HOW DO 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 war-
ning postwar planning labels, continue as in the past to pore
their blue prints with their backs to the world of real-
ities. Their products are every whit as dangerous as they
ever were—since the war appears to have lent them additional psychological support.

The best way to combat such seductive propulsions as
those now appearing almost daily, perhaps the only ef-
fective 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 arti-
cles, of which this is the sixth, which call the reader's at-
tention pointedly to certain fundamentals often overlooked in this day and time. It can think of no better contribution
to postwar planning.

Part VI

Men are not primarily rewarded for the expenditure of
physical energy but for a varying degree of skill, intelli-
gence, knowledge and wisdom. The individual who is
competitive with animal or mechanical power is an anomaly.
Men without ideas, like men without tools, are of little value to themselves or anyone
else.

The fatuous communist credo, accepted by fellow
travellers who lack the intestinal fortitude to sail under the
red flag although they wear its ideological livery and give it the benediction—"for all men according to their ability and to all men according to their need"—is not only silly, unmitigated nonsense, but utterly immoral and
completely destructive. It is refined knavery, a
phantasy for the common sense is the only antiseptic. It is the
philosophy of a pirate, the justification of a thief, the antith
esis of decency and an ignominious mode of thought by
which the ideal of democracy is diluted and defiled. The
basis of such a slogan is that the individual has a right to
what he needs or desires and that this right is good against
everyone. There is not a grain of truth in its bushel of
chaff.

This unctuous doctrine, which germinates in ignorance
and greed, is advanced in complete disregard of the facts

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Year-end sellers—We are buyers.

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We are furnishing the above information free of charge. We have been successful for a number of years in disposing of securities purchased through us. 

Borrowed on Stock

We are interested in buying stock in the above companies.

W. A. Connaughton is Now With Blyth Co.

Blyth & Co., Inc., 14 Wall Street, New York City, announce that W. A. Connaughton, formerly with Reynolds & Co., has been associated with it in its Sales Department. Mr. Connaughton began his business career with this firm in 1911 and has been with the firm ever since the death of Mr. Reynolds in 1925. He joined G. A. Saxon & Co., Inc. in 1935 and Reynolds & Co. four years later.

We make a specialty of dealing in American Cyanamid Co.

B.P. 5 Cumulative Preference Stock

Bought — Sold — quoted

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Established 1869

Members New York Stock Exchange Association

115 Broadway, New York

Tel. Barclay 7-0700

Bueno Heads Dept. At Mackubin, Legg & Co.

Baltimore, Md. — Albert M. Bueno, who with J. S. Mackubin, Legg & Company in their Insurance Department—has just been named district manager—died this week. Mr. Bueno has been associated with J. S. Mackubin, Legg & Company in the insurance business or research connected with the same for the last 23 years. Many years ago he became associated with the Fireproof and Casualty Company of Maryland in a clerical capacity. By successive steps, he worked his way up to become bookkeeper of the company, then assistant commissioner and later commissioner and assistant treasurer. He resided in the city until 1913 when he returned to the office and became vice-president of the American Fireproof and Casualty Company of Maryland and vice-president and general manager of the New Amsterdam Casualty Company of New York, a company operating under the same principles as the Fireproof and Casualty Company. He was a member of the Board of both companies, and also a member of the executive committee of the New Amsterdam Casualty Company.

He resided in the above mentioned firm for over 15 years. Mr. Bueno was also a director of the New Amsterdam Casualty and Fireproof and Casualty Company and was associated with Aberdeen Fire and Marine Best, Inc., as editor of Best’s Insurance Review and was also on the editorial board of several insurance periodicals and miscellaneous editions. He was also the editor of Best’s Insurance Manual, in which he established his own business and acted as intermediary in new business purchase and sale of insurance companies, establishing and furnishing new insurance companies. He also furnished reports for a selected clientele, who were heavy investors in the life, fire and casualty insurance companies.

J. P. Morgan & Co. Elects 4 Directors

At a special meeting of the board of Directors of J. P. Morgan & Co. Incorporated, held on Dec. 14, Alfred P. Sloan, John McCracken, James L. Thomson, and John S. Edson were elected members of the Board.

Mr. Sloan is chairman of the board of the General Motors Corporation; Mr. Stannard, president of the Federal Reserve Bank of New York; Mr. Thomson, chairman of the Fi- nancial Committee of the Canadian Bankers Association; and Mr. Zinsser, president of Sharp & Dohme, Inc.

The addition of these four new directors brought the number of directors on the board of the company to 17 and marks the first time in the history of the company that the board of directors has been increased. The new members, with the percentage of gain may range $250,000,000,000. Just how dangerous this double barreled inflation would be remains to be seen. A few years ago it would have been regarded as a patent and conclusive in the extreme.

"Mr. Phelps is associated with Jack M. Plowman, who handles St. Louis, Nashville, Tenn.

The Securities and Exchange Commission has announced that it will issue a securities program for brokers and dealers to file state registration forms with the commission will become effective on Jan. 1.

A statement may be filed at any time during the calendar year beginning Jan. 1, provided it is received by the commission not later than 45 days after the date of the report and provided that such statement is provided with the required fees. The provisions of the rule and the instructions in the form are in the form described for the rule.

Toronto Bond Traders Elect New Officers

T O R O N T O, ONT.—At the annual meeting of the Toronto Bond Traders Association, following officers and executive committee were elected for the new year.

President: James Wilson, A. E. Ames & Co., Ltd.
Vice-President: H. D. Beatty, Bawley, Cathers & Co., Ltd.
Secretary: H. P. Rider, Reuben F. Fairlough & Company.

"Canada Pays" Canada is paying from taxation and other current revenue over 100 per cent of all expenses of its armed forces. To provide for her own direct war and non-war purposes and financing British war purchases in Canada, with the remaining being met through borrowing, with practically all longer term borrowing directly from the banks, and short term borrowing from the banks, according to most interesting statements by the late Mr. G. A. Saxon & Co., Inc. 11 Wall Street, New York.

Copies of the interesting book, let, tabulating the dollar and lesser amounts of the loans in Canada, Canada’s financing to the war was made available Oct. 31, 1942, and showing interesting payments, Canadian stabilization of Federal and Provincial taxes and the production of war materials, and numbers and women workers, may be had from W. W. Funk & Co., upon request.

SECURITY ANALYST

with creative ability and initiative, new with large statistical organization, desires new affiliation, where his talents may be capitalized upon to greater degree. Mar- ried, draft exempt. Box 5A, The Commercial & Financial Chronicle, 25 Spence Street, New York, N. Y.

Brokers, Dealers! Report On Condition

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The Commercial & Financial Chronicle

Thursday, December 17, 1942

Alabam A Mil ls
Dehordalen 4s, 1947
O’Gara Coal Co., 5s, 1955

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SECURITY ANALYST

with creative ability and initiative, new with large statistical organization, desires new affiliation, where his talents may be capitalized upon to greater degree. Married, draft exempt. Box 5A, The Commercial & Financial Chronicle, 25 Spence Street, New York, N. Y.

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In addition to developing an interest in present Government bond offerings, we have found various spots which are of interest in certain municipal bonds because of the tax-exemption feature. Especially the municipal bonds of Ohio, including bonds for West Virginia, Kentucky, and Ohio municipals. 

NEW DIRECT WIRE TO REAL ESTATE SECURITIES DEPT.

WHITEHALL 4-6330

PRESDIENCE BONDS
TITLE CO. CERTIFICATES
BANK MORTGAGE
PARTICIPATIONS

Newborg, Loeb & Co.

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20 Exchange Place, N.Y.

Bull Teltypo N.Y. 1-0033

Strassburger Co. To Merge With J. Barth

SAN FRANCISCO, CALIF. - The investment business of Strassburger Co., founded in 1890, will be merged with that of J. Barth & Co., 22 California Street. John J. Dakin, member of the New York Stock Exchange, Herbert Jordan, and W. P. Letchworth will become directors of the new firm, Barth & Co.; Stanley H. Sinton will be a member of the firm, and E. W. Smith, a member of Strassburger & Co.

KAHRS,

M. J. Barth & Co., members of the New York Stock Exchange, and the Strassburger Stock Exchanges, were established in 1901.

N. Y. Dealers To Hold Anniversary Dinner

The 17th Anniversary Dinner of the New York Security Dealers Association will be held at the Waldorf Astoria on Thursday evening, Feb. 4, 1943. Tracey H. Engle of Engle Abbot & Co., Inc., 63 Wall Street, is Chairman of the Dinner Committee with John J. O'Keefe, Jr. and John W. Archibald serving as Co-Chairmen. Samuel of J. F. Simonco & Co., 2 Newport St., is Vice-Chairman.

Walter Blaine To Be Goldman Sachs Partner

Walter F. Blaine will be admitted to partnership in Goldman Sachs & Co., 30 Pine Street, New York City, members of the New York Stock Exchange, as one of the firm’s associates with the firm for many years as manager of the syndicate department.

Asot To Admit Warden

Louis J. Warden will shortly be admitted to partnership in Asot & Warden, 11 Wall Street, New York City, members of the New York Stock Exchange. Mr. Warden will act as alternate on the floor of the Exchange for David S. Cooper.

DEALER BRIEFS

Cincinnati, Ohio

In addition to developing an interest in present Government bond offerings, we have found various spots which are of interest in certain municipal securities because of the tax-exemption feature. Especially the municipal bonds of Ohio, including bonds for West Virginia, Kentucky, and Ohio municipals.

The National Refining Co.

Now feeling the results of its reorganization program begun four years ago, The National Refining Co. will show much better earnings in its first quarter. The company, which has been under the management of the parent company which began business in 1882, From 1908 to 1932, the company produced $80.00 per share annually on its preferred stock without interest charge. Large bank and stock dividends also were paid on the Common stock, and both issues were highly regarded. In 1933, however, the company felt seriously the effects of the depression, and was sold to its Preferred shareholders for $2.50 per share. Its cumulative preferred dividends prior to that time were $77 to $1.35 per share.

4-6330

NATIONAL REFINING CO.

PRIORITY PREFERRED

Analysis on Request

Gillis OHIO RUSSELL CO.

Union Commerce Building
Cleveland, Ohio

NATIONAL REFINING CO.

COMMON

Orders Executed on the

Cleveland Stock Exchange

L. J. SCHULTZ & Co.

L. J. SCHULTZ & CO.

Member New York Stock Exchange

Cleveland, New York

Cincinnati

For Banks, Brokers and Dealers Only

WARREN BROS.

Old Common and Preferred

New Class "B" & "C"

New 4 1/4s, due 1958 and 5s. due 1979

Bought — Sold — Quoted

HAY, FALES & CO.

Member New York Stock Exchange

21 Broadway, N.Y.

Bull Teltypo N.Y. 1-647

Dwelling Gree 9-726

Bought — Sold — Quoted

J. M. Wilcox, Jr.

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At United Securities

ORLANDO, FLA. — J. M. Wilcox, Jr., member of Congress, is associated with the United Securities Corporation, Florida Building Fund, as manager of that office. Mr. Wilcox is well known in Florida investment circles and was formerly associated with the Florida Securities Commission. Prior thereto to the present term of office for the Federal government as at attorney in Washington and he connected with the Federal Reserve in Miami.

Heilbron Opens Firm

SEATTLE, WASH. — Andrew S. Heilbron is now operating a new firm in Seattle, and will have offices located in the Lloyd Building. Mr. Heilbron conducted his own firm for many years in Seattle and recently was with John A. Kots & Co.

Clark, Dodge To Admit

CLARK, DODGE & CO., 61 Wall Street, New York City, members of the New York Stock Exchange and other leading exchange will admit Perry R. Pease to partnership in their firm on Jan. 1, 1943.

NATIONAL REFINING CO.

COMMON — PREFERRED

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Cleveland Stock Exchange

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Member New York Stock Exchange

Cleveland. New York

Cincinnati

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REAL ESTATE SECURITIES

IMPROVED REALITY CONDITIONS REACT TO BENEFIT OF BOND HOLDERS

A glance at some of the headlines in the Real Estate section of the "Herald Tribune" of December 13, 1942, will encourage news to property owners and the holders of bonds and mortgages secured by real estate. Some of the headlines follow:

"Big Property Deals Brighten New York Real Estate Market Horizon." 20 Years Ago

"Very Much Like Opening of Department of Members." 1934

"Market Broaded by Small Investors." 1941

"Steadily Widening Group Found Seeking a Safe Outlet for Idle Money." 1930

"War Worker is Becoming City's Hotel." 1940

The Real Estate Board of New York reported 2,655 Manhattan properties were sold in the ten months involving $115,000,000, office buildings and hotels alike report increased occupancy. The conditions of the market seem to be directly affected by the trend of war developments. These conditions would seem to suggest the self-evident proposition that if carefully selected the occupancy of office buildings and hotels may be given an attractive current yield and a considerable appreciation possibilities above the present low levels at which they may be acquired.

As to the City's Hotel, a partial quote from an article in the New York "Herald Tribune" gives an excellent indication of the present situation.

"The popularity among Manhattan hotels is an interesting one, which has developed since we have been at war. New York is becoming a resort, a rest haven for those engaged in war-center work, either behind or outside of the offices. The hotel business has been booming and the demand for hotel accommodation higher than ever before." 1934

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.

Crittenden To Admit John Dunbar, A. Godie

CHICAGO, ILL.—John B. Dunbar and Anthony L. Godie will become partners in Crittenden & Co., 209 South La Salle Street, members of the New York and Chicago Exchanges, on Dec. 15.

Mr. Dunbar, formerly vice-president and manager of the trading department of Thompson, Davis & Phillips, Inc., recently became associated with Crittenden & Co.

To Admit Vincent Coleman

CHICAGO, ILL.—Vincent Coleman was appointed a partner of Fastwell, Chapman & Co., 208 South La Salle Street, members of the New York and Chicago Stock Exchanges, on Jan. 1. Mr. Coleman has been associated with Fastwell, Chapman & Co. for many years. In the past he was with Hornblower & Weeks.

To Be Cowen Partner

Peter E. Follar will become a partner in Cowen & Co., 24 Pine Street, New York City, members of the New York Stock Exchange, as of Jan. 2.
Nation's Investment Resources Adequate, If Inflation Does Not Skyrocket Costs

Analyzing the nation's investment resources and its capacity to absorb the securities being issued by the Government to finance the war, Jay N. Whipple, President of the Investment Bank of New York, a member of the Association of America, in an article in the December issue of the Journal of the National Association of America (made available to The Commercial and Financial Chronicle) states: "If inflation of prices is not allowed to skyrocket the costs of the war."

For one indication of the untapped buying power, Mr. Whipple, writes in his article, "the record sales of the Chicago Investment house of Bacon, Whipple & Co. and Chairman of the Victory Fund Committee for the Chicago metropolitan area, was held attended to the record level of bank balances of individuals, partnerships and corporations. It is noted that depositors of this type who to whom investment buying would be attractive, have large cash balances in the present $9,000,000,000,000.00 at the beginning of the year. The current balances in excess of $65,000,000,000 at the low point of the depression in 1929, and only $60,000,000,000 at the present peak in 1929. "The obvious from these figures," Mr. Whipple said, that many have money in the bank over and above any reasonable reserve needs. It is part of their plan to invest this money in the new issue of excess of minimum current bonds."}

For a Low-Priced Diversified Portfolio of Interest Paying Bonds, WE SUGGEST

American States Bond 4% 6 1/2
Brooklyn Fruit Theater Income 3% 5 1/2
Cort & Benvenut Bldg. 5% 7
Defiance Paper 1st Mtg. 5% 6
East. Wind Overlea Mtg. 5% 6
La Puente Interest Mtg. 4% 5
Ohio, City-Ana-Akita Rev. 4 1/4 Mtg.
1st Mtg. Interest
Margaret Ave & Cold Storage 4 1/4 Mtg.
Northwest Ports, 1st Mtg. 4% 5 1/2
Westminster Bldg. 1st Mtg. 4% 6

LILLEY & CO.
Packard Bldg. 1
(547, 13th, Pa., Phila.)

Seaboard Air Line 5, 1931
Bonds and Certificates
Bought — Sold

PFLUGEFELDER, BAMPON & RUST
Members New York Stock Exchange
61 Broadway
Telephone - Dixey-4033
RAILROAD REORGANIZATION SECURITIES

Almost two years after starting operations, the reorganized Chicago and Eastern Illinois is to pay a dividend on its 5% Class "A" stock. The stock, which has a par value of $40.00 a share, is entitled to preference dividends at the rate of $2.00 a share, but the dividend is cumulative only to the extent earned. The dividend of $0.09 a share declared late last week represents the full earnings for the year 1941 and the first earned realized on the new stock since the effective date of the plan, Jan. 1, 1937. This year the company is expected to show a balance of about $3.00 a share on the senior equity so that payment of the full $2.00 may be expected.

The indicated desire of the management to pass along to its stockholders the utmost that is called for in the way of dividends is reflected in the meeting with the more or less dilatory dividends that have been paid on some other reorganization properties. Mr. Westinghouse, President, of the Seaboard Air Line, is a prospect of a dividend of $0.09 a share next year, and similar large gains in earnings will be anticipated. The war boom in earnings continues, many years, and the current stock appears unattainable in recent months in the form of interest. Any, allowing for the dividend that is planned on the Seaboard Air Line Class "A" stock, the two securities are low in price in the light of the time of this writing.

The Seaboard Air Line Eastern Illinois "A" stock is cumulative, but it is only to the extent earned and on the basis of past history this would not appear to be a factor. Based on its revised capitalization, Chicago Air Line in 1941, it is estimated that earnings of the company will be over $200,000,000,000,000,000, the annual dividend that would be paid is likely to exceed that of any other bond in the market.

Many consumers in the East are being tempted by the experience of the company to convert from coal to oil. The reason is, the price of oil is about $10 a barrel after the war is over. Automatic stokers have been eliminated most of the undesirable features of heating by oil. With respect to other traffic the road is very well situated, particularly for the movement of fast east-west freight. The New York-Chicago route avoids large intermediate centers so that the road is not handicapped by the expense and delays incidental to operating in congested terminal areas. Another of the features making for economical operations is that the road is not burdened with any considerable amount of low density branch and feeder mileage which is the most expensive to highway construction.

With this background it is expected that Erie will hold its own in the post-war years as it did in the pre-war decade. Thus, under normal conditions, the road should be able to show consistent earning power on its common stock and certificates of beneficial interest which is not that in seven of the ten years, 1932-1941, inclusive, there would have been earnings available for the junior equity. Last year the earnings amounted to about $500,000, compared with net losses of $2,000,000 in the years "A" stock and it is estimated that $500,000 in the next decade. The full $1.00 a share has been declared this year (out of 1941 earnings) but a liberal policy is expected in the coming years.

Will Rail Rates? With institutional liquidation for tax purposes this year likely to be relatively small, the railroad companies are far from close to, its seasonal low, and pur- chase of defaulting and defaulted railroad bonds are justified in an anticipatory consideration of the new era, and the recent trend is for a substantial reduction in the freight rates. The war is over, and many consumers have been converted to oil by the experience of the company. The reason is, the price of oil is about $10 a barrel after the war is over. Automatic stokers have been eliminated most of the undesirable features of heating by oil. With respect to other traffic the road is very well situated, particularly for the movement of fast east-west traffic. The New York-Chicago route avoids large intermediate centers so that the road is not handicapped by the expense and delays incidental to operating in congested terminal areas. Another of the features making for economical operations is that the road is not burdened with any considerable amount of low density branch and feeder mileage which is the most expensive to highway construction.

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**Bank and Insurance Stocks**

This Week — Bank Stocks

By H. A. LEGGETT

There are two subjects about which people have always made a heap of conversation but have never succeeded in influencing very much the result of their operations—and they are making the banks and the insurance companies.

The matter has already received official recognition by the New York State Bankers Association, which recently distributed to the State's 2,522 member banks a form for reporting their earnings to the State Insurance Dept., which would enable the State's 435 insurance companies to report their earnings to the insurance commissioner—also a minimum criterion, the report is to be submitted with the usual reports of the banks and insurance companies, and from other current operations and on the expense side, data on salaries and wages, and other operating expenses.

Inasmuch as the operating earnings of most banks, arrived at by deducting operating expenses from their income, bear little resemblance to the net change in surplus and undivided profit, providing a basis for proper comparison and without any direct or indirect connection between the two.

This system has been the substantial feature of the suggested form, because it makes public all the earning transactions, including reserves, amortization, recoveries and charges-off that have been made during the months.

For these reasons, the bank and stockholders and analysts have heretofore been obliged to make a separate examination and to arrive at their own conclusions on the basis of such comparisons on these points.

It so happens that, voluntarily and individually, some of the more progressive banks have already adopted the practice of reporting their earnings in a considerably different manner.

Several of these banks have been doing this for a number of years and recently more and more of the larger institutions have followed in the procession.

Some of the operating statements, especially the income statements, that are now available on the New York State Bankers Association form for the banks, are the first general evidence of their earnings, and how much and what degree.

1. In any event, both the banks and the banking associations are on the right track, despite the current rate of interest in the right direction. The evolution of the state and the development of the banking business, has been and probably will continue to be profitable.

2. However, the world is moving much more rapidly than it used to do, and we can all get along much more satisfactorily, and not in a hurry, if we continue to be on the right track.

MacKenzie Returns To Cleveland Reserve Bank

Kenneth H. MacKenzie, formerly Assistant Vice-President of the Federal Reserve Bank of Cleveland, who had been loaned to the War Production Board as statistician for the Cleveland regional office since Aug. 1, 1943, has been appointed Vice-President of the Reserve Bank, and will assume his duties at that institution, effective Nov. 23 by M. J. Flenniken, President.

Mr. MacKenzie entered the employ of the Reserve Bank Dec. 27, 1938, in the statistical department. For several years, he was in active charge of statistical work in the bank, including the preparation of its Monthly Business Review, a publication dealing with business and financial conditions in the Fourth Federal Reserve District. Mr. MacKenzie also maintained his association with the War Production Board's regional office statistical department in a supervisory capacity as a "$1-a-year" type.

Tomorrow's Markets

Walter Whyte

Says

Tax selling above war; mass opinion to warrant an upward move. Don't believe rally will carry much above recent recovery. Expect to see a return to a more cautious attitude in the market. The market is still in a period of rest, and a reaction of some degree is expected.

By WALTER WHYTE

Up to this time is written nothing of spectacular, and therefore today, there does not seem to be any reason to expect much selling, but the market will not go far if there is any selling. The market may not go far, but it may not go down.

[Continued on page 5155]

**DIVIDEND NOTICES**

Q.C.F.

AMERICAN CAR AND FOUNDRY COMPANY

20 CHICAGO STREET

New Haven, Conn.

March 27, 1945.

There has been declared, out of the excess of the current year, dividends of $1.50 per share, payable March 29, 1945, to stockholders of record at the close of business on March 21, 1945.

ROBERT B. BROWN, President.

American Manufacturing Company

Noble and West Streets.

MODERN, NEW YORK.

The stock record books of the American Manufacturing Company will be closed for the purpose of transfer of stock as December 30, 1945, and all transfers in the books of record will be made thereon on or before January 1, 1946.

CHARLES J. BERG, President.

Andrew G. Schick, Secretary.

DIVIDEND NOTICE

THE ARUNDEL PACKING COMPANY

Cleveland, Ohio

December 19, 1945.

Commenced Dec. 15, 1945, to the stockholders of record at the close of business December 10, 1945, a quarterly dividend of 37 1/2 per cent or 75c per share, payable January 1, 1946, to the stockholders of record at the close of business December 18, 1945.

R. M. WAPLES, Secretary.

New York.

United Fruit Company

DIVIDEND NO. 192

A dividend of seventy-five cents per share, payable January 5, 1946, to the record owners of the common stock of 1945, will be declared on the common stock of the Company, payable January 3, 1946, to the stockholders of record at the close of business December 17, 1945.

LIONEL W. DUBEL, Treasurer.

CONTINENTAL BAKING COMPANY

Preferred Dividend No. 16

The Board of Directors has declared this day a regular quarterly dividend of two dollars ($2.00) per share on the outstanding Preferred Stock, payable January 5, 1945, to stockholders of record at the close of business on December 31, 1945.

Common Dividend No. 1

The Board of Directors has declared this day a dividend of sixty cents ($0.60) per share on the outstanding Common Stock, payable January 15, 1945, to holders of record of such stock at the close of business on January 9, 1945.

The Directors have in mind a Common dividend, those stockholders, who still retain certificates for the old Class A and Class B Common Stock, should present the same, promptly, to the transfer agent, The Corporation Trust Co., New York, N. Y., for exchange into full share or scrip certificates for the same.

The Directors have in mind, as a dividend only, a "$1-a-year" type. Unfortunately, one cannot work out that way. For even in view of the fact that the market is being somewhat buoyed up in the word "war." And

**DIVIDEND NOTICES**

THE NEW YORK TRUST COMPANY

This Board of Directors has declared the dividend of $1.50 per share on the Bank's preferred stock, payable January 15, 1945, to stockholders of record January 1, 1945.

The building of the New York Trust Co., 50 Vesey Street, New York, was completed May 5, 1923, to stockholders of record at the close of business December 31, 1922.

WILLIAM M. ERP, President.

United Shoe Machinery Corporation

The Board of Directors has declared a dividend of $1.50 per share on the Common Stock of the Company, payable January 20, 1946, to stockholders of record January 5, 1946, to stockholders of record at the close of business December 31, 1945.

WALLACE M. ERP, President.

Market Comment

The incentive for a resumption of vigorous constructive activities has yet to materialize. Whether such stimulus will come from a substantial improvement in the character of war advice or whether some domestic event may be reinaugurate the rise, cannot yet be determined. The precedent of a year-end rise is sufficiently strong to warrant its anticipation again this year. It would therefore seem that any dips that may occur along the way will not do its inception it will find the bulk of stocks well taken and the market internal position gradually improving as we move toward December swing forward.

The state of the market and the security operations are now being influenced by the idea of next year's tax bill or by liquidation to secure funds for income tax payments. It will therefore doubtless have to be considered in relation to the tax situation of next month or 1943 but they should not prove any difficult obstacles if other pertinent news and corporate developments are generally favorable. Only a small portion of these results determine the price of some truly excellent earnings stocks, and stockholders for the entire year. Assuming such conditions do not permit one to anticipate reasonably substantial gains, a more conservative feature will be available.—J. S. Bache & Co.

NSTA Service Flag

The following are members of the Twin City Bond Clubs which are the direct and indirect forces. The Twin City Club is an affiliate of the National Security Dealers Association.

William T. Howard, Jr., with Woodard-Elwood Co., Minneapolis.


**CONTINENTAL BAKING COMPANY**

**HOSTESS CAKE**

**BRAYTON CAMPBELL**
The National Refining Co.

(Continued from page 2147)

The potential saving of $400,000 in principal, as well as nearly $30,000 per year in interest.

At Dec. 31, 1941, the balance on account on Hand and U. S. Treasury obligations of more than $2,258,000, including gold of $7,000,000, and book value exceeded $350 per mortgage bond. The company's sound financial standing and aggressive policies indicate a continuation of this trend in the future. Other stockholders also may feel some sense of assurance in the fact that National has a substantial ownership of oil lands, producing properties, and oil and gas retail stations represents a fairly acceptable hedge against inflation.

To Be Baker Weeks Partner

Schroeder Bouton will be added to the partnership of Baker, Weeks & Harris, 51 Wall Street, New York City, to make it a four-man team, when Baker, Weeks & Harris, Inc., obtain the benefit of five years' operating record, and to retire at an average cost of $45,000 per year, resulting in an ultimate Exchanges.

Investment Trusts

DIVIDEND POLICY

Editor's Note—There are almost as many different dividend policies in the investment field as there are individual companies. On this point few measurements are completely amiss.

The George Putnam Fund recently announced a new dividend policy. Henceforth quarterly distributions will be made at a "realistic, if improperly dependent" annual rate of approximately $250,000, or 25 cents per share, rather than an "average price paid for investors by the management". The fund's earnings, however, exceed what we believe," the trustees, "that even any reasonable distribution of amounts paid from capital will be made up by realized profits and the improvement in the value of the portfolio.

One of the notable features of the Fund wrote a letter to the trustees objecting to the new dividend policy. Mr. George Putnam replied at length. Because of the breakdown that had been contained in his reply and the frank discussion of problems vital to the investment trust field, this column is pleased to publish Mr. Putnam's letter.

"Dear Mr..."

"I have received your letter of Dec. 4 and am very glad to know that you appreciate your frankness in setting forth your objections to the Fund's future dividend policy. Matters of this kind are very important to our business and we do not take an active interest in them. But I refer you to your objections to the new policy in order to tell you why the changes for the better reasons for its adoption from the management's standpoint.

"At the beginning of the Fund, there was over 2,700 beneficiaries and that number has increased to 1,900. Most of our beneficiaries are individuals, and in that respect, although there are a number of quite substantial holdings by individuals and also by charitable and fraternal organizations. The point I wish to emphasize is this—that to most of our people our investment, though perhaps not important, they need a good income and a reasonably dependable one such as income from this fund is receiving for years on their holdings of American securities.

"And now I wish to direct your attention to another problem which is a very grave one: The fact that shares in this Fund are being constantly offered and sold to investors—just the same way that your company is selling the same for the same reason. It is a hard but undeniable fact that a good investment, just like an insurance, must be sold to people. It must be marketed in a highly competitive market.

"The late twenties and early thirties were people were appreciation conscious. This created a pressure upon managements to produce stock market appreciation and led to a race between managements to try to 'beat the averages.' The results were all bad—disastrous to the investor. In recent years investor has grown increasingly company conscious. Now managements are under pressure to produce large income and are large dividends even in the face of recorded low interest rates. To the extent that this pressure leads us away from sound investment practices, it will help the investor rather than help him. It's the same sort of pressure that had to sell insurance on a highly competitive market and had to a sells insurance for other investment. We adopted a policy of balanced appreciation and income, and although we did not have a very pleasant beginning, we have not had a record-breaking one since. Our policy and philosophy and we are moving away from the old management pressure to beat the Dow-Jones Averages.

"Our recent change in dividend policy is designed to reduce the income pressure on the management. We want to be free to invest the money turned over to us."

(Continued on page 2153)
Municipal News & Notes

For the first time in seven years the average tax rates in American cities in the 10,000-50,000, and 50,000 and 50,000 showed a decrease in 1943. The Municipal League reported that the average tax rate of the 10,000-50,000 was $16.80, or a decrease of 17.8 percent from the 1942 rate of $20.02. The league’s annual tax survey, prepared by the experts in the Statistical Department of the Detroit Bureau of Government Research, compared the adjusted data with that of previous years.

Because of wide variations in legal requirements and assessing practices the league explained an adjusted tax rate was determined by applying the actual tax rates levied the estimated ratio assessed valuations to each city. The adjusted tax rates computed by applying these estimated assessment ratios to the actual tax rates are all on a uniform basis for comparison.

The survey disclosed that Atlantic City, showing the fourth consecutive year of the highest reported tax rate in the country, levied a rate of $75.10. In contrast, Wheeling, Va., showed the year’s lowest rate, $10.50. The city with the lowest rate last year, Montgomery, Ala., at $61.13 in 1942, failed to report in this year’s survey.

The most favorable record was shown by cities between $50,000 and $100,000 population. They reported the greatest increase in adjusted tax rate—$31 cents, or the smallest decrease in assessed value.

Cities having more than 50,000 population failed to show a trend toward decreased rates. Miss Miehle said these cities had experienced a series of decreases in assessed valuation which had never been entirely measured, but if expressed in terms of a factor which appeared 10 years ago at 100, there has been an outgrowth of predemption assessments and a diminution in real estate values.

A survey showed that each of the following cities had the highest assessed valuation in its population group: one million—Los Angeles, $11,586,500; 500,000 to 1,000,000, Boston, $24,500 to 500,000, Jersey City, N. J., $52,700; 100,000 to $250,000, New Bedford, Mass., $15,600; 50,000 to 100,000, Atlantic City, $27,200; and 50,000, Chelsea, Mass., $49,800.

Vandewater, Sykes & Galloway Continue Municipal Research

Due to the retirement of Frank C. Moore on Dec. 31, 1942, to as¬sume administrative responsibility for the State of New York, the munici¬pal firm of Vandewater, Sykes & Galloway, 125 Broadway, New York City, has announced that all of the remaining members of the partnership together with Archibald H. Gal¬loway, 1500 Broadway, will continue the practice of law, after the firm name is changed to Vandewater, Sykes & Galloway, 125 Broadway. The firm’s change of name has not been un¬changed and it will continue to examine the validity of municipal bonds.

service flag for N. Y. City

Ceremonies marking the formal unveiling and presentation of a service flag and gold star plaque commemorating the service of Charles T. Hamilton, a native of New York City Comptroller Joseph D. McGoldrick were held on Broadway in front of the municipal building. Approximately 600 flags and 800 of the Comptroller’s office workers converged on the site for the ceremony and the forces is the line chief is moving.

Wisconsin State and Local Indebtedness On Wane

The $12,047,000 reduction in Wisconsin’s total municipal indebtedness, made between the second quarter of 1943 and the first quarter of 1944, marked the largest debt reduction in the history of the state. The figures were released by the Wisconsin Taxpayers Alliance.

The total State and local long-term debt in Wisconsin has been substantially reduced. From $334,940,000 in 1940 to $216,640,000 in 1941. The 1941 figure is the lowest debt recorded in the peak in 1931.

The Wisconsin Taxpayers Alliance reports that in 1944, U. S. Census data, Wisconsin had the lowest per capita indebtedness of any state in the United States. The per capita debt in Wisconsin was $120, $50,000, as compared to a poor basis. With in¬

In the past year, for the first time in its history, Wisconsin’s municipal debt was reduced substantially. During the fiscal year 1943, Wisconsin’s municipal debt was reduced by $12,047,000. This reduction was due to a combination of factors, including an increase in real estate values, an increase in tax revenues, and a decrease in debt obligations.

The reduction in debt was achieved through a variety of measures, including the sale of bonds, the issuance of tax-exempt securities, and the adoption of fiscal policies that encouraged the repayment of debt. As a result, Wisconsin has one of the lowest per capita indebtedness levels in the country.

Investment Trusts

Investment trusts are a type of collective investment fund that pools the resources of many investors for the purpose of purchasing securities. These trusts are managed by professional investment managers who make decisions on how to allocate the money raised to achieve the goals of the trust.

As of March 1945, there were 125 active investment trusts in the United States. These trusts held a total of $8 billion in assets, which was invested in a variety of stocks, bonds, and other securities. The trusts also had a total of 600,000 shareholders, who owned shares in the trusts.

The average annual return for these trusts was 7.5%, which was slightly higher than the average return of the stock market over the same period.

Air Transport Industry And Its Role In The War

The Air Transport Industry is an important part of the war effort, providing critical services and supporting the military. In addition to providing transportation for military personnel and supplies, the industry also plays a vital role in the movement of goods and services across the country.

The industry has been instrumental in supporting the war effort, and its contribution has been recognized by the government. The industry has received numerous awards and honors for its service, and has been praised by military leaders and civilian authorities alike.

In addition to its role in the war effort, the Air Transport Industry has also contributed to the economy of the country. The industry has created millions of jobs and has generated billions of dollars in revenue.

The Air Transport Industry is expected to continue to play a vital role in the country’s economy even after the war, as it provides a critical service that is essential to the functioning of society.

Jeannie Witter Jr. Killed

Jean Carter Witter, Jr. was killed in action in the Solomons, presumably in the opening of the great naval battle which began on Nov. 13. Ensign Witter was serving as assistant navigation officer of the heavy cruiser, U. S. S. San Francisco, which led the attack on the Japanese fleet. While no details regarding his death are yet known, it is presumed that he was on the bridge of the San Francisco when the cruiser Collagash and Captain Young, commander of the freighter, were hit by enemy fire.

Ensign Witter was the eldest son of Jean C. Witter, partner in the San Francisco investment firm of De Witt & Co., and himself a graduate of the U. S. Army.
INSURED SHARES

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sured by an
agency of the
U. S. Government.

United Building & Loan Ass'n
619 GARRISON AVENUE
FORT SMITH, ARKANSAS

This Investor Has Own Rules and Sticks to 'Em
One For Ripley's "Believe It Or Not"

...A dealer recently received the letter given below from an in-
vestor located in a small upstate New York town. The spelling and
usage reproduced just as he wrote...

New York, N. Y.

Dear Sir: In reply to your letter of November 14th, you bought
Of your 8%, per cent of the 8 years $2000. Of our Guaranteed
American Government 8% Gold Bond Which due on Dec.
and you inform us that when we

purchased this $2000. Gold Bond on a Down Cash payment at that
time We had no intentions that at any time could sell the bonds at
that time to Sell them now on a Discount basis, as you say, under
the law we do not. Such a foolish sort of talk. And you have
Supposed that we offered you $700, for $1000, When you accept
it that it is not as we think How your Offers Sounds to us and if our
$2000. Bond is for less than $700, we wish to let you know for
Always Sell our Bonds for Less than We paid for them. As we do not
Consider them as We can as we feel assure that the Associated
Government Loan and Savings institutions, who have
Their Guaranteed Statements and therefore our Money Back,
with interests in time When they Get their Moneys Straightened out
and we know that they have Property to that effect and that we

Can Sell our Bonds. When we see it

fit to collect our Money Back on the Bond. We are asking for
this $2000, Bond for No less than this $2000. Value. And we Wish to Buy our Bond for What
Interests Which is again agreed upon by Associated Gas

and Electric Co. Since September the 15th, have been
Quite a few Thousands Of Dollars owed by our Bondholders.

of Buying our Bonds for for the interests about $2000. Bond, and
Since the September 15 (1899) for the face Values of the Bond
as State in this State in this Stated
ment let us know so We

Must do can make some arrangements be-

between us and the Banks AND

and Mend in Mind that we Cannot

sell our $2000, Bond Not Less than their full face Values and

and now we hope that we have made it clear by this statement and
understandable. Arch the $2000. No Chance for us. We
Wish to Buy our Bonds on the full price Value of the $2000. 00.
We have not State in this Statement as they are a Bond

Bondholders, they Hold their full face Value the same

as full face Values., and these Bonds are

Increasing in interest Sincerely Yours

Pollak Mfg. Attractive
Stock of the Pollak Mfg. Company offers a particularly
interesting opportunity at present prices. The following memorandum just issued by Ward

& Company, 120 Broadway, New
York, N. Y. gives a concise resume of the

memorandum which may be had from the firm

upon request.

NYSE Cuts Number of Finan. Questionnaires

The Board of Governors of the
New York Stock Exchange has ap-

proved a number of changes in certain rules and poli-

cies which according to Edward C.

Hooper, Director of the Department of

Members Firms of the Exchange

are under the following description:

(1) "Reduce from four to three

in each calendar year the number

of questionnaires required to be

submitted by members firms for the

use of the financial questionnaire

required to be submitted by the

public;

(2) reduce the number of data per

two to five in each calendar year the number of

answers to the financial question-

naire required to be submitted by

Member firms not carrying ac-

counts for the public;

(3) revise the capital require-

ments to eliminate consideration

of the dividend arrears of com-

pany's and changes in sales of

securities;

(4) the announcement of Mr. Gross

said: "On the basis of four years' ex-

perience the Exchange believes

that the present requirements are

more extensive than reasonably

necessary. The making of these

changes at this time, in part

ard, will relieve one of the pressure upon mem-

bers. As a result of the re-

sulting from the personal effort
to been into the services or are

newly engaged elsewhere in the

national war effort.

Hajoca Prospects Good

Some dealers are stressing the

advantages of the Hajoca bonds

which they believe are inherent

in the present time in securities of

the Hajoca Corporation, manufactur-

ers of plumbing supplies, toilet

fixtures, and kitchen equip-

ment. The company is now

engaged almost 100 years work-

directly or indirectly.

Hajoca is taxex in Pennsylvania

in 1853 and was essentially

organized in 1921. Under the

conditions of the net earnings, after full

preferred dividends, but in the

year in which the Hajoca have

both stock by purchase in the

open market or in a

ban on the basis of this

without interest, and the

fourth quarter, is $3,000,000.

The net earnings before allow-

ing for the expenses of the

farmer, were $61,025.23 for the

period of $30,000, or by

seven dollars per share on the

preferred stock. The annual

charges and taxes, since it has the

advantage of an unusually broad

market.

The initial dividends on the

preferred stock were on Sept. 1, and 75 cents on Dec. 1;
the current dividend on the pre-

ferred stock is six dollars.

The present market level is $19-

quarterly. Earnings per share and 8.83 for the

preferred.

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ferred stock is six dollars.

The present market level is $19-

quarterly. Earnings per share and 8.83 for the

preferred.

The bill barring collection

poll taxes as a prerequisite to

voting in elections involving Fed-

eral officials was killed for the first
time when the Senate defeated a mo-

tion last evening for its second

vote, 27 to 20. Approval of two-thirds of those voting was neces-

sary for adoption of the cloture rule limit-

ing the number of amendments to

one hour. Senator Barkley (Demo-

crat of Kentucky), a majority leader, was

forced to fail to vote, therefore

moved to lay the bill aside and
to further carry out the

in the Senate.

24 that they would would re-

soup in the new Congress a

abolishing the practice, and Rep-

resentative Marchant (Amer-

ican Republican of Tennessee)

was appointed on Nov. 28 that he plans to offer such a

bill when the Senate convenes.

The members from the eight

Southern States—Tennessee, Ar-

kansas, Louisiana, Mississippi,

Georgia, South Carolina, Virginia,

and Texas—which levy poll taxes

are now, as the Senate has

now, the State have the right to

assert that to the poll tax is

unconstitutional, with a

the Federal elections would be as

the lost elections of State

Inspection in the...
UP-TOWN AFTER 3

PLAYS
"The Willow And I" by John Patrick. Presented by Blackwell and Aronson in association with David Cerutti at the Window Theatre, N. Y. W. with Martha Scott, Barbara O'Neil, Gregory Peck, Edna May Oliver, among others. Directed by Donald Blackwell, Set by Lennard Ayers. (Closed Friday, Dec 11, 1943.)

The play is a song melodrama which deserves a better fate than the first night reviewers slated it for. It is true that some of the acting was not convincing, but the play itself was by none the worse for it. Mary has a certain amount of interest and some of the best acting on Broadway. The play deals with the Sutton sisters and carries over from the Victorian days to the present. Mara Sutton, the weak, shy, yet imaginative, elder sister, is played by Barbara O'Neil. Beside Sutton, her strong, dynamic, grasping sister, loves the same man, buys the same car, and both girls' lives are threatened with ruin. The adventure is to start. In the struggle for the gun, a shot is heard. Then the drama drives itself into a conflagration, a condition which lasts for forty years. Beside Sutton carries the doctor and a son and a secret.

The years pass, the son grows up, the father dies and Mara, now an old woman, is still in a deal. Beckoning is the past in a world which has passed her and Beside living in the present. Beside, her sister, is really a woman who got by demureness comes in the midst of a thunderstorm that shocks Mara back to civilization. Out of all the awful moments that led to her condition but the years and between are a complete blank. Her only friend, who has loved her for herself and her will continue to love her, is Rip Van Winkle, who, of course,rings a bell, but who, of course, has had nothing to do with that. The similarity to Rip Van Winkle is, of course, obvious, but Mr. Patrick's hard-bitten is a psychological subject is a great deal more profound.
The burden of the story is carried on the shoulders of Martha Scott and Barbara O'Neil as Beside and Bette Peck, who plays a dual role. But mostly the best work comes from the scored maid, and two youngsters, R. Davis Williams and Ale Ange Adams.

MOVIES
"Random Harvest" (MGM) is drama with all the foiled dreams do that will also keep you up at least two handkerchiefs, and even the handkerchief may seem a bit short. "Random Harvest," a story of a post-war England (World War I) and its shell-shocked veteran who falls in love in any manner in the midst of the English countryside. There is a part of one is Ronald Coleman, who has amnesia and voluntary paralyzing himself because he has no idea of the English from the asylum and meets Greer Garson, a show girl. She helps him. She, feeling for him, is blissfully happy, they have a baby and leaves for Liverpool where the baby is born. An, who has lost his life with Greer Garson away but restores him to the wealthy family. The movie is a wonderful type of the English type. It is one of the other things, the ability to tell a story and it presupposes an ability to avoid the obvious.

The results are usually obvious. How one can avoid falling into the mistake of something I'm not quite sure. I answer to it. It requires, among other things, the ability to see situations. It is also presupposes an ability to avoid the obvious.

In The Armed Forces
Clarke, Harrison, Johnson, Lane, Space, Co., Atlantic Aviation, U. S. Army, 11th Artillery, S. C., Chattanooga, Tenn.
Meyers, Margaret (MGM) is also based on a best seller by W. L. White. It is his story of the horrors of war. It is not a war story, but a war story. The story of the entire three dozen you not only will have to pay for the entire lot but will have to further your own doctor and pay for your own medicine...*. 

The Penthouse Club

The current issue of "News & Views" points out that German will not be the only language spoken in Buffalo & Co. of California, 210 West Seventh Street, Los Angeles, California, but also that German will be the only language spoken in some investments which the firm considers offering particularly attractive at these current levels. Copies of "News & Views" may be had from Buffalo & Co. and an interesting bulletin on the Aetna Fire Insurance Company may be had from Butler-Huff & Co. upon request.

"RESERVE TONIGHT"
FOR THE PLEASURE OF TASTING
AMERICA'S FINEST TASTING
SCHENLEY
ROYAL RESERVE

SCHENLEY ROYAL RESERVE, 40% Grain Neutral Spirits, BLENDED WHISKEY, 86 Proof. Schenley Distillers Corporation, N. Y. C.

LAMBOURN & CO.
99 WALL STREET NEW YORK CITY

SUGAR

Exports—Imports—Futures

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HOW DID WE GET THIS WAY?

(Continued from first page)

that prove its dogmatism, its peremptory assertions, to be sheer twaddle. It is not even a fragmentary truth; just a brittle myth dependent upon the gullibility of man. It involves the eternal confusion and delusion of the entire galaxy of the massless generations of folk and which, even if not perfect, have proven their worth, to junk them and follow economic wills-of-the-wisp, sociological fire-flies, into the fellid bogey of failure and disaster. It is distorted by bias and prejudice with disaster.

Nehチャー, one of the minor prophets of communism, goes to the heart of the whole issue. As a fellow-liberal who frequent its political environs: "conspire with them, get possession of their secrets, compromise them and use them as instruments of your own aggrandizement. It is in its antiquity and persistency, there is no truth in the pernicious belief that men are born to certain absolute rights, except when qualified by the principle that they are man-made. Right[s] are concepts upon which and it is impossible to damn an apostle; a stereotyped catchphrase on a soapbox, making up in noise the hystericalecutions of the noise it lacks in sense. Civilization has not developed because of such beliefs but in spite of them. No single fact supporting such a hypothesis has ever been cited in an intellectual form capable of analysis by any thinker worthy of the name. The mass of facts upon which its effectiveness grows in inverse proportion to its lucidity.

Equality before the law carries the obligation to know and do. It is a fine-sounding letter of opportunity bears the obligation to be prepared and recognize it but it does not guarantee success. Those in this country who complain about lack of opportunity, do not possess the knowledge. . . . The theory of equal opportunity has succeeded—existent with. By any logical implication, opportunity means freedom to accept responsibilities, hence a complete red-shifting the superior so that he cannot exceed the inferior. It is a dangerous fallacy which teaches that men are entitled by peremptory to liberty and equality, which are, according to the assumption, gentlemenly. Rights is meaningless babbles in which the flower is taken for the whole tree. It is based upon the assumption of the existence of the active man and man's raison d'etre is the economic potpourri of humanity, in the conglomerate of races; man, as it is imagined, he should be—homunculi in a test-tube—and not as he has really been fashioned by the unknown forces, which brought him into being and direct his development.

If it is true that men have natural rights without obliga-
tions, the converse is true, other men have obligations without rights, and the theory falls by the weight of its inherent self-contradictions. On such illusions un-
sound and ridiculous social formulae are based, ignoring the fact that the theory cannot be built upon man's weakness but only upon his strength.

Progress depends upon observance of the principle that the fallacy of the right over the obligations has been existing only when they are in equilibrium. The true function of government is to see that men perform their obligations before they enjoy rights. Government is the enforcement of the obligations which is to be just before it attempts to be generous with wealth it does not produce. Otherwise liberty degenerates into license and democracy into mobocracy.

No matter how large the army, is most of us remain privates and many must remain in labor battalions. Absolute equality does not exist even in a poor-house or on the WPA but only in a home for congenital idiots. That the theories evolve the entire concept of life is but an affirmation of the obvious.

Some of the rights currently claimed vociferously and the obligations quietly overlooked are:

The right to run for office—the obligation to abstain from dishonest campaigning.

The right to be governed by selected representatives—the obligation to select them intelligently.

The right to work—the obligation to work skillfully and diligently.

The right to strike—the obligation to let someone else perform.

The right to bargain collectively—the obligation to honor the contract.

The right to an opinion—the obligation to know some things.

The right to run a newspaper—the obligation to print the news free from propaganda, bias and legal libel.

As industry advanced, as tools improved, as labor accumulated and was called wealth, population increased, and with the increase came the demand for less workers and more productive land. From this demand arose

the institution called rent, which is nothing more than a portion of one man’s current labor paid for the use of another.

The institution called interest, which is basically allied to rents and profits, followed. In the case of profits, the owner furnishes the implements or property, directs the work and bears the risks. The owner of land is generally forgotten when the risk is passed, and which is intentionally overlooked by the producers of the population for use schemes—which in itself is a phrase without a meaning, a fiction, a term in politics is not inherent in risks. Loss is always an alternative.

The medieval concept which is being revived by our self-styled intelligencers, whose chief ability lies in the use of an aphorism which is impossible to the common man that money was static and interest immoral, had no more basis in fact than the ancient belief that the earth was square and the world flat. Because of the increase, with the increase above. They both arose, however, from a poverty of facts and not from defective mental processes as is the case with similar modern grotesqueries.

The patriarchal protection against interest, even when it was anathematized as a sin, was widely evaded because it was opposed to human necessity and economic progress. The collision between economic realities and moralized ideals, must always result in a victory for the realities, despite the suffering of deluded and betrayed humanity, particularly when the ideals are embroidered with political power.

The possession of an economic good today has an advantage over the right to possess the same article next year in that the use of the article during the year is valuable. This advantage is eliminated from a progressive economy than can the profit motive, nor can the rates of either be effectively controlled. It is not an evil in a reorganized society, extended over intellectual and spiritual as well as economic and political matters, a condition repugnant to any race with a tradition of liberty. To succeed such a republic will be insured by education, terror and force incarnated in a bleak program of dehumanized bestiality, a corollary overlooked by altruists who are busily engrossed in the study of human nature and in a new mode of life and determining the size of the arch which is to constitute each man's segment of the circle of existence.

With the expansion of industry, the development of the entrepreneurs and the increase of wealth and population, a relationship which is not understood or emphasized as fully as it should be, it became necessary to provide more effectively for the protection of property and person, neither of which can be safeguarded without safeguarding the other.

The belief of many kind and well-intentioned people—and some not so well-intentioned—on the line of private rights and property rights, is based upon an inadequate and distorted knowledge of the true nature of these rights and of the things by which and through which they are realized and are essential for the coeval, cognate and equally sacrosanct. It is shallow thinking, even though ostensibly idealistic, to believe that the rights of property or of creditors or of debtors or of owners, or rights preserved. Neither can be infringed without social and economic reprimals which are automatic in their action. It is a contention which cannot be substantiated or defended in the forum of reason nor can its validity be sustained by any law. The argument is vacuous and jejune, although it has a pietistic air.

These sentimental phrases start from the premise that nothing is true that is disagreeable. They are just a welter of words, which run like a river in space, without a kernel of meaning, and are believed with emotional rather than intellectual conviction. The defense is that more and more have to do with consequences. Sentimentalities cannot be taken as truths. People do not need to be self-induced into the service of mankind. Good intentions are not the criteria of good results. It would be difficult to make a mistake if motives determined results. Peace, order, security, freedom and prosperity are not due to human resolutions but to economic evolution. It is not evidence than it clarifies them. It is risky to sail in the vortex of emotions without a rudder of reason. Unless emotion is balanced with analysis it is a dangerous force. It seldom thrives on the abstrusememe of mental honesty and finds no logic for need. The most distinguished characteristic of thinking is facing the two varieties of superficiality, the possession of facts that are not understood and the advocacy of theories not sust-

Our Reporter’s Report

(Continued from first page)

Series G and H 4s due in 1946, it is the opinion in bond market generally, that the issue will come fully to explications.

A repetition of the yield of the combined series was out-
standing, in about even amount, to the advantage of the bondholders.

Since the both series are selling slightly under par, it is assumed that the market will probably was able to take up a considerable issue, as the price of other bonds as offered for sale on the market was.

Other Bonds Expected to Act

Now that they are in a position to act, the bonds that will find the actual reduction of funded debt without having to fear any tax liability, and it is expected that more railroads will follow the lead of the Great Northern and advertise for tenders of selected issues.

Managements, can, of course, avoid the market in their bonds on favorable oppor-
tunity. Such buying has reflected from time to time on the market in bonds of various roads in recent times.

But in order to avoid the possibility of inducing too much speculative interest in the various issues, it is considered possible that the management of the road will wisely restrict the amount of the public's capital available for the purpose of the bond issues, which is to say the idea of seeking to obtain the bonds they want to sell at a discount to the holders for tenders.

Around the Street

The New York Stock Exchange Weekly Firm Changes


Transfer of the Exchange mem-
bership of George L. Worthington to Charles Plunk will be consid-
ered on Dec. 23. Mr. Plunk will continue as a member in New-
"ber 0, New York City.

Transfer of the Exchange mem-
bership of William B. Reilly to Charles M. Reilly Jr. will be consid-
ered on Dec. 23, Mr. Reilly will act as an individual floor-
broker.

C. Charles Latour retired from the Exchange and moved to New York City, on Dec. 14. He is inactive because of the illness of his young par-

er service of all of his par-

Franklin A. Batcheller of Blair Alorge, New York City, died on Dec. 8.

Henry Morgan Dead

—Henry Morgan, senior partner of Henry Morgan & Co., 42 Broad-
way, New York City, New York Stock Exchange, died on Dec. 14. He

CREDITED TO PRIMAL PHRASE 2012
Changes in Canada Brought About By War

The war is bringing about marked changes both in political and social conditions in Canada. There has been little new in the activities of the Imperial Bank of Canada today, as its annual meeting in Toronto on Nov. 29. It has substantially increased, he added, the buying of Canadian goods and the increase in the country and stimulated the purchase of Canadian. According to Mr. Phíp's, added, that "changes in economic and political conditions have also meant a more extensive production of war material and public and partly to the inevitable in- 

The country’s government had to be made in Canada is a much smaller and markedly different than the country’s. The mint, he added, has been the Mint of Canada. By the nickel supply, and one of the demands for some of the people.

Wants Government To Encourage Future Home Ownership

At its recently-concluded na- 

mated for its productive ca-

duction of a mortgage plan for the new "American Dream Home." 

High Capitalizing On Price Fixing Case

Price Administrator Leon Hen- 

als are making in the short term, but also in the long term, will be for government in virtually every period. The OPA also presents the fol- 

The defenders, who were gathered in their thousands for the government’s nationwide enforcement for military material by industry to the WMB, and an implied threat of the WPB to material to industry.

ABA Booklet To Aid Banks In Treasury’s Victory Fund Financing

Plans for the participation of banks throughout the nation in the Treasury’s $8,000,000,000 Victory Fund financing drive were announced in Washington on Nov. 21 by the American Bankers Association to its entire membership of more than 14,000 banks. Key bankers in every Fed- eral Reserve district have been enrolled in Victory Fund Commit- tees and are meeting with state and counties and municipal officials to plan the drive. The committees will be comprised of 1,000 volunteer workers, largely from the banking community, and are being recruited on the basis of their experience and their knowl- edge of the investment habits of their communities. The purpose of the drive is to raise funds for the Treasury.

Controlled Materials Plan Set Up By WPB

A new Controlled Materials Plan was set up by the WPB to administer the distribution of strategic materials "as they become available," according to Mr. H. Nordyke, general director of the WPB. The plan will take the place of the recent plan to sell certain raw materials with long-term storage contracts.

Funding to be used to offset the savings in the home, the war, he explained, that the increases in the price of materials fiducial to the Government at a low rate of interest.

Treasury To Use New Materials In Small Coins

To minimize costs of small coins, disclosed on Nov. 29 that ten- 

cents would be minted of a new material called "capacite." According to the Associated Press the bullion has been arrived at by the Director of War Finances and signed by the Attorney General. The bullion consists of approximately $37,000,000, which is about the same amount as the assets. Saying that this was done of course due to the enormous expenses in producing industrial goods which require new produc-

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Fixed Declines Price

On Duration Of War

President Roosevelt declared on Thursday that "the duration of the war will be the shortest of any that have ever been fought."

When told at his press confer- ence that Oliver Lyttleton, Brit- ish Minister of Pensions, said in Washington on Nov. 29 that the war would be won by next June, Mr. Roosevelt replied that it was still too early to say whether the President had made any change in his previous statement.

According to the Associated Press,at his press conference Thursday, Mr. Lyttleton said that "the duration of the war was certain to extend beyond two years, but that he did not think that the war would end so soon as the President had already been scheduled.

FDR Broadcasts Xmas Eve

President Roosevelt will broadcast holiday greetings to the Na- tion on December 24th, the White House announced on Dec. 18.

President Roosevelt and Mrs. Roose- well will preside over the annual public ceremonies at the Christmas tree ceremony on the south grounds of the White House on Dec. 25.

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Following is a list of issues whose registration statement was accelerated by the SEC. These issues are grouped according to the dates on which the registration statement will in normal course become effective, that is, when the issue is after filing except in the case of the securities of certain foreign public authorities which normally become effective in seven days.

These dates, unless otherwise specified, are as of 4:30 P.M. Eastern Standard Time as of Nov. 12.

Oﬀerings will rarely be made before the day following.

THURSDAY, DEC. 17
877 SEVENTH AVENUE CORPORATION A registration statement with the SEC for $75,000,000 of 5%, 20-year debentures of the company, due Feb. 1, 1977, has been accelerated. The company, 877 Seventh Ave., New York City.

WEDNESDAY, DEC. 16
STEEL ROCK IRON MINES LIMITED The company has filed a registration statement with the SEC for the sale of $250,000 of 5% outstanding debentures due Dec. 15, 1957, for the underwriters, Lazard Bros. & Co., Ltd., Toronto; and Howard D. Bunker, London, England. The company proposes to use the proceeds for general corporate purposes including capital expenditures. The registration statement is on file in the offices of the SEC. Officers of the company include B. W. Salle & Co., Ltd., Toronto, and Howard D. Bunker, London, England.

MONTROSE HOTEL INC. A registration statement with the SEC for $1,000,000 of 5%, 20-year debentures of the company, due May 15, 1970, has been accelerated. Officers of the company include B. W. Salle & Co., Ltd., Toronto, and Howard D. Bunker, London, England.

CURTIS CANDY CO. The company has filed a registration statement with the SEC for 60,000 shares of capital stock, $1.50 par value, of the company, the proceeds of which will be used for the purpose of constructing a new factory for the manufacture of chocolates, to be located in San Francisco, Calif. The company proposes to use the proceeds for the construction of a new factory for the manufacture of chocolates, to be located in San Francisco, Calif. The registration statement is on file in the offices of the SEC. Officers of the company include C. B. Curtis, president; S. H. Keck, secretary and treasurer; and J. D. Keck, vice-president.

FRIDAY, DEC. 18
REED FORD FUR & CO., INC. The company has filed a registration statement with the SEC for the sale of 25,000 shares of capital stock, $100 par value, of the company, the proceeds of which will be used for the purpose of constructing a new factory for the manufacture of shoes, to be located in Baltimore, Md. The company proposes to use the proceeds for the construction of a new factory for the manufacture of shoes, to be located in Baltimore, Md. The registration statement is on file in the offices of the SEC. Officers of the company include C. B. Curtis, president; S. H. Keck, secretary and treasurer; and J. D. Keck, vice-president.

CURTIS CANDY CO. The company has filed a registration statement with the SEC for 60,000 shares of capital stock, $1.50 par value, of the company, the proceeds of which will be used for the purpose of constructing a new factory for the manufacture of chocolates, to be located in San Francisco, Calif. The company proposes to use the proceeds for the construction of a new factory for the manufacture of chocolates, to be located in San Francisco, Calif. The registration statement is on file in the offices of the SEC. Officers of the company include C. B. Curtis, president; S. H. Keck, secretary and treasurer; and J. D. Keck, vice-president.

UN-KAREN CORPORATION A registration statement with the SEC for 6,000,000 shares of capital stock, $10 par value, of the company, for the purpose of constructing a new factory for the manufacture of shoes, to be located in Baltimore, Md. The company proposes to use the proceeds for the purpose of constructing a new factory for the manufacture of shoes, to be located in Baltimore, Md. The registration statement is on file in the offices of the SEC. Officers of the company include C. B. Curtis, president; S. H. Keck, secretary and treasurer; and J. D. Keck, vice-president.

TUESDAY, DEC. 22
NATIONAL RESERVE ASSOCIATION, INC. The company has filed a registration statement with the SEC for the sale of 100,000 shares of capital stock, $10 par value, of the company, for the purpose of constructing a new factory for the manufacture of shoes, to be located in Baltimore, Md. The company proposes to use the proceeds for the purpose of constructing a new factory for the manufacture of shoes, to be located in Baltimore, Md. The registration statement is on file in the offices of the SEC. Officers of the company include C. B. Curtis, president; S. H. Keck, secretary and treasurer; and J. D. Keck, vice-president.

Oﬀerings

TODAY'S OFFERINGS

Oﬃce of the Commercial & Financial Chronicle, Thursday, December 17, 1942.
**NYSE Short Interest Lower On Nov. 30**

The New York Stock Exchange announced on Dec. 1 that short interest as of the close of business on the Nov. 30 statement date, as computed from information obtained by the Exchange from member firms, was $551,053 shares, as compared with 555,464 shares Oct. 30, both totals excluding short positions carried in the added account. As of the Nov. 30 statement date, the New York Stock Exchange from the statements of 4,698 brokers and dealers' accounts' total was 27,025 shares with 21,172 shares on Oct. 30.

Exchange's announcement further states: "Of the 1,341 individual stock holdings listed as short as of Nov. 30, there were 24 issues in which a short interest of more than 5,000 shares existed, or, in which a change in the short position of more than 2,000 shares occurred during the month." The number of issues in which a short interest was reported as of Nov. 30, was 435, compared with 451 in Oct.

In the following tabulation is shown the short interest existing in various common stocks for each day of the month of Nov. 1940:

<table>
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<tr>
<th>Date</th>
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**UNION LIGHT, HEAT AND POWER COM**

**FEDERAL DEPARTMENT OF THE INTERIOR**

**OPA Point Rationing To Start In January**

Ration stamps are to be taken on new importance in the buying habit of America when War Ration Book Two is put into effect by the Office of Price Administration on Dec. 8. The new book, which will be used to ration goods unrelated to rationing under the food and rubber point system, will be issued in many parts of the country with the first ration card to be used before the week's expenditures of money.

**Rent Control Extended To 68 More Areas**

Continuing to spread Federal control of residential rents throughout the nation as rapidly as possible, Deputy Administrator Louis A. P. Drummond announced on Nov. 16 that 68 more defense-rental areas would be brought under rent control on Dec. 1. The Office of Price Administration on Dec. 1. The announcement states: "Orders directing rents back to pre-war levels in these areas this year are being issued for the 68 areas immediately. In addition, controls will be extended also to all the areas the entire defense-rental program of California, Washington, Oregon, Washington, Idaho, Montana, Wyoming, Arizona, and Colorado, which, after payment of Federal taxes, are not subject to local rent control, and to any areas in which automatic, partial, or fixed obligations, would bring it to a net of $25,000.

FDR Favors $25,000 Limit On All Incomes**

President Roosevelt told his press conference on Dec. 1 that he was prepared to disregard whether individual income from all sources, including salary, should be limited to an annual net of $25,000. Discussing the $25,000 net salary order, the President said that he was considering the feasibility developed since the order did not affect income from investments. Mr. Roosevelt said his income limitation permits individuals to pay what they are worth to the nation, which, after payment of Federal taxes and other obligations, would bring it to a net of $25,000.

"For rent payers in the new areas, OPA's regulations mean that on paying De¬

Federal Reserve Bank of St. Louis
Digitized for FRASER
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Our Reporter On "Governments"

This is going to be a "technical column," an analysis of purchases being made by various institutional investors today and a study of how that affects the shape of supply and demand in the bond market. The technical section of the floor of the New York Stock Exchange and the quotations in the bond market do not suggest much movement today, but there are some changes in the shape of the demand of some of the big financial institutions. To be specific, at the point at issue right at the start of the session, there was a noticeable increase of buying in the 3½% or the 1½% bonds of June 1945. The problem is which of these is responsible for this increase in buying. Is it the Institutional Business or Bioren combination, as of Jan. 1, or is it the purchase of the 1½% due in five years? And a point coming up later is just how smart and helpful is the investment strategy of the Government in this context? There are two ways to look at this situation. From your point of view, the Government is the buyer and from the position of the issuing agency of securities which must be bought for victory. Let's start with the first and move into the heart of this argument. Here are the points:

(1) It is wiser to buy the 1½% today than the 3½% certificates.

(2) The purchase of the longer-term securities will be just as safe as purchase of the 1½% due in one year.

(3) The mark market can tighten considerably over the next five years without pushing the 1½% below par.

(4) While holding the 1½%, of course, you get twice as much interest and there will be no gains tax on the income.

(5) Purchase of the 3½% by any ordinary business concern is a safe thing to do. Cash reserves are nonexistent and the purchase of interest-bearing currency and securites can be called an all-out gesture of cooperation on the financial front.

If there is any support for the 3½% view, it will be on the basis of the belief that the 1½% is the basis on which the Government will have its long-term securities issued, and that there is an available good return in truth "outsmarting himself."

These are strong statements but they may be backed up and a good statement by an insurance company. According to an informed source, one well-meaning salesman for the Victory Fund Committee has been holding a business concern to switch out of its 1½% into the 3½%. The corporation's executives have been told that the Federal Reserve Bank will buy them plain and ask approval of the position they had taken.

The Reserve's spokesman is said to have answered:

"Don't be silly, Switch. It's a swell thing to do."

EVER-SHORTENING

If you've been buying 3½% and other very short-terms the presumption is you expect to "roll them over" every year and keep them forever. But you are on a very short-term basis. For many institutions, that's the only smart way to act. It's also the way to do it. And now there is one of the best known ways to protect yourself during periods of uncertainty in the bond market.

But a major reason for following this course should be your expectation of an important variation in interest rates in the coming years, and probably in the near future. And you will want to penalize yourself by buying the lowest-yielding Governments on the list.

So the questions are:

How long as interest rates be expected to carry:

December? If not, why are you holding the 3½%? You'll only get another two or three interest plus a year from now.

Do you think the Federal Reserve and Treasury authorities are going to permit a prime drop in securities due in the eight-year stage? I mean, can the Government control this market even though other nations have been able to do it? This is the question and to date there is no indication. And you must also believe that the banks and other sources of funds are not going to be in a bad way soon, for they hold the inside-10-year maturities in the billions.

It not, why are you holding the shortest-terms and least attractive interest income background.

And now to the second step in this argument which has nothing to do with your personal answers to these questions. And that is that the 1½% due in five years, are getting shorter all the time. Every month, they become a shorter-term bond carrying 1½% interest, which is nothing to scoff at in this period of low money rates.

SOME COMPARISONS

Let's look at the 1½% as they may be two years from now.

Then they'll be a three- and one-half year bond due in June, 1946. Now, the 1½% of March 15, 1946 are at a 1.5% yield basis. That's about the same. At about 1% of April 15, 1946, are at a 1½% yield basis. And the "then" 1½% of June, 1946, would be on a 1½% yield basis, for the 1½% in 1946.

If the market is at the same interest and price level two years from now, on the 1½%, obviously, would be worth a substantial premium.

If the market declines and interest rates harden, a leeway between 1½% and 1½% would allow the 1½% some decline before they would hit 100. In other words, money rates can stiffen and the 1½% can increase to the 1½% plus 100 plus.

The basis of the argument now shows up. The fact that the 1½% are in the five-year range and that they constantly move closer to the 1½% is a very attractive situation for investors, even though money rates may harden. And there's some doubt that they will:

WHAT TO BUY

There's nothing too patriotic about purchase of the 1½% or tax notes (in excess of tax needs) by a business corporation. Really, that's the least important. Paying interest in any form is the worst punishment there is, no point in staidness the issue. For commercial banks and savings institutions, of course, the purchase of "roll-over" securities is imperative. But not for the ordinary corporation.

Similarly, going too far out and buying huge amounts of the

Goney Elected V.P. of Pittsburgh Bank

CLEVELAND, OHIO—Directors of the Union Trust Company of Pittsburgh have elected Alton C. Goney a vice-president. Mr. Goney has been vice-president of the National City Bank of Cleveland for several years and has been closely identified with the bank's business during the critical months following December 14. Mr. Goney was well known in Cleveland where he was in charge of the investment department of the National City Bank, and previously had served the Union Trust Company in the same capacity.

It is understood that Mr. Goney's services with the Pittsburgh bank will be similar to those performed at the National City Bank.

Savings Earn With Safety

In Insured Investment

First Federal Savings and Loan Association of Philadelphia, 1332 Point Breeze Avenue, Philadelphia, Pa., will send upon request to investors, trustees and other fiduciaries detailed information explaining the desirability of investing in First Federal Savings and Loan investments.

War Bond Committee

Appointed By NSTA

William Perry Brown, President of the National Security Trade Association, has appointed the following members of the War Bond Committee for the coming year:


George W. Backus, Harris, Up¬

hem & Co., Minneapolis, Minn.

Andrew J. Fair,Trades & Co., Coney Island, N. Y.

Ludwell A. Strader, Scott, Hor¬

sby & Mason, Inc., Lynneburg, Va.

Georgie V. Jacoby Andrew L. Teckum Henry J. Richter

2½% may not be wise. . . . That may be taking too much of a chance, if the cash is not certain.

So let's say the 1½% and securities due in the eight-year range (the 2s) are the best.

And if there's any question about this, check your regional Federal Reserve Bank for advice.

INSIDE THE MARKET

Sale of "December basket" all going magnificently, with the big $2,000,000,000 jump due as soon as books close on Friday at 4, the basket selling 1½%.

Up to $7,000,000,000 of securities of all types reported sold early this week, with another $1,000,000,000 of outstanding purchases by the Government certain and the $2,000,000,000 boost coming.

Which means the deal will be over the top by a nice margin this 1½% basket is scheduled to be closed Dec. 23, the original hope and dream.

And 1½% is a vivid test of the market for more 1½% may come and will if companies are convinced it's neces¬

sary. Whether they'll come when they know the deal is over the goal, though, is another point.

Several big corporations also can come in if coaxed. But they may be waiting to see in the news about the success of the offering.

No major financing expected until April of size of this deal by several billion. In the Federal selling, it may be borrowed is said. March is a bad month for borrowing (obviously) and that means April.

"On sale" 2½% certainly shouldn't be opened until April.

Tax note sales especially big, will get bigger, adding to total shows.

Market is quiet, uninteresting and uninspired. . . . Big interest in the new issues, which is natural, of course.

Zeigler Coal Looks Good

Common Stock of the Zeigler Coal & Coke Company offers a particularly attractive situation at the present time according to a statement issued by Kline & Co., Inc., Board of Trade Building, Chicago, Ill., since the stock is now paying dividends and has prospects of larger dividends because of earnings, depreciation and depletion allowance, favorable tax position, and small debt. Copies of the circular, which is available to dealers only, may be had by request from Kline & Co., upon request.

R. hoe common

Vicna Sugar common

Spokane Int'l R. R.

Stephenville N & S. Tex. 5s

HAY, FALES & CO.

members New York Stock Exchange

17 Broadway N. Y. 38 Room Green 7-6227 Bell Telephone N.Y. 1-611