds of the general strengthening of credit that must follow if, as the market apparently believes, the shorter maturities are to be paid off in cash.

From the present vantage point it seems that there should be ample confidence in the full payment of the principal of the Reading Jersey Central Collateral 4s, 1951. For a number of years the company has followed a policy of open market purchase of this issue and the purchase program has been accelerated consistently as the earnings improvement has gained momentum. By the end of last year the company has acquired $3,878,000 face value of the bonds, reducing the amount outstanding to $19,122,000. In the current year the company diverted a portion of its excess cash funds to retirement of other system debt ($3,514,000 called for redemption or paid off at maturity) but, nevertheless, has apparently bought in roundly an additional $2,500,000 of the Jersey Central Collateral 4s. It seems entirely possible that by the end of the current year the obligation may be reduced to approximately $16,-000,000.

From a maturity standpoint the Reading Company is particularly well situated to concentrate on the further reduction, and eventual payment, of the Collateral 4s. Of total direct non-equipment debt of $108,000,000 (taking the Collateral 4s at the amount outstanding as of the end of 1941) $74,404,000 is represented by the General 4½s which have 55 years to run. Between now and 1951 there are five divisional liens falling due but the aggregate amount outstanding amounts to only $11,-398,000. There is only one sizable maturity in the group and that is the $9,169,000 of Philadelphia & Reading Improvement 4s due in 1947. This is a very strong non-callable lien selling at a premium so that diversion of any open market buying by the company to anticipating the principal is not feasible. The quality of this divisional is such that refunding, perhaps at a saving in interest, should not prove difficult in any event.

It is currently estimated that Reading's 1942 earnings will run between $13,500,000 and $14,000,-000, leaving a balance of from $9,300,000 to $9,800,000 after dividends at the current rate. Out of these earnings it is believed that at least $6,000,000 of debt, in addition to regular serial payments on equipments and one note issue maturing at the rate of $350,000 a year, has been or will be retired. There is nothing now in the picture that would suggest the likelihood that there will be any material contraction in earnings next year. On the contrary, high earnings should be maintained at least throughout the balance of the war period.

Cash has now been built up to very high levels (equivalent to more than twice annual fixed charges) so that the entire net after dividend appropriations should now be available for debt retirement. On such a basis it is quite possible that the entire issue of Collateral 4s could be provided for out of earnings over the next two years. In the meantime, company buying would be calculated to afford strong market support even in periods of general weakness.

New Curb Governors

The New York Curb Exchange announces that Herbert G. Tully was elected a Class "A" Governor, and William S. Wilson of Montgomery, Scott & Co., Paul L. Hughes of Gude, Winmill & Co. and Caspar C. de Gersdorff of Harris, Upham & Co. were elected Class "B" Governors. They will serve the unexpired terms, respectively, of Charles N. Phelps, Alpheus C. Beane, Jr., Jess W. Sweetser and Herbert L. Wisner who resigned from the Board during the year because of increased activity in the war effort. Class "A" Governors are regular members of the Exchange, and Class "B" Governors are associate members or non-member partners of regular or associate member firms doing business for the public.

Defaulted RR. Bond Index

The defaulted railroad bond index of Pflugfelder, Bampton & Rust, 61 Broadway, New York City, shows the following range for Jan. 1, 1939, to date: high—44; low—14¾; Nov. 25 price—40⅛.

Multz In New York

Harry Multz is engaging in an investment business from offices at 208 West 56th St., N. Y. City.

Bank and Insurance Stocks

This Week — Insurance Stocks

By H. A. LEGGETT

Most of the bad news in the fire-marine end of the insurance business occurred during the first few months of the year. As a starter, January fire losses were the largest (with one exception) for any single month in many years. Several large conflagrations, of a nature to arouse strong suspicions of sabotage, took place and gave rise to the fear that this was but the beginning of a long series of such disturbances. However, this was not to be. One of the most surprising, and fortunate, developments of our war preparation has been the relatively small amount of sabotage and fifth column activity which has come to light. This is more than anything, perhaps, a tribute to the skill and foresight of the Federal Bureau of Investigation which is rapidly attaining recognition as the most efficient department of Government.

Incidentally, the Insurance industry has contributed many of its most capable investigators to the FBI and, in addition, has played no small part in preventing excessive industrial interruptions and other catastrophes which, through carelessness or enemy action, might seriously cripple the war effort. As a matter of fact, while the FBI was yet in its infancy, much of the work which it is now doing was handled by operatives of the Insurance Industry for its own protection and that of its policyholders. Thus, it may well be that a good deal of the investigation and policing work heretofore done by insurance companies (at very considerable expense to them) will in future be carried on by the FBI and related Government agencies. If this develops, the cost will become a charge against society as a whole (as seems proper) instead of simply against the insurance business.

Be that as it may, fire losses since February have been extremely favorable—in fact, they have been well below normal in comparison with the premium income which is now running at the highest level in history. Fire losses in the United States, as estimated by the National Board of Fire Underwriters, were as follows for the first 10 months of 1941 and 1942:

	1941	1942
January	$26,470,000	$35,565,000
February	26,102,000	30,819,000
March	31,471,000	30,505,000
April	29,330,000	27,960,000
May	25,637,000	23,233,000
June	24,943,000	22,410,000
July	23,698,000	21,000,000
August	24,122,000	19,680,000
September	24,668,000	20,443,000
October	30,833,000	22,621,000
Total	$267,274,000	$254,236,000

Based on reports of individual companies and certain group compilations, premium writings in the fire-marine field this year will apparently be some 15% to 20% above 1941. The full year's experience both on straight fire lines and on automobile fire and theft coverage should be highly satisfactory. Of course, the over-all results will reflect the Ocean Marine losses of last spring and will have an unfamiliar reddish tinge to them.

It is not generally realized outside of the insurance field that the Ocean Marine disaster this year was the greatest single catastrophe suffered by the Fire Insurance Industry since the San Francisco fire a third of a century ago. It is a striking commentary on the financial position of this industry, and on the confidence which the public has come to have in it, that an incident of this kind could pass into history with no appreciable impairment to the companies and no alarm or hysteria on the part of policyholders.

Some stockholders, of course, were considerably perturbed and the issues of most companies that specialized in Ocean Marine insurance suffered a severe drop. After the initial shock, however, and with the realization that a definite limitation to losses and outstanding risks had been reached, some shrewd insurance stock buyers had the courage to step in and pick up a few bargains. These particular issues have, for the most part, staged an excellent come-back and have provided another illustration of the questionable wisdom of selling when adverse news hits the front page.

The situation in the Ocean Marine field now is one of little risk for the companies. They will continue to write normal marine lines, and to issue special policies, but the bulk of War Risk coverage will be covered by the War Shipping Administration for the duration. The business, however, will be handled through the duly licensed marine companies acting as underwriting agents for the War Shipping Administration which, in turn, will reimburse the companies and agents for their expenses in connection therewith. This method has several advantages. It enables the Government to utilize the services of existing machinery and experienced personnel and, from the insurance companies' standpoint, enables them to retain their facilities and personnel relatively intact.

Two other developments which brought furrows to the brows of fire insurance executives early in the year were (1) the severe drop in general market security prices and (2) the citing of the Fire Insurance Industry, under the Sherman Act, for alleged monopolistic practices. As to the former situation, most securities have recovered substantially in recent months. Industrial Common Stocks, Public Utility Preferred and Railroad Bonds — groups which are held rather widely by fire companies—have all enjoyed noteworthy improvement.

Regarding the anti-trust proceedings, there is also less apprehension now than originally existed due in part to the election, which largely restored the even balance of political power in the country, and in part to the growing impatience of the public with business persecution and reform in the midst of a supposedly "all-out" war effort. Even at worst, in the opinion of many impartial observers, the fire companies should have little difficulty in demonstrating the worth and fairness of their methods (which have been perfectly open and above board) and in defending the customs and regulations which have been largely developed in conjunction with supervisory authorities. Few industries can match the stability, efficiency and public esteem possessed by this particular industry.

Another matter which proved much less rigorous than first appeared likely was the 1942 Tax Law. Eleventh hour modifications lightened the tax burden for insurance companies very materially.

All in all, the position of the fire companies toward the close of the year is much more comfortable and composed than it was a few months back. As usual happens, the worst fears are seldom realized and for those, like the insurance companies, who generally proceed on the assumption that they will be, it is difficult to find them unprepared for almost any contingency.

Zimmer With M. A. Cayne

(Special to The Financial Chronicle)

CLEVELAND, O.—Russell L. Zimmer has become associated with M. A. Cayne & Co., Fidelity Building, members of the Cleveland Stock Exchange. Mr. Zimmer was formerly in the bond department of Borton & Borton, Inc., and prior thereto was in the investment department of the Cleveland office of Jackson & Curtis.

DIVIDEND NOTICES

ANACONDA COPPER MINING CO.,
25 Broadway,
New York, N. Y., November 25, 1942.
DIVIDEND NO. 138

The Board of Directors of the Anaconda Copper Mining Company has declared a dividend of One Dollar ($1.00) per share upon its Capital Stock of the par value of $50. per share, payable December 21, 1942, to holders of such shares of record at the close of business at 3 o'clock P.M., on December 8, 1942.

JAS. DICKSON, Secretary & Treasurer.

Borden's
COMMON DIVIDEND
No. 131

The final dividend for the year 1942 of fifty cents (50¢) per share has been declared on the outstanding common stock of this Company, payable December 19, 1942, to stockholders of record at the close of business December 5, 1942. Checks will be mailed.

The Borden Company
E. L. NOETZEL, *Treasurer*

CANCO AMERICAN CAN COMPANY
PREFERRED STOCK

On November 24th, 1942, a quarterly dividend of one and three-quarters per cent was declared on the Preferred Stock of this Company, payable January 2nd, 1943, to Stockholders of record at the close of business December 17th, 1942. Transfer Books will remain open. Checks will be mailed.

R. A. BURGER, *Secretary.*

THE YALE & TOWNE MFG. CO.

On November 24, 1942, a special dividend No. 209 of forty cents (40c) per share was declared by the Board of Directors out of past earnings, payable December 18, 1942, to stockholders of record at the close of business December 4, 1942.

F. DUNNING, *Secretary.*

THE YALE & TOWNE MFG. CO.

On November 24, 1942, a dividend No. 210 of fifteen cents (15c) per share was declared by the Board of Directors out of past earnings, payable January 2, 1943, to stockholders of record at the close of business December 4, 1942.

F. DUNNING, *Secretary.*

DIVIDEND NOTICES

THE ALABAMA GREAT SOUTHERN RAILROAD COMPANY
New York, N. Y., November 24, 1942.

A dividend of $4.50 per share on the Preferred Stock of The Alabama Great Southern Railroad Company has been declared payable December 24, 1942, to stockholders of record at the close of business December 5, 1942.

A dividend of $4.50 per share on the Ordinary Stock has been declared payable December 24, 1942, to stockholders of record at the close of business December 5, 1942.

C. E. A. McCARTHY,
Vice-President and Secretary.

Allied Chemical & Dye Corporation
61 Broadway, New York

November 24, 1942

Allied Chemical & Dye Corporation has declared quarterly dividend No. 87 of One Dollar and Fifty Cents ($1.50) per share on the Common Stock of the Company, payable December 19, 1942, to common stockholders of record at the close of business December 4, 1942.

W. C. KING, *Secretary*

DIVIDEND
ARMOUR AND COMPANY
OF DELAWARE

On November 6, a quarterly dividend of one and three-fourths per cent (1¾%) per share on the Preferred Capital Stock of the above corporation was declared by the Board of Directors, payable January 1, 1943, to stockholders of record on the books of the Company at the close of business December 10, 1942.

E. L. LALUMIER, Secretary

THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY
New York, N. Y., November 20, 1942.

The Board of Directors, on October 27, 1942, declared a dividend of Two Dollars and Fifty Cents ($2.50) per share, being Dividend No. 88, on the Preferred Capital Stock of this Company, payable February 1, 1943, out of undividend net profits for the year ended June 30, 1942, to holders of said Preferred Capital Stock registered on the books of the Company at close of business December 31, 1942.

Dividend checks will be mailed to holders of Preferred Capital Stock who have filed suitable orders therefor at this office.

D. C. WILSON, Assistant Treasurer,
120 Broadway, New York, N. Y.

THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY
New York, N. Y., November 21, 1942.

The Board of Directors, on November 19, 1942, declared a dividend of One Dollar and Fifty Cents ($1.50) per share, being Dividend No. 120, on the Common Capital Stock of this Company, payable March 2, 1943, to holders of said Common Capital Stock registered on the books of the Company at close of business January 29, 1943.

Dividend checks will be mailed to holders of Common Capital Stock who have filed suitable orders therefor at this office.

D. C. WILSON, Assistant Treasurer,
120 Broadway, New York, N. Y.

CALUMET AND HECLA CONSOLIDATED COPPER COMPANY
Dividend No. 42

A dividend of twenty-five cents ($0.25) per share will be paid on December 14, 1942, to holders of the outstanding Capital Stock of the Calumet and Hecla Consolidated Copper Company of record at the close of business November 30, 1942. Checks will be mailed from the Old Colony Trust Company, Boston, Mass.

A. D. NICHOLAS, *Secretary.*
Boston, November 19, 1942.

THE CHESAPEAKE AND OHIO RY. CO.

An extra dividend of fifty cents per share on $25 par common stock will be paid December 26, 1942, to stockholders of record at close of business December 4, 1942.

A dividend for the fourth quarter of 1942 of one dollar per share on Preference Stock, Series A, and of seventy-five cents per share on $25 par common stock will be paid January 1, 1943, to stockholders of record at close of business December 4, 1942.

Transfer books will not close.

H. F. LOHMEYER, *Secretary.*

DU PONT — E. I. DU PONT DE NEMOURS & COMPANY

WILMINGTON, DELAWARE: *November 16, 1942*
The Board of Directors has declared this day a dividend of $1.12½ a share on the outstanding Preferred Stock, payable January 25, 1943, to stockholders of record at the close of business on January 8, 1943; also $1.00 a share, as the "year-end" dividend for 1942, on the outstanding Common Stock, payable December 14, 1942, to stockholders of record at the close of business on November 23, 1942.

W. F. RASKOB, *Secretary*

INTERNATIONAL HARVESTER COMPANY

The Directors of International Harvester Company declared a final dividend on the common stock of the Company for the fiscal year ended October 31, 1942, of fifty cents (50c) per share, payable December 15, 1942 to stockholders of record on November 30, 1942. At the same time, the Directors declared a quarterly dividend of fifty cents (50c) per share on the common stock payable January 15, 1943, to all holders of record at the close of business on December 19, 1942.

SANFORD B. WHITE, Secretary.

KANSAS CITY POWER & LIGHT COMPANY
First Preferred, Series B — Dividend No. 61
Kansas City, Missouri — November 18, 1942

The regular quarterly dividend of $1.50 per share on the First Preferred, Series "B," Stock of the Kansas City Power & Light Company has been declared payable January 1, 1943, to stockholders of record at the close of business December 14, 1942.

All persons holding stock of the company are requested to transfer on or before December 14, 1942, such stock to the persons who are entitled to receive the dividends.

H. C. DAVIS, *Assistant Secretary.*

DIVIDEND NOTICES

ELECTRIC BOAT COMPANY
33 Pine Street
New York, N. Y.

The Board of Directors has this day declared a dividend of fifty cents per share on the Capital Stock of the Company, payable December 10, 1942, to stockholders of record at the close of business November 25, 1942.

Checks will be mailed by Bankers Trust Co., N. Y., Transfer Agent.

H. A. G. TAYLOR, Treasurer
November 13, 1942.

THE ELECTRIC STORAGE BATTERY CO.

Exide BATTERIES

The Directors have declared from the Accumulated Surplus of the Company a final dividend for the year 1942 of Fifty Cents ($0.50) per share on the Common Stock, payable December 22, 1942, to Stockholders of record at the close of business on December 2, 1942. Checks will be mailed.

H. C. ALLAN, *Secretary and Treasurer.*
Philadelphia, November 20, 1942.

HOLLANDER DYED FURS

A. HOLLANDER & SON, INC.
Common Dividend.

A dividend of 25c per share on the Common Stock has been declared, payable December 15, 1942, to stockholders of record at the close of business on December 5, 1942.

Checks will be mailed.

ALBERT J. FELDMAN, Sec.
Newark, N. J.
November 23, 1942.

JM Johns-Manville Corporation
DIVIDEND

The Board of Directors declared a regular quarterly dividend of $1.75 per share on the Cumulative 7% Preferred Stock payable January 1, 1943, to holders of record on December 17, 1942, and a dividend of 50c per share on the Common Stock payable December 24, 1942 to holders of record on December 10, 1942.

ROGER HACKNEY, *Treasurer*

NATIONAL DAIRY PRODUCTS CORPORATION

A dividend of 20¢ per share on the Common stock has been declared, payable December 18, 1942, to holders of record November 30, 1942.

GEORGE H. RUTHERFORD
November 19, 1942 *Treasurer*

OFFICE OF NORTHERN STATES POWER COMPANY (WISCONSIN)
Chicago — Illinois

The board of directors of Northern States Power Company (Wisconsin), at a meeting held on November 17, 1942, declared a dividend of one and one-quarter per cent (1¼%) per share on the Preferred Stock of the Company, payable by check December 1, 1942, to stockholders of record as of the close of business November 20, 1942, for the quarter ending November 30, 1942.

N H BUCKSTAFF, Treasurer.

Dividend Notice

The Board of Directors today declared a dividend of 60¢ per share on the Common Stock of this Corporation, payable December 15, 1942 to stockholders of record December 4, 1942. Checks will be mailed.

S. W. DUHIG,
Vice-Pres. and Treas.
November 24, 1942

SHELL UNION OIL CORPORATION

UNION CARBIDE AND CARBON CORPORATION

UCC

A cash dividend of Seventy-five cents (75¢) per share on the outstanding capital stock of this Corporation has been declared, payable January 1, 1943, to stockholders of record at the close of business December 4, 1942.

ROBERT W. WHITE, Vice-President

The Securities Salesman's Corner

A FEW HINTS FOR CONTACTING BUSINESS EXECUTIVES

Following are some suggestions that we have found to be helpful in cultivating the business of executives of industrial enterprises. In every community there are more or less of these substantial citizens who are in the "ten thousand per year" and up, class. They make the finest type of customers that any security salesman can have for his clients. They are usually alert to the trends of the times and the news of the day, they are interested in the welfare of their families and their community, they are industrious, and as a class are far and above the average of almost any other group when it comes to knowing about investments, and stocks and bonds in particular.

ALWAYS TRY AND MAKE AN APPOINTMENT BEFORE YOU CALL. These men are busy—especially now, when defense work is taking up much of their time. Either write or use the telephone. Show that you understand that their time is valuable and state frankly that you are purposely asking for an appointment because you appreciate the value of your prospect's time.

YOU WILL FIND THAT MOST EXECUTIVES IN ANY LINE OF BUSINESS KNOW THE OTHERS IN THE SAME OR KINDRED LINES. If you can start doing business with a steel man, or a lumber man, stick to lumber or steel and RADIATE FROM THIS CONTACT. Jim Jones with the X steel company probably knows Pete Jackson with the Y steel company. Ask Jackson if he knows Jones—the chances are that he does. It will help you.

BUILD UP A SALES CAMPAIGN ESPECIALLY DESIGNED TO INTEREST BUSINESS EXECUTIVES. For instance, this would be an excellent time to write to every executive in your community and explain to them that you could help them sell certain securities for "tax loss" purposes that could undoubtedly effect substantial savings in their next year's taxes. Here is the type of mind that is alert to such an approach—much more so than many another less well informed investor.

OFFER A SECURITY OF A COMPANY IN A LINE OF BUSINESS THAT IS CLOSE TO, OR ALLIED WITH, THE BUSINESS OF THE EXECUTIVES UPON WHOM YOU ARE CALLING. Some years ago, we became interested in the stock of a company that bought a great deal of steel from one of the nation's largest steel companies. The convenient offices of this steel company contained a large group of key executives whom we thought would make good prospective clients. We found that the company we were interested in had a very fine reputation with the higher officials of this steel company. Several of these key men gave us substantial orders for the stock in which we were interested. They later became customers for other securities.

IF YOU CAN GET INTRODUCTIONS, USE THEM, BUT IT IS ALWAYS BETTER IF THE INTRODUCTION COMES FROM SOME "HIGHER UP" TO ONE "LOWER DOWN" IN THE MANAGEMENT SCALE. In other words, better from a vice-president to a purchasing official than vice-versa—but if you get a chance to say Bill Jones sent me over to see you—use it. As a general rule this group is one of the most democratic, fair-minded collections of individuals you will find anywhere.

IF YOU CAN AFFORD THE TIME JOIN UP IN YOUR COMMUNITY CLUBS FOR CIVIC BETTERMENT, ETC. THIS IS WHERE YOU ARE GOING TO MEET THE BEST CROSS SECTION OF THE SUBSTANTIAL CITIZENRY OF YOUR COMMUNITY. Here is one type of unselfish public service that any securities dealer can render his community and at the same time do more to broaden his circle of contacts than through almost any other type of effort. This is where you are going to meet the better business executives of your community—it will pay you dividends that you will find to be very worth while.

Housing Business Belongs In Private Hands Rep. Lanham Declares At Savs-Loan Conference

"No man can feel like a real American in a home which is kept up in whole or in part by his fellow man," Representative Fritz G. Lanham (Dem., Tex.), author of the Lanham Act for war housing, and Chairman of the House Public Buildings and Grounds Committee, told the War Conference of the United States Savings and Loan League. "The Federal Government doesn't belong permanently in the housing business," Mr. Lanham continued, "except in very rare instances. You can't find anything in the Constitution that says the Government has to build houses for the citizens. Much of the emphasis in the Bill of Rights is on the American home and especially on keeping it free from interference, Government or otherwise. The real estate business naturally and properly belongs to the real estate men," he said, and added "we must not overlook the fact that the Government operates any business it undertakes much more expensively than private enterprise operates the same thing."

Speaking of the Lanham Act, he said that this was one piece of legislation written absolutely by the Committee which got it enacted. "There is nothing in it to do with slum clearance or low cost housing for low income groups," Mr. Lanham said. "Provision is made for taxes to be paid to local Governments on the properties built for war workers. It is planned that temporary construction shall be salvaged after the war. I am hoping we won't have any deserted villages when the war is over this time, and I hope there will be strict adherence to the policy the statute enumerates, that private capital will be allowed to have its proper place."

"Profits & Prophecy" For Investors & Trustees

The Mutual Building and Loan Association of Pasadena, 38 South Los Robles Ave., Pasadena, Cal., will be glad to send investors, trustees and other fiduciaries a copy of their free booklet, "Profits and Prophecy," describing the advantages of investing in insured Federal Savings and Loan investments and outlining the history, structure and operation of the Mutual Building and Loan Association with emphasis on dividend record, earnings, growth and progress of the Association.

Insured Investment With Liberal Return

The Danielson Federal Savings and Loan Association, 84 Main Street, Danielson, Conn., will be glad to send a booklet and full particulars on insured Federal Savings & Loan investments, which offer, the association declares, unusual opportunities for safety and liberal return on investment. Current dividend rate of 3% per annum.

Investment Trusts

MORE ABOUT TAXES

The general excellence and profusion of investment company literature coming to hand this week bear eloquent witness to the vitality of the industry.

Significantly, the principal subject of analysis and discussion is again **taxes.** The limitations of this column do not permit adequate coverage of the abundant material on this subject. Suffice it to say that any dealer receiving and studying all of it would certainly qualify to give accurate, helpful counsel to his clients on major tax questions.

The Nov. 16 issue of Hugh W. Long & Co.'s "New York Letter" contains "More About Taxes" supplementing and enlarging on the discussion in the issue of Nov. 2. Seven specific suggestions are listed.

The trustees of the George Putnam Fund in a special letter to beneficiaries comment on the "New Tax Bill a Constructive Measure" and go on to inquire, "What About 1943 Taxes?"

The current issue of Keystone Corporation's "Keynotes" takes for its theme, "What To Do About The New 1942 Tax Law." After listing four important changes in the new law as it affects investors' capital gains and losses, the questions of whether an investor should take long-term gains and short or long-term losses now are answered briefly. Six specific steps to save taxes are listed.

For one of the clearest and most complete summaries of the new tax law **as it applies to individual investors,** the three-page memorandum prepared by Distributors Group, Inc., is recommended. Entitled, "How To Apply The Effects Of The New Tax Law To Your Clients' Accounts," it reviews step by step the things to look for and suggests the order in which the analysis should be made. There is something about this memorandum which makes the rather complicated job of analysis to determine a client's tax position seem relatively simple.

National Securities & Research Corporation's "Investment Timing" issue of Nov. 19 supplements its two previous discussions of the test?" The article effectively de- "Individual Income Tax Increases —Where Are They Really Heaviest?" The article effectively debunks the popular notion that the poor man is bearing the burden of the new tax increases. The fallacy in popular reasoning is pointed out as follows:

"If the poor man's tax had been raised, not from 10% to 19%, but from 10% to 50%, and the rich man's tax had been raised, not from 80% to 88%, but from 80% to 100%, the poor man would be left with half his (taxable) income and the rich man with absolutely nothing. And yet the poor man's increase was 40 'points' as against the rich man's 20 'points' and the poor man's 'percentage' increase was 400% and the rich man's only 25%.

"Only a little quiet consideration of the matter is necessary to convince anyone that . . . the real consideration is what percentage of the income that would be left after paying taxes at the 1941 rates is taken away by the 1942 increases in rates over the 1941 rates. When such an analysis is carried through, it shows that the rise in rates takes a larger percentage of the rich man's 'residual' income than it does of the poor man's 'residual' income."

A comprehensive table showing the incidence of individual income tax increases is included in support of these conclusions.

A special adaptation of the tax discussion to Manhattan Bond Fund is contained in a memorandum entitled, "The Important Tax Advantages of Manhattan Bond Fund, Inc., to Corporation Investors." In this memorandum the sponsor, Hugh W. Long & Co., points out that a corporation in the excess profits tax bracket can save $7,500 in taxes on $10,000 of bond income if the income is received through Manhattan Bond Fund instead of through direct ownership of the individual bonds.

Calvin Bullock's Nov. 16 issue of "Perspective" gives an excellent summary of the tax situation, with special emphasis on the effects of the new rates on the earnings of various industry groups. Twenty-four stock groups are included in the survey. By means of charts, the percentage of income before taxes in each group which will be absorbed by the new taxes is shown in comparison with the percentage of income before taxes which was taken by the 1941 rates.

(Ed. Note: For copies of the above-mentioned literature, it is suggested that you address your requests either to the sponsors named or to the Investment Trust Editor of the "Chronicle.")

* * *

Investment Company Briefs

One sponsor who does not discuss taxes in the latest publication to reach us is Investment Company Distributors, Inc., of Los Angeles. Instead, the performance record of the Investment Company of America and a "Comparison With 24 Open-End Investment Companies" are presented in a simple folder. Over the eight and three-quarter year period from Dec. 31, 1933, through Sept. 30, 1942, the average gain of the 24 companies, including cash dividends, is shown at 40.6%. In this same period the Investment Company of America's total gain is shown at 152.6%.

* * *

The Nov. 19 issue of Calvin Bullock's "Bulletin" also contains some performance comparisons. They cover the period from June 10, 1940, through Nov. 7, 1942, and show the average performance of the five largest and "best-known" investment companies in relation to the course of the Dow-Jones Industrial Stock Average. Over this period the Dow-Jones Average recorded a net gain of 4.5% as compared with an average net

(Continued on page 1880)

Municipal News & Notes

Action of the National Association of Insurance Commissioners, at their most recent annual convention, in removing municipal revenue bonds from their previous general classification with state and general obligation municipals is considered by specialists as a threat to marketability of such issues.

The revision, which places municipal revenues in the same category as corporate bonds in so far as applicability of Association rules relating to valuation is concerned, is directed not only at bonds supported by gasoline tax revenues and automobile tolls, but also embraces water, light and power and other issues payable out of revenues rather than taxes.

Impact of the revised attitude has been felt by dealers where their insurance company clients sought assistance in filling out questionnaires calling for data on small issues of revenue bonds not previously rated by statistical agencies or described in financial manuals.

It has been explained that failure to furnish this information may make the affected municipal issues ineligible to be carried in the insurance companies, Dec. 31, 1942, annual statement at the "amortization" value, as is permitted in the case of all state bonds and general obligation municipals and, until this year, special revenue issues.

Some dealers of late have been cooperating with insurance company clients with a view to bringing before the next convention of the National Association and its valuations committee an analysis of the unfavorable effects resulting from application of the June, 1942, resolution.

Protests from municipal officials likewise are expected. The Mayor of one Illinois city is said to have already advised Governor Dwight Green that "this is another form of attack on the ability of states and cities to finance their improvements without the supervision of some national authority."

High Premium Bonds Seen Affected By Tax Provision

The provision of the Internal Revenue Act requiring amortization of tax-exempt bonds bought at a premium may occasion a lessening in demand for this type of security when Section 126 of the new revenue law has been more thoroughly publicized, it was suggested in a report carried in a recent issue of the New York "Journal of Commerce."

Effect of the new law, it is said, is to do away with an advantage which tax-exempts have held over taxable obligations. Tax-exempt security holders no longer may take capital loss deductions of the difference between the purchase price and the redemption or sale price, the report added. Capital losses hereafter will only be allowed when a security is sold below its amortized value.

Bond premium amortization will be effective for any taxable year starting after Dec. 31, 1941, and is said to be mandatory for tax-exempt securities held both by corporations and individuals. Fully taxable security holders can elect the amortization method, but once taken, it will apply to all taxable obligations held unless permission is obtained from the Commissioner of Internal Revenue to change the election. In the case of partially tax-exempt issues, amortization will be mandatory for corporate holders but it will be optional so far as individual security owners are concerned.

Three More States Vote Highway Bond Protection

Unofficial election returns from Iowa, Oregon, and West Virginia reveal that in all three States the voters piled up overwhelming majorities in favor of proposed constitutional amendments prohibiting the diversion of highway funds.

Ratification of the three amendments at the Nov. 3 election brought to 14 the States which require use of all gasoline taxes and registration fees for maintenance and construction of roads and payment of principal and interest on highway bonds. The people of California, Colorado, Idaho, Kansas, Michigan, Missouri, Minnesota, Nevada, New Hampshire, North Dakota, and South Dakota had previously ratified such amendments.

West Virginia's "Good Roads Amendment" was given 218,652 votes for and 38,196 votes against it, a majority of nearly 6 to 1. In Oregon the vote was 125,364 for and 87,411 against the amendment, a ratio of 1½ to 1. Incomplete returns from Iowa show 169,271 votes for the amendment and 20,183 votes against it, a ratio of about 8 to 1.

Post-election reports from all three of the States indicate that tire rationing and other wartime restrictions, which in recent months reduced gasoline consumption in the three States from 16% to 35% below the same months a year ago, were important factors in the size of the vote cast in favor of this method of protecting road revenues.

Two other factors also are credited with piling up a record majority for these amendments. In each of the three States large bond issues were outstanding and some provision to insure payment of highway bond service and maintenance during the war without increasing taxes was essential.

The second factor was the apparent desire in each State to protect road funds against dissipation in order to insure their availability for highway construction projects as a cushion against post-war unemployment.

The Detroit Award

Space limitations preclude any detailed discussion in these columns of the circumstances of last week's award by Detroit of the $4,258,000 sewage disposal system revenue refunding bonds. It seems obvious, however, that the action taken by city officials in rejecting the high bid at the original offering was rather dictatorial, to say the least. Moreover, the city, at least in this instance, would appear to have sidestepped in some degree the accepted standards inherent in the competitive bid principle. The city, of course, had every legal right to reject the high bid submitted in the original instance, although the propriety of the action cannot be so easily defended in light of all of the facts.

Major Sales Scheduled

We list herewith the more important municipal offerings ($500,000 or over—short term issues excluded), which are to come up in the near future. The names of the successful bidder and the runner-up for the last previous issue sold are also appended.

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

Most of the activity in the market in recent weeks has been occasioned by the placement of large blocks of old issues acquired from the original holders, such as certain insurance companies and municipal sinking funds. Several sizeable operations of this character are scheduled for Dec. 1 and include an offering of $2,157,000 bonds by the New Jersey State Teachers' Pension and Annuity Fund and $4,390,000 by the Bankers Life Co. of Des Moines.

December 1

$2,600,000 Rochester, N. Y.

At the previous sale in February, the successful bidder was a syndicate headed by Halsey, Stuart & Co., Inc. Second high bidder was an account headed by Lehman Bros. of New York.

Investment Trusts

(Continued from page 1879)

gain of 18.4% for the investment companies. Although dividend payments by the investment companies were generous during this period, no adjustment for dividends was made in determining the performance figures. This is altogether a creditable showing for the investment companies during a most difficult period.

* * *

The November issue of Lord, Abbett's "Background" discusses the role that consumer industries are playing in our war economy. To Americans who cherish the American tradition of individualism, the conclusions reached are sound and satisfying. We quote:

"There is considerable conjecture as to whether business of the future will be as free as it always has been in the past. Some observers believe that the war may pave the way to industrial socialization. However, their arguments are not entirely convincing. In the first place, Washington itself has given many assurances that individual initiative and free enterprise will be preserved. In the second place, the American public has always clung tenaciously to its traditions of equal opportunity and individualism. Perhaps a parallel may be drawn from an incident in World War I.

"On Angel Island, San Francisco Bay, a group of youthful soldiers were eagerly trying on the new khaki uniforms that had just been handed out to them. A Spanish American War veteran who had rejoined the Service for the new war dryly commented: 'You are happy to put on the uniforms now, but you'll be much happier to take them off when this job is done.' In the case of an overwhelming majority of American soldiers, the veteran's prediction was doubtless true. During the war emergency they wore the uniform with high spirit and readily shouldered the new restrictions and discipline that army life entails, but once peace had been restored they were only too glad to get back to the freedom of their former life.

"It seems altogether probable that the American public, which is now willingly accepting restrictions on its former liberties and is enthusiastically ready for still more to come, will be even more enthusiastic after victory has been gained to return to the old order."

* * *

Sticking to his guns, the forecaster who discusses the intermediate trend of stock prices in the National Securities & Research Corp.'s "Investment Timing" service had this to say in the issue of Thursday, Nov. 19:

"Today's market was dull and indecisive. The entire range of the hourly Industrial Average was only 0.16 points. The volume was only 503,000 shares. While there were no visible indications of an immediate down move, there were no visible indications of an immediate rally. We must, therefore, continue to hold the position, which the action of the market over the past six weeks and especially during the week just finished has so strongly suggested, namely, that lower prices will be seen before any sustained upward movement occurs."

* * *

Distributions

Keystone Custodian Fund Series "S 2"—The regular semi-annual distribution for the six months' period ending Nov. 30, 1942, was paid Nov. 15 to stockholders of record Oct. 31, 1942. The distribution amounted to 45¢ of which 43¢ represented net income and 2¢ capital surplus.

U. S. Savings and Loan League War Conference

50th Annual Meeting Studies War Housing and Saving

Loaning Task Of Savings Associations Changed By War But New Horizons Are Opening

The $161,670,000 which savings, building and loan associations have supplied during the first nine months of 1942 to finance construction has contributed 49,000 new units of shelter, almost entirely in war industry areas. This was one major activity of these institutions to further the war program cited by Fermor S. Cannon, President of the United States Savings and Loan League, in his address before the League's Chicago war conference on housing and savings on Nov. 16. Mr. Cannon said that the "knotty questions incident to rent control" have placed added responsibility in the hands of these home financing institutions and that counsel and guidance on these matters have been given to thousands of members of the savings, building and loan associations throughout the country. He added:

Fermor S. Cannon

"We have before us the opportunity to cooperate in remodeling existing housing units. Our loaning task is changed somewhat in character, but it is still possible to devise ways and means to assist under and within the framework of the current regulations. Some of the war housing we have financed has been of the 'mass production housing' type, a fact which should encourage all of us as to our ability to meet such problems when housing is once more permitted on a peacetime scale. Even under the current reduced specifications governing war housing we should find opportunity to provide funds for housing which is one war activity still causing nationwide concern."

Mr. Cannon urged that no barrier be placed on prepayment of home loans by borrowers whose incomes have been swollen by war work. "This program of more rapid repayment is an added safety valve for controlling the spending of available funds," he said.

Since the war conference of the League was its 50th annual meeting, Mr. Cannon reviewed some of the outstanding developments of the half century of this national organization of the savings, building and loan associations. "The pioneers of our business were facing a crisis in our affairs at the end of the 1880's," he pointed out. He went on to say, "The problem of their day involved the attempt to nationalize the operations of associations using the well-developed formula of the locally operating associations. Cooperation in the effort to control this situation was obtained through the formation of a national league.

"The next forward step in our operations was the attempt to gradually better statutes in the various states to insure the safety of the associations. Then came the evolution and realization of the Federal Home Loan Bank system, through the efforts of the United States League, which great system of reserve Home Loan Banks has greatly fortified our services to our country."

Roosevelt Praises Savings & Loan Ass'ns As Contributors To Country's Strength

Declaring that a "nation of home owners, of people who own a real share in their own land, is unconquerable," President Roosevelt sent a message to members of the War Conference on Housing and Savings of the United States Savings and Loan League in Chicago. He told the savings and loan executives that they had the unique satisfaction of knowing that their institutions' business "of financing homes over a period of one hundred years has contributed inestimably to your country's strength." The following is the text of President Roosevelt's letter addressed to the board of directors of the League and read to the conference by Fermor S. Cannon, President of the League:

"The special War Conference of your district and state leaders, called this year in place of your annual convention, is new evidence of the awareness of the savings and loan industry of the necessity of concentrating only on our one great task.

"Since the nation's danger first became apparent, savings and loan associations and other thrift institutions have used their resources and experience in the service of their country. I refer not only to your contributions in providing thousands upon thousands of homes for war workers and in aiding the sale of War Savings Bonds, but to the manner in which you have supported the vital measures to protect our national economy.

"I fully appreciate the effect upon your business of the transition to a war economy. The fact makes all the more inspiring the assurance addressed to me by your president that your institutions 'are united and firm in their desire to aid in every possible way the all-important war program, regardless of the sacrifices involved.'

"You have the unique satisfaction of knowing that your institutions' business of financing homes over a period of one hundred years has contributed inestimably to your country's strength. A nation of home owners, of people who own a real share in their own land, is unconquerable.

"Please accept my best wishes for the success of your conference. The realistic basis on which it is being called makes me believe the country will benefit from your determinations.

Very sincerely yours,
Franklin D. Roosevelt"

Assets Of Savings, Building & Loan Ass'ns Reach Highest Point In Seven Years

The total of savings, building and loan association assets for the nation has reached $6,053,345,616, its highest point in seven years, reflecting an upward sweep of $258,815,766 last year, H. F. Cellarius, Secretary-Treasurer of the United States Savings and Loan League, told the League's War Conference on housing and savings at Chicago on Nov. 16. He reported a gain of 219,703 persons as investors in, and borrowers from, these thrift and home financing institutions, giving them a total membership of 6,978,057 persons in the associations as of Dec. 31, 1941. There are 7,207 institutions now in operation. The announcement from the Association states that these full statistics as of the close of last year made available for the first time on Nov. 16 show that 1941 was the best year of the past 11 for these institutions. In 42 States, the District of Columbia, Alaska and Hawaii they gained in total assets. In 14 of these States the gain was more than $10,000,000. The advices also state:

"Ohio continued as the nation's leading savings and loan State, with its aggregate assets at $909,502,772. It also made the largest gain of any State last year. Other States whose assets are now more than $250,000,000: Massachusetts, with $527,459,102 in cooperative banks and savings and loan associations; New York, with $476,058,935; Pennsylvania, with $457,045,291; Illinois, with $414,953,828; New Jersey, with $350,409,346; and California, with $342,323,997.

"A gain of 8.5% in mortgage loan investments for the year 1941 was reported for the combined associations by Mr. Cellarius, making their mortgage loans outstanding, $4,798,753,183, as of Dec. 31. The figure constitutes 79.2% of all savings, building and loan assets. He said that last year was the fifth successive year in which the percentage of total assets invested in mortgage loans had increased. The associations had only 5.7% of total assets in real estate as of the close of last year, Mr. Cellarius said, and reserves were 7.9% of combined assets at the close of 1941."

Mr. Cellarius further said:

"Such, briefly, was the situation when these associations entered the year of greatest uncertainty in this century, the nation's first year of involvement in World War II. The fact that they were in a relatively strong position, having done an unusual volume of sound business in 1941, has undoubtedly paved the way for smoother running than would otherwise have been possible.

"After the first months of reaction to the involvement in war when there was a definite outflow of funds from our associations, the net gain in savers' and investors' capital, month by month, has been re-established and in the summer of 1942 it was even greater than it had been the previous year. There is, thus, some good reason for belief that by the close of 1942, savings and loan will show another year of total assets growth and an increase in the number of persons using the associations for saving or borrowing purposes."

U. S. Savings & Loan League Takes Stand In Interest Of Private Enterprise In Building

The fiftieth annual meeting of the United States Savings and Loan League, which World War II reduced to a war conference on housing and savings, was held in Chicago, with delegates in attendance sent from State Leagues in all parts of the country.

Discussing the problems facing savings and loan associations during the war and post war years, the League adopted certain resolutions determining its policy for the future.

"There is abundant evidence that public housing officials are using the war housing program as a vehicle to broaden the scope of social housing," a resolution adopted by the League declares.

"The privilege and preference accorded public housing over private home construction of equally urgent need has hampered private enterprise which in the face of these obstacles has shown an excellent record in providing war housing. The United States Savings and Loan League, with a membership of nearly 4,000 thrift and home-financing institutions representing over 6,000,000 of our thrifty citizens, now takes a positive stand in the interest of private enterprise and expresses its determination to do the war housing job to the extent that permanent units are required. Government policy should be directed toward getting the job done and the issue of social housing should not be permitted to retard progress on this most important factor of the civilian front."

Another resolution commended the Boykin subcommittee of the Congress which recently caused the revocation of a WPB order terminating the issuance of necessary priority orders that would permit the construction and remodeling of housing for war workers by private industry. This resolution set out:

"We submit that the American way of life requires that Governmental authority should accord every preference to aid and encourage private initiative in meeting the housing requirements for our war workers, and that the construction of public housing should be resorted to only as supplemental and emergency in character. Those Congressmen, under the leadership of Representative Frank E. Boykin of Alabama, who realized the necessary role of private enterprise in the provision of housing for war workers have performed an outstanding public service and deserve the gratitude and commendation of all who are interested in the preservation of our private enterprise system."

On the subject of rent control, the conference by resolution petitioned the Congress "to keep on a parity the incomes of small property owners, wage earners and farmers, pursuant to the policy of equity established in dealing with wage earners and farmers." It added:

"In the interest of justice and fair play, we ask that any rent ceilings heretofore established for homes, apartments or residential property at any date prior to Sept. 15, 1942, shall be adjusted so that the 15,000,000 small property owners may be treated as equitably as farmers and wage earners."

Other resolutions passed included a plea for economy in government, a protest against regimentation attempts on the part of government agencies which have no clear relation to the mobilization for war; an appeal for early repayment of the government capital in the Federal Home Loan Bank System and the restoration of the System to the original concept of a privately owned and fully independent credit agency for the thrift and home financing institutions of the country; and a call for more speedy liquidation of the Home Owners Loan Corporation.

The resolution, calling for decreasing expenditures asked the Congress specifically to:

1. To require that the Federal Housing Administration cease insuring mortgages upon existing houses.
2. To discontinue Federal subsidy for farm credit.
3. To discontinue the expenditure of government money to house middle class people at government expense, except to the extent necessary for war production.
4. To discontinue purchase by the government of mortgages through its agencies such as the Federal National Mortgage Corporation and Reconstruction Finance Corporation.
5. To restrict cost to the government of information services and the cost of unnecessary use of government frank.
6. To reduce the premium rate charged savings and loan associations and insurance accounts to 1/12th of 1%.

As to the resolution on regimentation for other than war purposes, it was said:

"There are many government agencies whose functions in wartime are essentially the same as in peacetime. Their executive orders, exercise of authority, and operations are not in the nature of things concerned with the mobilization of the nation's resources for the war. Any encroachment by them upon the prerogatives of free enterprise and independent management at this time is a step toward losing the way of life for which we are fighting. Definite distinction exists and must continue to exist between the prerogatives of government agencies now in operation for defeating the Axis and those agencies whose responsibilities are not created by the war.

"We protest vigorously, wherever it exists, the use of the powers which an independent citizenry has temporarily surrendered to its government in order to win a war as an excuse for the permanent establishment of a regimental economic system."

The League also adopted a "Declaration of War by the Unarmed Savings and Loan Men and Women of America" pledging themselves to a definite program for the duration of the war; the League declared war on business-as-usual, on partisanship, on special privilege, on inflation, on poverty and depression after the war, and on delay in everything important to victory. Among the promises contained in the program, were selling war bonds to the fullest extent, and having their institutions buy them in unlimited amounts; encouraging people to save and not to spend to prevent inflation; keeping their institutions functioning, and protecting the future of their borrowing members who have entered the armed forces.

The conference also, on behalf of its nearly 4,000 member savings and loan associations located in all parts of the country, tendered the League's "assistance and cooperation to facilitate a more speedy liquidation of the Home Owners Loan Corporation and thereby accomplish the purposes of its original creation." This resolution also said:

"During the period from 1933 to 1936, the Home Owners Loan Corporation made a substantial contribution to the economic recovery of the country through its program for refinancing the mortgage indebtedness of approximately one million distressed home owners in this country. Since that time and in accordance with Congressional mandate, the corporation has been in process of liquidation.

"The United States Savings and Loan League commends the officials of the corporation upon the general efficiency of its operation and high quality of service that it has rendered in the discharge of its responsibility. With the steadily increasing improvement in economic conditions throughout the country, we feel that the time has now arrived when private capital is in a position to assist in and expedite the liquidation of the corporation's affairs by purchasing and locally servicing a large proportion of the corporation's present mortgage holdings."

Purchase Of War Bonds Is Home Front Battle

The importance of practicing thrift in the present situation to use up a $40,000,000,000 gap between the national income and living expenses, was stressed before the war conference of the United States Savings and Loan League by Robert Coyne, Field Director for the War Savings Staff of the Treasury Department.

Mr. Coyne said that purchase of war bonds must become a means of fighting on the home front rather than of playing at being a soldier on an emotional impluse. He pointed out that the national income in 1943 will be approximately $125,000,000,000, goods and savings worth only $70,000,000,000 will be produced, and State, Federal and local taxation will take only $15,000,000,000. This leaves a gap of $40,000,000,000 to be saved or squandered.

"We can win a smart man's peace by starting now to win the battle against inflation," he said. "It will be just as large a job to maintain prosperity after the war as it is to produce the materials needed for carrying on the war now."

Mr. Coyne appeared at the conference as the Treasury's representative, replacing Ted R. Gamble, Assistant to Secretary Morgenthau. Mr. Morgenthau told the conference in a message that Mr. Gamble's urgent work had forced him "to forego the pleasure" of attending the meeting.

Savs. & Loan Ass'ns Gain In Net New Money

The savings, building and loan associations of the nation siphoned off $146,468,000 from the mounting inflationary tide of the national economy during this past summer, showing a net gain of approximately this amount in their savers' and investors' capital between the beginning of June and the end of August. This is reported by Morton Bodfish, Executive Vice President of the United States Savings and Loan League, Chicago, who on Nov. 1 said that this net gain in money in the thrift and home financing institutions was half again as large as in the summer of 1941, when the previous post-depression record in net new money was achieved.

Two factors entered into the marked increase, Mr. Bodfish said, as follows:

"New money flowed in at a rate of 10% faster than last summer, reflecting the mounting payrolls due to war production and increased employment, and the results of intensified anti-inflation advertising campaigns by these associations.

"On the other hand withdrawals of accumulated savings, building and loan funds were off 5% from their volume the previous summer, another reflection of the fact that more current earnings are available now for emergencies and living costs for the average citizen."

Mr. Bodfish also said:

"The purchase of more than $80,000,000 in government bonds, including War Bonds, Series F and G, by the savings and loan institutions since July 1 shows where much of this increased investment on the part of the savers and investors has been put to work by the association. This increased investment in savings and loan has helped slow down the inflationary tendencies in our national economy by the savers' not having spent it for consumer goods. It has also contributed to holding down the general price level by providing additional savers' capital from which a part of the war could be financed so that this much more of the cost of victory did not have to be financed out of commercial bank loans with the seeds of inflation inherent in them."

Morgenthau Praises Savings & Loan Ass'ns For Aid To Treasury

Praise for the savings and loan associations for their "splendid service" to the Treasury's war savings program was expressed by Secretary of the Treasury Morgenthau in a message to the United States Savings and Loan League convention in Chicago. In his message, Mr. Morgenthau said:

"Since the inception of the War Savings Program the savings and loan associations have given splendid service to the Treasury. I am grateful to all of your institutions who have been buying Government Bonds in considerable amounts and whose representatives have given unsparingly of their time in promoting the sale of War Bonds to the individual. May I encourage you to keep up this good work until the war is won and our job at home has been accomplished."

Secretary Morgenthau indicated that he had asked Robert Coyne, Field Director of the War Savings Staff to represent Ted Gamble, who had originally been scheduled to address the conference, but who had been unable to attend the meeting because of the urgency of the task on which he was engaged.

U. S. Savings & Loan League Elects Cake President At War Conference Meeting

Ralph H. Cake of Portland, Ore., was elected fiftieth President of the United States Savings and Loan League at the annual meeting in Chicago Nov. 16. Mr. Cake is President of the $16,000,000 Equitable Savings and Loan Association. He succeeds Fermor S. Cannon, Indianapolis, as head of the League and has served as both First and Second Vice-President.

Other officers elected to serve wtih him in the wartime administration of the national savings and loan organization are John F. Scott, St. Paul, President of the Minnesota Federal Savings and Loan Association, who is the new Vice-President; W. Megrue Brock, Dayton, Ohio, President of the Gem City Building and Loan Association, who will be Second Vice-President, and Herman F. Cellarius, Cincinnati, re-elected Secretary-Treasurer for the forty-sixth time.

Ralph H. Cake

Fred G. Stickel, Jr., 11 Commerce Street, Newark, N. J., was re-elected Director for District II of the League.

E. J. Rupert, Vice-President and Secretary of the Broadview Savings and Loan Company, Cleveland, Ohio, was chosen Director for District IV.

G. J. Casselberry, President of the First Federal Savings and Loan Association of El Paso, Texas, was again named Director for District VI, and George B. Campbell, Vice-President and Secretary of the Independent Building-Loan Association of San Jose, Calif., was re-elected Director for District VIII.

John F. Scott

W. M. Brock

H. F. Cellarius

The following national Councilmen were chosen at the meeting of the League:

Montana: V. D. Clark, Executive Vice-President and Secretary of the Security Building and Loan Association of Billings, Mont.

Nebraska: Ford E. Hovey, President of the Occidental Building & Loan Association of Omaha.

New Jersey: Henry N. Stam, President of Totowa Savings and Loan Association of Paterson.

New York: E. Clinton Wolcott, President, First Federal Savings & Loan Association of Rochester.

North Carolina: N. Mitchell, Executive Vice-President, Piedmont Federal Savings and Loan Association of Winston-Salem.

North Dakota: H. H. Wooledge, President, Northwestern Mutual Savings & Loan Association of Fargo.

Ohio: James V. Davidson, President of First Federal Savings & Loan Association of Toledo.

Oklahoma: L. W. Grant, President of Home Federal Savings & Loan Association of Tulsa.

Oregon: Keith Powell, President, Salem Federal Savings & Loan Association of Salem.

Pennsylvania: Fred A. Werner, Executive Vice-President, Lansdowne Federal Savings & Loan Association of Lansdowne.

Rhode Island: Ralph H. Crosby, Vice-President, Old Colony Bank, Providence.

South Carolina: Marion M. Hewell, Secretary-Treasurer, Fidelity Federal Savings & Loan Association of Greenville.

South Dakota: Matilda Gage, Secretary, Home Building & Loan Association of Aberdeen.

Tennessee: W. C. Walkup, Vice-President and Secretary, Home Federal Savings & Loan Association, Knoxville.

Texas: W. W. McAllister, President, San Antonio Building & Loan Association, San Antonio.

Utah: M. L. Dye, President, First Federal Savings & Loan Association, Salt Lake City.

Vermont: R. A. Cooke, President, Burlington Federal Savings & Loan Association of Burlington.

Virginia: William C. Stuart, General Manager, Mutual Home & Savings Association, Newport News.

Washington: F. S. McWilliams, President of Fidelity Savings & Loan Association of Spokane.

West Virginia: J. D. Shultz, Secretary-Treasurer, Fayettville Federal Savings & Loan Association, Fayetteville.

Wisconsin: F. Dean Cardinal, Secretary-Treasurer, Kinnickinni Federal Savings & Loan Association of Milwaukee.

Wyoming: I. W. Dinsmore, Executive Vice-President and Secretary, Rawlins Federal Savings & Loan Association of Rawlins.

NY Delegates Attend Savs.-Loan Conference

The New York State delegation to the United States Savings and Loan League War Conference was announced by Zebulon V. Woodard, Executive Vice-President of the New York State League of Savings and Loan Associations. It was headed by Clarence J. Roberts of Carthage, President of the New York State League of Savings and Loan Associations, and other delegates included: E. M. Van Norden, immediate past President of the New York State League and Director of the United States League; Otto Welk, George L. Bliss, Leon Fleischmann, Harold C. Hahn, Albert T. Maurice, Dr. Herman L. Reis, Jason Meth, Everett Smith, Nugent Fallon and Zebulon V. Woodard, New York; LeGrand W. Pellett, Newburgh; W. Gilbert Livingston, Bronxville; Arthur P. Bartholomew, Willis J. Almekinder and E. Clinton Wolcott, Rochester; Selden W. Ostrom, New Rochelle; Richard A. Greer, White Plains; Norman H. Polhemus, Poughkeepsie; Fred W. Herendeen, Auburn; Ambrose P. Gardiner, Whitestone; Axel Swenson and Harry L. Dayton, Bayside; Emile Rathgeber, Flushing; Claude B. Gandy, Joseph Holzka and Herbert G. Winsch, Staten Island.

Jersey Delegation At Savs.-Loan Conference

Fourteen delegates from the New Jersey Building & Loan League were present at the War Conference meeting of the United States Savings & Loan League in Chicago. Members of the delegation were:

Edward J. Fyfe, President, New Jersey Building & Loan League; Emil A. Gallman, Executive Vice-President, New Jersey Building & Loan League; Edwin R. Conover, Red Bank Building & Loan Association, Red Bank; Judge Fred G. Stickel, Jr., of Newark, United States League Director; Henry N. Stam of Paterson, United States League Executive Councilman; J. Alston Adams, Westfield Federal Savings & Loan Association; Arthur T. Dailey, Summit Federal Savings & Loan Association; Maurice K. M. Murphy, Boiling Springs Savings & Loan Association; Austin I. Mehrhof, Central Bergen Savings & Loan Association; Richard Loeffler, Union City Savings & Loan Association; Harold T. Curran, Union City Savings & Loan Association; Wilfred G. Turner, Union City Savings & Loan Association; Jerome B. McKenna, Deputy Commissioner, Department of Banking and Insurance, and Robert G. Clarkson, Vice-President, Federal Home Loan Bank of New York.

Single Authority Declared Essential To Solving Problem Of Manpower Situation

A single authority will have to be created to get a perspective on the manpower situation which is becoming an increasing muddle and increasingly expensive to the nation in terms of men and materials as well as money, according to Representative Everett M. Dirksen (Rep., Ill.), speaking before the final session of the United States Savings and Loan League war conference in Chicago. Mr. Dirksen summarized the numerous suggestions which have been made on the subject of what he called "rationing people" and pointed out that most of the implications of those plans had not been discussed, such as what happens to seniority rights of an employee who is transferred from one employ forcibly to another and similar implications of rationing of "flesh and blood."

"We will hear more of the 48-hour week after Jan. 1," he said. "When the new Congress meets it is going to be resolute in its determination to do something about the manpower muddle. We can't have our boys fighting anywhere on our 30,000-mile battle front with insufficient equipment, because of a manpower shortage at home." He added:

"There are more civilian employees in Federal, State and local Government than there are in the Army and Navy put together. Maybe we can get some of our manpower from them. I propose to look into it."

Representative Dirksen spoke of post-war planning and asked if the people are willing to fight on the sidelines and let the same thing happen as in 1933 with relief projects. "Something has to be done if we are going to get an honest-to-goodness program, and as I see it the Congress will have to develop a program for post-war activities."

At its opening session the League resolved to answer in full the challenge of the Treasury's newly-announced financing plan of "seeking most of its funds from the general public."

"We promise that we will sell war bonds to the fullest extent of our ability and energy, without regard to cost and time involved, so that as far as dollars make a difference the planes, tanks and guns will be at the right place at the right time," the unanimous resolution said. "We promise that our institutions will buy government bonds in unlimited amount every week and every month as funds are available."

Fermor S. Cannon, President of the League, said that the latter promise was particularly pertinent to the Treasury's program since the savings and loan institutions' investment of savers' funds in government bonds represents a non-inflationary transaction, and has the same effect on the economy as purchase by the general public."

Savs. League Pledges To Buy Govt. Bonds

A goal of $300,000,000 investment in government bonds in 1943 was set by the savings, building and loan associations by resolution adopted by the United States Savings and Loan League War Conference.

Great Housing Demand Predicted After War Necessitating Changes In Building Industry

Praising the builders and mortgage lenders for the job being done in war housing, Abner H. Ferguson, Federal Housing Commissioner in the National Housing Agency, predicted that the post-war period will offer "immense opportunities in providing the American people with the enormous amount of housing that is going to be needed."

In an address before the conference of the United States Savings and Loan League in Chicago, Mr. Ferguson said that "when the war is over, there already will be developed in America a need and demand for houses almost without limit," and he predicted that, except for a short period of transition from war to peace, the country would enter into a period of "unexcelled prosperity."

Saying "it is generally conceded that post-war America will be a largely different America economically," Mr. Ferguson said he was confident that "we are going to emerge with our system of free private enterprise still operating, but that it will have to be subjected to certain regulations and controls in order that it may better serve the interest of the people as a whole."

From Mr. Ferguson's address we also quote:

"A few weeks ago in Washington, I attended a conference of builders. I told them that every time I heard a group of builders talking about war-housing I was overwhelmed by a new amazement that they could continue to struggle with the problem, in view of the many uncertainties and onerous restrictions which of necessity have continued to hamper their efforts. I told them they were entitled to the unqualified gratitude of the nation.

"I make this same statement to you as among those who have provided the funds with which these houses have been built, and the number is not inconsequential. In 1941 there were 619,487 units of urban residential construction built in the United States with private funds, and while it has dwindled considerably during 1942, the figures show that 259,751 units of private construction were started in the first nine months of 1942. The National Housing Agency has programmed 270,000 units for the year beginning Oct. 1, 1942. I would not hazard a guess as to what additional amount of war housing, if any, is going to be built during the entire period of the war.

* * *

"When the war is over, there already will be developed in America a need and a demand for houses almost without limit. We will find a country with a national income of probably $100,000,000,000 a year. We will find a country with full employment. We will find a country with trade prospects in unheard of amounts. We will find a country with a welled-up demand for peace-time products of all kinds, with thousands and thousands of houses needing deferred repairs and with a backlog of new houses variously estimated at from 900,000 to 2,000,000 a year for ten years. We will find a country still with unmatched natural resources and the whole world as our market. I can see no reason why, excepting possibly for a short period of transition from war to peace, the United States should not enter into a period of unexcelled prosperity after the war."

The post-war demand for houses, said Mr. Porter will not be "for houses in the higher brackets, but for houses selling for even less than we have ever experienced before," adding that "to serve this market, certain fundamental changes will have to be made in the building industry." Mr. Ferguson continued:

"We cannot continue to build houses piece by piece, as shoes were made a hundred or more years ago, if we expect to get the price of houses down to a point where they will appeal to the mass market of the lower middle-class citizen.

"In order to accomplish this, it is, I believe, going to be necessary for the building industry to be transformed from its present disorganized, disintegrated and inadequately financed condition into an efficient, adequately capitalized industry comparable to others, such as the automobile industry, whose marvelous success has been brought about by constantly building better cars for less money. There should be construction companies with adequate capital, which we do not have today to any considerable extent. These companies, with ample credit facilities, could build houses on a mass-production basis just as the large automobile companies build cars, thus superseding the methods now used and which are little different from those used 50 to a 100 years ago. By reason of their mass operations they could substantially reduce the cost of houses through the purchase of land and materials in volume, through prefabrication and through the possibility of furnishing constant employment to their labor.

"Another fact that we must acknowledge if we are to meet the post-war need and maintain a sound mortgage structure, is that this building will be more generally distributed throughout the country and not be confined to the large metropolitan areas as was the case in the late '30's.

"We all know that the wide use of the automobile as a means of transportation greatly decentralized housing and enabled people to abandon the densely populated centers of the cities for the wide spaces of the areas surrounding them. If, as many predict, the airplane does become a major method of transportation after the war the outward movement may be greatly extended and people who now live five or seven miles from their work may then live 50 or more miles away."

Mr. Ferguson pointed out that the development of prefabricated or factory-built houses and of substitute materials by the war housing program will be of "inestimable value" in post-war building.

Declaring himself "a perennial advocate of home ownership," Mr. Ferguson said:

"Home owners are the backbone of the nation and never become revolutionists. The intangible something that is the inheritance of a child reared in a home owned by his parents—the sense of belonging, the security and pride of possession—these are some of the precious traditions we are fighting for in this war. Your associations have long recognized this human instinct and made it the cornerstone of your lending policies. It is something we cannot forget.

However, there is a large segment of our population, estimated variously at from 40% to 70%, who, for one reason or another, can not or will not assume the burdens of home ownership. We must not overlook this field, although I must admit we have not met with perfect success in trying to interest investment capital in rental housing projects. I do not believe that rental housing projects should be undertaken by operative builders, but that they are prime outlets for investment capital. This is demonstrated by two ventures in Washington; one of which has paid annual dividends of 5% from 1897 to 1923 and 6% from 1923 to the present time, including the heavy depression years. The other has paid dividends of 5% continuously through the past 10 years."

Discussing the need for city planning, Mr. Ferguson had the following to say:

"This planning will have to be based upon calculations of existing and future population, the number of families and their income ranges. It will depend upon studies of proposed future distribution of different land uses and occupancy, evolving gradually into an ever-adaptable and workable master plan, indicating major thoroughfares and transportation systems, school and recreational facilities distribution, other utilities and services and employment centers. Blighted areas will have to be designated. Land use and occupancy and their relationship to public service will need to be specified, including areas for publicly financed slum clearance projects and those reserved for development by private capital.

"Of course, even under the most favorable conditions little can be accomplished over night, but such a master plan would represent a goal toward which to work and might offer a starting point as to the specific steps necessary. Among the first of these is perhaps the necessity for a lower tax rate for the inlying areas. Possibly the Federal Government may have to subsidize the cities at the start and until municipal income and expenditures can be reoriented, reorganized and equalized."

In his concluding remarks Mr. Ferguson said in part:

"Although it is hardly possible to define at this time exactly the technical and scientific development of the war, we do know certain things that point the way. As a result of the war effort the country's production capacity has tremendously expanded. Aluminum production, for instance, has trebled and in a few years will be about seven times what it was before we entered upon our defense program. The development of plastics is making tremendous strides. New uses and experience with plywood is another war time development. Magnesium is an almost new material, as are other new synthetic materials such as substitutes for rubber. These and many more materials now being developed will most certainly have a marked effect upon house construction and equipment. And the very fact that industry is learning to produce them in tremendous quantity surely portends a lower cost house when these materials find their proper role in peace time construction.

"Side by side with the development of the house itself, neighborhood planning will be intensified—both in the development of new suburban areas and as a part of urban rehabilitation in the larger scheme of city planning. In many instances houses will be so grouped in new neighborhoods as to make them self-contained. These new neighborhoods will conform to comprehensive zoning ordinances and well prepared subdivision regulations, bringing stability into city growth and providing homes of architectural merit. In post-war developments the houses will be in a price range and of a type that properly fit into their section of the city.

"I do not believe that the house of the future will be drastically revolutionary either in design, materials or construction methods regardless of the new materials that will be available. Custom and taste do not change quickly. Nevertheless all these factors should be receiving your careful consideration because of their possible influence upon your appraisal policies in the future as well as today. For your appraisals today could be adversely affected by a more attractive and more economical house of tomorrow.

"In estimating the potential housing activity in the post-war period, repairs and modernization should not be overlooked. Such repairs as are now being made are the bare maintenance items.

* * *

"As to future financing arrangements, I do not anticipate there will be any great change. I believe the long term amortized mortgage—either insured or uninsured—is too well established for there to be any drastic revision. Under any circumstances, I feel confident in predicting that no matter how long the war may last, the FHA and private mortgage lending institutions operating with it will be ready to swing into action in whatever home financing and home repair program will be expected of them at the war's end."

Chicago Home Loans Increase 18% In Oct.

An 18% increase in October advances by the Federal Home Loan Bank of Chicago over those of September brought the October disbursement to Illinois and Wisconsin savings, building and loan associations to $380,001, A. R. Gardner, President of the bank, reported on Nov. 17. Despite the upturn from the previous month, he said, this was the least active October the bank has experienced since 1938. Meanwhile, Mr. Gardner said, repayments to the bank, which is their reserve institution, by the savings, building and loan associations reached a new October high, making a $2,452,842 contribution to the anti-inflation drive on the debt-payment front.

"Repayment of bank advances in record volume, in addition to their investment in Government bonds to the extent of $8,280,000 is not an unexpected step on the part of the thrift and home financing institutions, in view of their surplus funds," he explained. "Member institutions which need supplementary funds for meeting home loan demand in their localities are in the minority today."

In support of this fact, he cited results of a recent survey made by the bank in the Illinois-Wisconsin district; 282 savings, building and loan associations reporting had a net increase in private capital of $11,900,819 during the first six months of 1942, with a corresponding net increase of only $3,559,006 in home mortgage loans. It is stated that the small increase in loans was largely because of the fall-off in home construction after its confinement to war industry areas last spring. During the like period of 1941, Mr. Gardner pointed out, when no restrictions were on home building, these institutions added $17,419,128 to their loans outstanding on residential property.

National Housing Administrator Predicts Large, Sustained Post-War Era Of Building

John B. Blandford, Jr., Administrator of the National Housing Agency, declared that in the post-war years the people will be eager for better living and predicted "a resurgence of the instinct of home ownership, which will lead us into a large and sustained era of building."

In an address to the United States Savings and Loan League convention in Chicago, Mr. Blandford said that before the war began, this country was seriously under-housed and that this pent-up demand for homes will provide "better and more comfortable dwellings within the reach of a new segment of our population." Mr. Blandford further said:

"The people are now saving for victory. Despite sales of War Bonds, now nearly at the rate of a billion dollars a month, savings continue to flow steadily into your institutions. Although the cost of our victory will be reflected in heavy taxes in post-war years, there are going to be millions of Americans with funds in the form of savings accounts and bonds—people who never before have succeeded in getting out of debt. They will be weary of living doubled-up in crowded districts or in shelters of temporary construction without modern comforts and facilities. They will be eager for better living."

Mr. Blandford told the conference that "savings and loan associations—and similar institutions—will be depended on for creative leadership in building a new and a better roof over America."

At the start of his address Mr. Blandford said "the shock of war has brought many new words into our vocabulary; for instance, the word 'conversion' which has a new and definite meaning for every American." He went on to say "the savings and loan associations of the country can take deep satisfaction in the knowledge that they are converting or adjusting their operations for war service. Records show that from July 1940, when the armament program began, to July, 1942, savings and loan association members of the Federal Home Loan Bank System financed the construction or purchase of nearly 350,000 homes in areas of war industries—lending a total of $1,230,000,000 for those purposes. While all these loans were not specifically for 'war housing,' they helped to relieve shortages in scores of crowded war production centers."

Mr. Blandford explained to the savings and loan men the workings of the National Housing Agency and its operating units and outlined briefly the war housing program of the NHA. With respect to the war housing program, the Housing Administrator estimated that there will be needed a total of 1,320,000 accommodations of various types to house the 1,600,000 war workers expected to move into industrial centers in the fiscal year ending June 30, 1943. He further explained that of the total, 650,000 living units are planned through greater use of existing structures and the balance of 670,000 units must be new construction. Mr. Blandford called on the savings and loan associations and similar institutions to cooperate with the NHA in its recently announced lease conversion program for housing war workers.

He concluded:

"Fortunately for civilization, not all of the processes of war represent waste. I have mentioned the stimulus to the ingenuity of building enterprise. Another by-product of war, as we rally our material and human forces together, is obviously the development of mutual cooperative effort. Private industry and government and community interests are working together on a common job. We are learning respect and tolerance and understanding for one another. These are national assets that will be turned to the benefit of the whole people on the wider horizons ahead.

"I believe the foundations are being laid for tackling the post-war job in a wholesome mental environment where fact replaces rumor, logic substitutes for emotion and tolerance wipes out prejudice. I believe we will be better able to trace the trail of relationship from home to site planning to neighborhood development to city plan and on to regional and national planning.

"I believe we will the better be able to raise our sights progressively from the home budget to the community fiscal formula and on up to our total national economy. I believe we will better climb the ladder from personal profit and security to institutional soundness and prestige, to community pride and participation and on up over the top to national vision and patriotism."

Savings Problems Of Management In War Time Studied At Savings And Loan League Conference

Continue to advertise for savings, with only a possible 20 to 25% reduction in the appropriation, was the advice passed on to the savings, building and loan associations and cooperative banks in the panel discussion on "Savings Problems of Management in Wartime," featured Nov. 17 at the United States Savings and Loan League's war conference on housing and saving. Although the continued inflow of new money at rates equal to or faster than at present was anticipated by the majority of the panel, the philosophy prevailed that every $1 you don't spend to keep your savings customers now will cost you $5 or $6 later.

Members of the panel were James V. Davidson, Toledo, O.; M. K. M. Murphy, Rutherford, N. J.; Frederick W. Ruble, Denver, Colo.; G. Vander Ende, Berkeley, Cal.; and Professor Ray B. Westerfield, New Haven, Conn. Moderator was Carl F. Distelhorst, Assistant Vice-President, United States Savings and Loan League.

Admitting that the savings flow is likely to become increasingly more difficult to invest in mortgage loans, the executives turned their attention to government bonds as an outlet and decided that somewhere between 30 to 40% of an association's assets could be in government bonds without completely upsetting the earnings structure.

Professor Westerfield pointed to the need for the associations to encourage thrift by taking all funds offered them, because "if people spend money today they are diverting time and money from war production."

The panel went into a lengthy discussion of the kinds of bonds savings and loan associations should buy. The bond portfolio most generally favored placed emphasis on the purchase of F and G War Bonds, but beyond the limit in those securities, was made up largely of short term and intermediate securities so that the bonds can be strongly held. The consensus was that there was no need to buy governments in the open market because of the wide variety of Treasury offerings available.

Professor Westerfield predicted that immediately after the war there would be four to six months of hesitancy and then a year-and-a-half to two years of a dangerous inflationary period, when controls will be off and inflation permitted to take its course.

In a panel on "Mortgage Lending Problems of Savings and Loan Managers," new methods and new ways of doing things to keep mortgage loan portfolios from shrinking under the impact of war restrictions and inflationary conditions were discussed. A majority of the five-man panel also reported that the recent Office of Price Administration restriction on evictions had not yet had any effect on real estate sales, while a minority of the panel traced to it a definite fall-off in the purchase of older properties.

Members of the panel were John F. Scott, St. Paul, Minn.; Ralph H. Cake, Portland, Ore.; George B. Campbell, San Jose, Cal.; Raymond P. Harold, Worcester, Mass.; and Fred Zuck, Sandusky, O. Moderator was Ralph H. Richards, Pittsburgh, President of the Federal Home Loan Bank of the third district. Mr. Scott suggested that mortgage lenders are still living in a "peacetime hangover," and that today they do not even dream of restrictions and regulations which will be placed on activities six months from now. Mr. Cake insisted, however, that the associations had lived through times before as dark as the present and that the situation would merely put managers on their mettle to keep up their mortgage lending business.

The ease with which prospective owners of homes can accumulate a down payment of sufficient amount to merit a loan, using their swollen incomes from war industries, was cited by Mr. Campbell, who said that by and large the real estate market still seems to be brisk.

Lending on well-built older homes, which are in a good state of repair was advocated by Mr. Harold who said that in his experience people who buy a home they like are not on the moving van every few years. "Care in analyzing the loan at the time it is made is still the best way to prevent lending on obsolete values and properties which are going to take an awful beating when the new housing of the post-war era begins to be constructed" he pointed out.

"The long-term amortized home loan has proved to be one of the world's best investments and we have to work harder and be more effective in holding the field than in our previous experience," he contended. The ability "to come down nights and straighten things out in order to help a real estate broker" was pointed out as the secret of staying in the mortgage lending business today by Mr. Zuck.

Savs. & Loan Mtg. Financing Decreases As War Cuts Building

Home mortgage financing by savings and loan associations during the first nine months of this year amounted to $814,222,000—a drop of 22% and 10% from the similar periods in 1941 and 1940, the Federal Home Loan Bank Administration reported on Nov. 14. The 1941-1942 decline was greatest in the two western-most Federal Home Loan Bank districts and least in the districts comprising Pennsylvania, West Virginia and Delaware.

The Administration's announcement added:

"However, the 1942 lending activity of America's thrift and home financing institutions remained well above the total for 1939, up to then the peak figure since the depression of the early 'thirties.

"The steady decline in loans for new home construction, which began in the summer of 1941, pushed the total of such loans for the first three quarters of 1942 down to less than one-half of the 1941 record — $162,119,000 as against $338,950,000. Loans for reconditioning and miscellaneous purposes decreased about one-fourth while the total of lending to refinance old mortgages moved downward by only one-seventh.

"Evidence of the continued market for used houses in many areas was the fact that loans to finance the purchase of existing structures remained practically unchanged over these periods.

"During September, savings and loan associations made loans totalling $94,055,000, a 28% decline from September 1941, but a 2% rise over August. Loans for the purchase of homes increased 5% from August, to an aggregate of $58,060,000, which is next to the highest monthly total in this category since depression years. Construction loans for September totalled $12,449,000, as compared with $40,782,000 in the same month of 1941."

Bodfish Says Financial Institutions Must Be Able To See Need For Changes

Financial institutions which get stabilized, smug and unable to see the need for changes are precursors to crashes in the financial system, Morton Bodfish, Executive Vice-President of the United States Savings and Loan League, told the war conference on housing and savings, of the League at its opening session on Nov. 16. He said that financial institutions are now in one of those eras in which their character and their opportunities will be determined by whether or not the management is willing to do the audacious, bold and imaginative thing.

Morton Bodfish

Reviewing the position of the savings and loan business after 11 months of war, Mr. Bodfish said that money is flowing into the institutions at better than the pre-war rate, that they can still do a good volume of lending, that reserves are now around 8% of total liabilities, and that they now hold about $200,000,000 in government bonds. Mr. Bodfish pointed out that:

"We have our opportunity to build our institutions back to the $10,000,000,000 position they held before the depression and to help stem the tide of inflation by investing in government bonds those funds which are not needed in the home mortgage field. We will probably add about $250,000,000 in government bonds to our portfolios in the next 12 months. Our resources are at the disposal of our country."

"We have taken on the biggest job any nation has ever taken on in history, and we are just beginning to do it," he said, commenting on the war picture.

Mr. Bodfish emphasized the inability of public law alone and public officials alone to create the management capacity which will take a financial institution through a time of crisis. He said that the heavy hand of government control, regimentation and bureaucracy has not yet captured the savings and loan institutions and that they are more independent and self-sufficient than most other financial institutions today, preserving the attributes of private enterprise in a measure of which they should be proud.

Speaking of the Federal Home Loan Bank System, the reserve institution of the savings and loan associations, Mr. Bodfish said that it is the most treasured common possession of these associations today. He paid special tribute to the particular Home Loan Banks which have directed their policy substantially toward strengthening their liquidity.

Acceptance Of Maximum Rent Principle Held Essential To Preserve Economic Stability

Paul Porter, Deputy Administrator of the Office of Price Administration, told the United States Savings and Loan League war conference that the OPA knows that "the overwhelming majority of landlords have accepted regulations as necessary for the war emergency, and have gone out of their way not only to obey the letter of the maximum rent regulations but the spirit as well."

He said that "when specific amendments were made to plug up loopholes, they were really protecting those landlords who from the very beginning have wholeheartedly supported rent control."

Mr. Porter also told the conference that "Action taken by the Office of Price Administration—in the fields of rents and construction, repair and maintenance materials—has certainly affected some stabilization of real estate values." He went on to say:

"The importance of such stability is obvious to this group. Inflation of real estate values, in so far as historical experience is a guide, means eventual deflation. You needn't search far back in the history of your own experience. The real estate collapse of the early 30's and the subsequent hangover are not easily forgotten. The acquisition of properties through default of contractual obligation, the slump in the value of assets and the long uphill struggle for a partial recapture of inflated book values are events which none of us wish repeated.

"Yet the problem of avoiding that post-war sequence is not easy of solution in a rising market. Increasing construction costs and skyrocketing rents of unpredictable duration confounds management in its attempt to use business judgment. The determination of true appraisals and appropriate loan ratios is not a simple matter under such circumstances."

"The Office of Price Administration acted to prevent a repetition of the building material price spiral in World War 1, and was perhaps most successful in stabilizing the prices of steel and cement," Mr. Porter said. "In the case of steel, a savings of $200,000,000 was effected in 1941, with the prospect of $20,000,000,000 to be saved in 1942 and 1943—a considerable contribution toward the reduction of the total war bill." He likewise said:

"Lumber prices were somewhat more difficult to control. Numerous and scattered lumber producers responded quickly to the increased pressure of demand—they responded to the tune of a 40% increase over September, 1939, when defense activities were instituted."

* * *

"In general the problems of the control of building material prices are decreasing as quickly as new maximum price regulations which spell out for each industry the meaning of the general maximum price regulation of May, 1942, are issued. In the case of lumber over 95% of the softwoods and 90% of the hardwoods have been brought under specified price regulations. Only two weeks ago a particularly difficult problem was solved we hope by the issuance of a regulation specifically directed to contractors, builders, installers and erectors using building materials in construction, maintenance, service and sales. The field covered by the regulation is so broad as to extend from the repair of a leak in the roof to the construction of a great project like Boulder Dam. To insure the effectiveness of the regulations it was required that contractors furnish to their customers statements which certify their compliance."

Mr. Porter further said:

"In my own particular field—in rent control—the going has not been easy. But not so rough as to prevent us from bringing rents under control when inflationary increases warrant such action. As of Dec. 1, rent control will be in effect in more than 350 areas, covering a population of about 75,000,000 persons. The national index of rents has been reduced and stabilized in general at the levels ordered in the maximum rent regulations, and we hope to be able to maintain rents on an even keel for the duration of the national emergency.

"We've set up policies and an administrative machinery which promises to help achieve that goal. Perhaps the single policy which has gone the longest way toward making the program workable, (Congress) has been the acceptance of the maximum rent date principle. We may have differed as to a particular date chosen as the freeze date for a given area, but the principle of the freeze date method as the fairest and most equitable method for the administration of rent control has not been called into question by serious critics. It has proven itself to be administratively feasible. Moreover, our records show that the use of the freeze date principle has not resulted in a hard and inflexible freezing of rents in areas where Federal control has been instituted. There was no such intention. We always recognized that there were certain types of rent cases which required adjustment — units of new construction, units in which there had been a change in services, units in which there had been major capital improvements or a conversion—and those adjustments have been and are being made. Our records show that approximately 8% of all dwellings under control had their rent fixed not in accordance with the freeze date but by other provisions of the maximum rent regulations. Some individual instances may yet be changed by administrative determination, but in general our reports show that this percentage probably will remain fairly typical."

Treasury Must Rely On Banks As Major Buyers Of Its Offerings, Savings-Loan League Told

The Treasury must still rely on the banks as the major purchasers of its security offerings, according to Montfort Jones, Professor of Finance, University of Pittsburgh, in an address before the United States Savings and Loan League war conference at Chicago. The Treasury is not going to borrow blindly from the banks, just because it is easier that way and the interest is probably lower, but such borrowing is a practical necessity, Mr. Jones pointed out. He said:

"It is now estimated that during the current fiscal year the Treasury will borrow some $60,000,000,000 and that probably half of this amount will be obtained by selling securities of various types to the commercial banking system. A war of this magnitude can not be financed out of current or accumulated savings. Such recourse to the banks for funds as has been witnessed in recent weeks constitutes an inflationary factor of major importance.

"It is well known in advance that reliance on the banks for so much of the credit will put a strain on our credit mechanism and exert an inflationary pressure on prices. Bank reserves will have to be increased to enable the banks to participate fully in the Treasury program. The banks now know what is expected of them and that reserves for the purpose will be forthcoming.

"The interior banks still hold a considerable amount of excess reserves and a general reduction in reserve requirements is not likely until a substantial part of these excess reserves has been invested in government securities.

"During the last war the banks borrowed heavily from the Federal Reserve Banks and it is quite generally expected that this practice will again play an important role in war finance."

He predicted that banks will be offered by the government the types of securities which are suited to their requirements. "Deposits and holdings of government securities will grow to tremendous proportions but a high degree of liquidity will be maintained in the banking system."

Savings Earn With Safety In Insured Investment

Quaker City Federal Savings and Loan Association, 1427 Walnut St., Philadelphia, Pa., will send upon request to investors, trustees and other fiduciaries a copy of their informative booklet explaining the desirability of investing funds in insured Federal Savings and Loan investments.

Calendar of New Security Flotations

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

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

Offerings will rarely be made before the day following.

THURSDAY, DEC. 3

CURTISS CANDY CO.

Curtiss Candy Co. has filed registration statement with the SEC covering 30,000 shares of participating preferred stock, par value $100

Address—622 Diversey Parkway, Chicago

Business—Company is one of the largest and leading candy and confection manufacturers in the United States

Offering—Registrant proposes to offer the participating preferred shares registered, at $100 per share. The entire amount of the consideration received shall be credited to capital account. It is not proposed to pay any commissions or underwriting fees with respect to the sale of the stock. Approximate date of proposed public offering Nov. 25, 1942

Underwriting—There is no commitment of any kind with respect to the sale or underwriting of the securities registered

Proceeds—Will be used principally in the acquisition of similar types of business $700,000; additional farm lands $750,000; trucks $100,000; raw commodities for purpose of stabilizing inventory $250,000; to provide funds for payments under pension and profit-sharing plans for its employees $900,000; in reduction of indebtedness on farm properties $200,000, and for additional working capital $75,700

Registration Statement No. 2-5059. Form A-2. (11-14-42)

SATURDAY, DEC. 5

MUTUAL INCOME FOUNDATION, INC.

Mutual Income Foundation, Inc., has filed a registration statement with the SEC for 200 fully paid certificates of ownership at $500 each, 150 periodic payment certificates of ownership at $1,000 each, total 350 certificates; 150,803 shares of beneficial interests to be issued under periodic payment certificates of ownership now outstanding; 36,938 shares to be issued under the certificates of ownership to be sold, total 187,741 shares. Aggregate offering price, $1,218,158

Address—1308 Penobscot Building, Detroit, Mich.

Business—Investment trust.

Offering—Continuous public offering is proposed from and after the effective date of registration statement

Proceeds—For investment

Registration Statement No. 2-5060. Form C-1. (11-16-42)

TUESDAY, DEC. 8

AMPAL-AMERICAN PALESTINE TRADING CORP.

Ampal-American Palestine Trading Corp. has filed a registration statement with the SEC for 182,000 shares 4% preferred, cumulative non-voting stock, par value $5 per share

Address—1440 Broadway, New York City

Business—The corporation was organized for the purpose of developing trade relations between the United States and Palestine and its surrounding territories; to assist in the development of the economic resources of Palestine and to afford financial aid to commercial, banking, credit, industrial and agricultural enterprises, cooperative and otherwise, in and relating to Palestine. Company was organized Feb. 6, 1942, in New York.

Underwriting—There are no underwriters. The securities will be sold through the efforts of the directors and employees of the issuer

Offering—The offering price to the public will be $5.50 per share, for a total of $1,001,000. Date of proposed public offering is Dec. 1, 1942

Proceeds—A number of schemes for investment by the corporation of the proceeds of this issue have been considered by its directors. No final decisions have been reached, and no commitments have been made, except that, in a general way, and subject to re-examination, the directors believe that the corporation could with profit to itself and with substantial benefit to the economic organization of Palestine, make investments for the purposes indicated in its organization

Registration Statement No. 2-5061. Form A-1. (11-19-42)

WEDNESDAY, DEC. 9

LOCKHEED AIRCRAFT CORP.

Lockheed Aircraft Corp. has filed a registration statement with the SEC covering participations in employees' retirement income plan. Statement says number of certificates for which registration statement is filed is uncertain. All participations during the first year after effective date of the plan. Aggregate offering price is given as $174,000, being estimated amount of employee contributions during first year of plan

Address—1705 Victory Place, Burbank, California

Business—Participations in the retirement income plan of Lockheed Aircraft Corp. and subsidiaries

Underwriting—No underwriters

Offering—The effective date of the plan will be Dec. 31, 1942. The plan is to be administered by a retirement plan committee, to be appointed by the boards of directors of the company and its subsidiaries. It is expected that this committee will be initially composed of five individuals, of whom a majority will be employees of the corporations. Participation in the plan is optional with each eligible employee. It is estimated that approximately 2,250 employees of the company and its subsidiaries, including 13 officers and 10 directors, will be eligible as of Dec. 31, 1942, to join the plan.

Proceeds—Indenture provides that funds received by the trustees may be applied toward the purchase of or payment of premiums upon annuity contracts, etc. Pending such application, funds may be held in cash or invested in securities of the United States Government, in other securities, but not securities issued by Lockheed or any of its subsidiaries

Registration Statement No 2-5062. Form C1. (11-20-42)

DATES OF OFFERING UNDETERMINED

We present below a list of issues whose registration statements were filed twenty days or more ago, but whose offering dates have not been determined or are unknown to us.

P. L. ANDREWS CORP.

P. L. Andrews Corp. has filed a registration statement with the SEC for $360,000 first mortgage convertible 5½% bonds, series A, maturing serially from 1943 to 1957.

Address—7800 Cooper Ave., Glendale, New York, N. Y.

Business—General character of the business done by the corporation is the design, development, manufacture and sale of paper packaging and wrapping materials in a variety of forms of envelopes, folders, wrappers, folding boxes and containers. Primarily because of the nature of the plant and products of the corporation, it is anticipated that the war or conditions arising therefrom will not alter substantially the general character of the business or products of the corporation

Underwriting—No firm commitment has been made to take any of the securities registered, but P. W. Brooks & Co., Inc., New York City, is the principal underwriter, as defined in the Securities Act of 1933

Offering—The securities will be offered at prices ranging from 99½ to 102¼ depending upon maturity date

Proceeds—Net proceeds will be used to discharge a proposed demand bank loan, to reimburse the corporation for machinery acquired and balance for such additional production facilities as are needed.

Registration Statement No. 2-5058. Form A-2 (10-28-42)

Request for withdrawal of specified material filed Nov. 18, 1942

Amendment filed Nov. 12, 1942, to defer effective date

(This list is incompletely this week)

Tomorrow's Markets Walter Whyte Says—

(Continued from page 1876)

Yet, despite the general cheerfulness, this column persisted in remaining aloof. It even disregarded the news and became more persistent in its profit acceptance advice.

* * *

Then came the news of our sensational naval victory in the South Pacific following close on the heels of the news of the rout of the Rommel forces. The market went up again. But again I didn't think its action warranted new buying. Then came the surprising news.

* * *

We had made a successful landing on the North African Coast. The news came on a week end when markets were closed, but on the first day the market was able to reflect this latest development, it opened strong but spent the rest of the day just backing and filling. For some strange reason this backing and filling began to be accepted as indicative that the war was nearing its end. War stocks were to be sold and peace stocks were now the babies to be given a home.

* * *

All this talk meant little to me. But I did give the market closer attention. I was thrilled by the news as much as anybody, but I wondered why the market took it so coldly. For not only did it refuse to go up but actually began to sag. As this is being written its off about 3 points (114) from the highs.

* * *

I know I had forecast that a reaction which would carry the averages down to about 110 was in the wind. But I don't live in such an ivory tower that I could disregard all news. Certainly I never foresaw the naval victory in the Pacific or the opening of our offensive in North Africa. And any forecast made to market action was based entirely on market action. Yet here was news that could easily change the whole picture. It was reasonable to suppose that the market would act much better on such news than it had. But we know it didn't.

* * *

Tax selling, of course, accounts for part of its poor action.

* * *

But to get back to the present market, which is now down from the recent highs. I don't think its action (at present) calls for a wide open break. For despite the conflicting tides involving political deals there is a certain something in the market itself that seems to indicate an early cessation of the current decline and a renewal of uptrend. As a matter of fact I would not be surprised if 112 (instead of 110) would mark off the near term low.

* * *

More next Thursday.

—Walter Whyte

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

UP-TOWN AFTER 3

PLAY

"The Skin of Our Teeth," by Thornton Wilder. Presented by Michael Meyerberg at the Plymouth Theatre, N. Y. Tallulah Bankhead, Frederic March, Florence Eldridge and a cast of forty. Directed by Elia Kazan. Settings by Albert Johnson.

Here is a different, though a good play which, if written by an unknown playwright, probably would never have seen a production schedule. For it's so different from the conventional Broadway play that it ranks as an experiment. And experiments are things Broadway producers don't want any part of. "Skin of Our Teeth" is a strange combination of Saroyan, Disney and Olsen & Johnson, through which gleams a philosophy that man through the ages has survived everything and has come up on top. The play may be confusing but it's never dull. For with people dashing from the audience to the stage and from the stage to the audience and with the stage manager rushing out pleading with Miss Bankhead to proceed with her lines, it keeps the audience in an uproar which, if it doesn't make for clarity, certainly never permits of ennui. George and Margaret Antrobus, their two children and their maid, Sabina, live in Excelsior, N. J., in a cottage full of pre-iceage flora and fauna. George comes home from the office full of new discoveries, the wheel, the multiplication table and the alphabet, but has to stop as the ice cap congeals everything. Five thousand years later the Antrobus family is in Atlantic City to watch George's installation as President of a fraternal order. This time Sabina is the beauty contest winner. George, fed up with Margaret's henpecking, is only too willing to forget his vows and run off with Sabina. Just then the flood overtakes this Sodom and Gomarrah, George forgets Sabina and takes his wife and family to the Ark. We next find the family —minus George, he's away fighting the war—cowering in a bomb shelter. Sabina arrives with the news that the war is over, George is coming home but that their son, Henry, a sadistic lad, is the enemy. He is Cain who slew Abel. He is Adolf Hitler. He is the enemy. To clarify the story any further is beyond me. A program note explains "The Antrobuses have survived fire, flood . . . seven-year locusts, ice age, the double feature, wars and depressions. . . . They are as durable as radiators and look upon the future with disarming optimism. They are the true offsprings of Adam and Eve, victims of all the ills flesh is heir to." Through all the improbable scenes Tallulah Bankhead as Sabina flounces through giving notice one moment or stepping out of character the next, explaining to the audience her mystification of what the whole thing is about, or refusing to play a scene because of a friend out front whose feelings might be hurt. As the eternal wanton, Miss Bankhead has a field day. Her observations on life in general and the play in particular keeps the audience screaming with laughter. Frederic March, as Eternal Man, plays the role as if it were made for him. Florence Eldridge, as Woman who fights to keep the home and its institutions, is perfect. You may not like the play but you'll find plenty meat to chew and re-chew in it.

AROUND THE TOWN

More details about **Cafe Life (152 E. 55th)**: Owned by Oscar Schimerman, who dates back to Rector's and the old Holland House. From a white-painted exterior you enter a room, walls of which are covered with grey plush, which must be seen to be believed. Looks like a soft bed standing on end. Entertainment headed by comic Don Tannen (really funny), Leonard Ware Trio (grand steel guitar virtuosos), Una Mae Carlisle (sings, plays the piano and writes much of her own music — and good). Food is excellent and capably served. It's a smart spot which stays open late. But come well heeled. Place is not inexpensive.

Halsey, Stuart Group Offers Chicago Issue

Halsey, Stuart & Co., Inc., is heading a banking group which is currently offering $2,500,000 Chicago Sanitary District 2% series F refunding bonds of 1943. The bonds are dated Jan. 1, 1943, are due Jan. 1, 1963, and are optional at par and accrued interest as follows: $125,000 on Jan. 1 of each of the years 1944 to 1962, or on any interest payment dates thereafter. The bonds are being offered at prices ranging from 0.80% to 2%, according to the optional maturity date.

In the opinion of counsel, these bonds will constitute valid and legally binding obligations of the Sanitary District of Chicago payable from ad valorem taxes to be levied upon all the taxable property therein without limitation as to rate or amount.

The Sanitary District includes the City of Chicago and 59 other incorporated cities and towns in Cook County. It covers an area of 442 square miles, or 47% of the area of Cook County.

Associated in the offering are Central Republic Co., Phelps, Fenn & Co., Mullaney, Ross & Co., Otis & Co., Inc., Miller, Kenower & Co., Inc., and Stranahan, Harris & Co., Inc.

Kansas City Bond Men Elect New Officers

KANSAS CITY, MO.—At the annual meeting of the Bond Traders Club of Kansas City, the following officers were elected for 1942-1943:

President, Leonard A. White, Wahler, White & Co.

Vice-President, Edward L. Meyer, Harris, Upham & Co.

Secretary, Eldridge Robinson, Baum, Bernheimer Co.

Treasurer, Arthur I. Webster, E. W. Price & Co.

Urged To Cut Travel

The Office of Defense Transportation has requested the public at large not to travel over the Christmas and New Year holiday season unless it is war business. A spokesman for the ODT has said that it will take "practically everything on wheels" to handle the country's holiday bus and train travel, but the Government does not intend to put priority restrictions on passenger space.

ODT Director Joseph B. Eastman has recommended that Federal departments and agencies cancel all leaves between Dec. 18 and Jan. 10 if the leave would involve bus or rail travel.

HOW DID WE GET THIS WAY?

(Continued from first page)

all evidence found in the rise of society from its primitive family configuration and presupposes that an ochlocracy is the highest form of social life. As a political movement it follows the common receipt of fusing lofty sentiments and low passions; of blending the disparate elements of justice, mercy, envy, hate, fear, greed and pleasure which, being common to all, possess the power of self-propagation because human beings are never consistent in reconciling the motives that direct their ferment of impulses and because no belief has ever succeeded in making them different from what they are.

Philosophical socialists of the better grade, like Kropotkin, Thomas and Spargo, are mystics wandering in the labyrinth of their inhibitions and fixations; tangled in their incomprehensions; lost in the penumbra of the practical. They love man so much in the abstract that they cannot understand him in the concrete. Their proposals, in which two unreasons make a rational, are without relevance to the realities of life. They lack mental perseverance and excel in monumental simplicity. In them the critical faculty has been anesthetized by the compulsion of proving a previously accepted conclusion. Their sincerity, which is only equalled by their ingenuity, is dangerous because of their unreasoning confidence in the accuracy of their diagnosis of social ills. They are hobbledehoys playing Robin Hood, with their own technique of befuddlement, happy in their hallucinations. They are not sociologists but social reformers in the dilettante sense; moral imperialists in the guise of pious pundits.

There are two main types of mind; the scientific which is satisfied only with logically arranged facts and the informal which finds in socialism an escape mechanism. Possessors of the latter type, confident of the benign intentions of a dialectic world, neglect to consider that intelligence is man's only weapon against a hostile nature and that their starting point should be the removal of the pressure of population on subsistence. Otherwise their changes will be etymological and not economic and their reforms only reversions to tribal life-forms. They indulge in mystic sophistics and forget that there are widely differing patterns of volition and behavior.

Capitalism says—"I ask nothing for myself that I am not willing to see everybody else have." Socialism in its popular sense means—"I am not willing that anyone should have more than I have."

A societal organization founded upon the belief that the mistakes of any man should be shared jointly by his fellows will produce only a catastrophe. It is an illusion attempting to destroy reality; the capitulation of reason to delusion; the metamorphosis of an abstraction into a political argument.

When men are taught to assume that their mere physical existence entitles them to an equal participation in the common heritage, they are in the process of ruining themselves through the destruction of the processes which make their very existence possible. They resemble children prattling their way to tragedy behind the Pied Piper of Hamlin, pathetic in their credulity.

The evils which mar and deform our civilization, the imperfections of which are intentionally overstressed, are not primarily the result of the exploitation of men by men. Life is determined by more important factors. The theory is farfetched sophistry of the most specious kind; an effort to explain phenomena by the observation of a single and insignificant cause, a method for which polygramatic reformers have a strange predilection. It is an easy theory to believe because it is what most of us want to believe. It relieves us from the responsibility of our failures. It removes from our shoulders the stigma of our defeat in the race of life and this is what constitutes its fascination.

It is an easy theory to advance because it is politically expedient and expediency is the major requirement of political success. The scape-goat is an ancient institution. It is a psychological necessity for most of us because our ego seems to need a protective coloration. The doctrine of parasitism is readily accepted because it satisfies this neurosis. Plausibility is attractive even though incompatible with the timeless ingredients of life. Human minds will accept any convenient notion that happens to be presented without testing it by comparison with reality, particularly when it supports subjective convictions already formed and is expressed in word pictures stippled with lures. The faculty for self-deception is highly developed in most of us. We are nearly all experts at rationalization; so busy finding excuses for our short-comings that we have no time to eradicate them. The characteristic has a biological basis.

Failure is the result of the abuse of the individual by himself; of flaws in character and capacity; of stubborn refusal to use the facilities for improvement; of insistence upon present pleasure at the expense of future comfort. The forces that determine human action are always the same but the form that action takes varies with the personality. Men demand and do the things which weaken them and then resent their weakness. They get caught in traps of their own setting and blame society for their bruises.

To what extent luck or accident contributes to a man's destiny is an imponderable. The stories concerning them are apocryphal. The question can no more be answered than can the question of the eternal "why" as asked by Adam via Milton in the query—"how came I here, how thus?" One thing is certain. Luck might defeat intelligence and diligence but it can never take their place. Success is not fortuitous, nor is it the result of reflex action. It is a personal equation and belongs to the domain of the will. It is not the unpredictable that wins but the constant exercise of judgment. The servant of chance is never the master of opportunity. The certainties of life are few; the probabilities many; the possibilities infinite in number.

One great handicap to economic and political clear-thinking is the belief that because things "are" they always "were"; that progress has been the result of spontaneous generation rather than of the toil of men stimulated by the degree of the reward.

Our Reporter's Report

(Continued from first page)

they must have additional equipment, if they are to sustain the heavy burden which the war has thrust upon them, it is only reasonable to expect that the rush to get such rolling stock will be heavy.

Railroads, of course, are quite heavy in cash at the moment and could perhaps elect to pay outright for the equipment they may obtain. But since the cost of borrowing on the basis of equipment trust certificates is relatively light they could reasonably be expected to apply cash balances toward retirement of some of their more costly obligations.

Bethlehem Steel 6s

Bethlehem Steel Corporation has made an offer to holders of Bethlehem Steel Company purchase money mortgage 6% bonds, due to mature in 1998, offering to buy in the issue on the basis of $181 for each $100 face amount outstanding.

Although not a huge transaction—there is only a total of $7,500,000 outstanding — the bonds are non-callable and are among the highest premium issues in the market at the moment, having been bid for close to the fixed price in trading on the New York Curb Exchange.

This transaction is interesting since the bonds are an underlying issue and date back to the days when the "Titans" of steel, such as Andrew Carnegie, were in their heyday. The issue was created in 1901 and given in exchange for the capital stock of the Bethlehem Iron Co.

Like Idea of Competition

With Secretary Morgenthau getting ready to fire the starting gun in the Treasury's biggest financing undertaking all signs point to the most aggressive bond selling campaign which the country has ever seen.

All hands are ready to turn to, including bankers, that is the commercial banks, investment bankers and the special Victory Loan Committees around the country. And with $9,000,000,000 of securities as the nation's goal they are destined for a busy time.

Banks are said to look with favor upon the dash of real competition which looms through the medium of "team line-ups" in the undertaking.

Philadelphia Refinancing

The Bureau of Municipal Research, Philadelphia, has thrown itself fully behind the city's drive to refinance $162,296,000 of its outstanding debt.

In a booklet gotten up in connection with the undertaking it notes the advantages to the city and to the bondholder alike in making the undertaking a success.

The group lays particular stress on the tax-exempt feature of the new bonds which may not attach to some future issues and to the relative market position of the new and old loans.

Attractive Outlook

The earnings outlook for the 40 Wall Street Building, Incorporated, is particularly attractive at the present time, according to an analysis issued by Seligman, Lubetkin & Co., Inc., 41 Broad Street, New York City. Copies may be had from Seligman, Lubetkin & Co. upon request.

Good Return Plus Safety From Insured Investment

The Oak Park Federal Savings & Loan Association, 104 North Marion Street, Oak Park, Ill., will be pleased to send upon request a booklet giving full details on the desirability of insured Federal Savings & Loan investments.

Carrere Co. To Admit

William F. Andrews will shortly be admitted to partnership in Carrere & Co., 65 Broadway, New York City, members of the New York Stock Exchange and will act as alternate on the floor of the Exchange for William F. Andrews, the firm's Exchange member.

G. A. Ellis Dies

George A. Ellis, one of the founders of E. F. Hutton & Co., New York City investment firm, died at his home following a heart attack. Mr. Ellis retired from partnership in E. F. Hutton & Co. in February, 1941.