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The COMMERCIAL & FINANCIAL CHRONICLE

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OUR REPORTER'S REPORT

Under more normal circumstances this is the season of the year when the investment banking firms and dealers, along with industry in general, takes time out from routine business for a checkup on inventory position.

This year firms are going through the motions, as usual, but finding the situation quite the reverse of what it has been in recent years.

Currently it is not inventories, but rather the decided lack of securities on their shelves which presents a problem for the investment fraternity.

For some months now, the Treasury has been more or less monopolizing the money market in fulfillment of its enormous task of financing the nation's war outlay.

A natural consequence of this condition has been that considerable in the way of potential corporate financing has had to be sidetracked in deference to the more important problem of war financing.

Dealers, and much the same the investment bankers, find themselves faced with a dearth of material when called upon by customers for possible opportunities.

There is a disposition to expect, now that the Treasury has set up a definite schedule of war financing activities, that things may open up somewhat in the corporate field after the turn of the year, but bankers recognize that nothing much can happen between now and the closing of the books at the year-end.

Great Northern Tenders

Although the road has not yet divulged any of the data on response to its call for tenders of

(Continued on page 2156)

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 sixth, 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 VI

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

The fatuous communistic 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 their pontifical blessing—"from 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; an opiate for the conscience. It is a social pathogene, a virus, for which common sense is the only antiseptic. It is the philosophy of a pirate, the justification of a thief, the antithesis 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 other men. 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

(Continued on page 2156)

Maintaining Retail Prices Of Over-The-Counter Securities

Solution of Problem Calls For Cooperation Between Leaders in Auction and Over-the-Counter Markets

By WHITMAN C. HAFF

Never in the history of the over-the-counter securities markets has there ever been a strictly maintained retail market price for securities. Consequently, it has been possible for investors to buy over-the-counter securities at street (wholesale) prices plus a small commission. The securities business is the only one, so far as the writer of this article knows, where this situation prevails.

There probably is not a retail securities firm in the country that spends time and money in research work to make possible the offering of outstanding "buys" that has not time and again found that some sophisticated investors when approached on such situations would profess lack of interest and then turn around and buy the same stock or bond through some other firm at "street" prices plus a small commission.

In such instances, instead of recognizing the fact that they have really "pulled a fast one" by thus capitalizing on the time and money expended by the retail firm involved, such investors invariably take the attitude that they have just had one more indication of how firms in the securities business lack ethics by charging too much.

Thus the whole investment banking and brokerage fraternity suffers in repute simply because investors are given inside or "street" prices by brokers and charged a small commission for the execution of an order in the over-the-counter market when they should pay a retail price plus a commission.

Recognition should be given to the fact that retailing constitutes an integral part of the securities mechanism of the country just as does the auction or exchange markets. Nothing but good could be accomplished if the heads of the stock exchanges of the country and various associations were to endeavor to work out this and other problems that would tend to keep the investment banking and brokerage business healthy and encourage all factions to work together for their mutual benefit. This is just as essential as eliminating unethical practices in the business.

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Morris Lober Dies; Well-Known In Street

Morris Lober, senior partner in the New York Stock Exchange firm of Lober Brothers & Co., 30 Broad Street, New York City, died suddenly at his home in Scarsdale, N. Y. Mr. Lober was born in New York City and had lived in Scarsdale for 19 years. He was a member of the Jewish Community Center of White Plains.

Mr. Lober is survived by his wife, Alma Toch Lober; his children, Robert, James and Maxine Lober; by his brothers Max, Louis and Charles Lober, and two sisters, Lena Schrager and Minerva Caine.

W. Connaughton Is Now With Blyth Co.

Blyth & Co., Inc., 14 Wall Street, New York City, announce that W. G. Connaughton, formerly with Reynolds & Co., has become associated with it in its Sales Department. Mr. Connaughton began his investment career in 1919 with National City Co. and in 1926 formed the firm of W. G. Connaughton & Co., specialists in Westchester County bank stocks. He joined Graham, Parsons & Co. in 1935 and Reynolds & Co. four years later.

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Double-Barrelled Inflation Indicated?

*By W. W. PHILLIPS**

For the 22 weeks ended Dec. 2, Federal Reserve Banks increased their holdings of government obligations about 88%.

For the same period New York City banks increased their loans and investments about 18.6%.

Chicago banks increased their outstanding loans and investments about 22% during this 22 weeks.

All leading banks throughout the country increased their loans and investments about 18.5%.

Money in circulation increased about 19.5% from July 1 to Dec. 2.

These figures seem to reflect a definite plan for financing the huge deficit spending necessitated by the war.

That plan is approximately as follows: The Federal Reserve Banks have bought and will continue to buy government obligations in the amounts necessitated by the exigencies of the times. When the reserve banks buy government obligations they issue new and additional money in payment. This operation increases the money in circulation and tends to glut the banks with redundant cash. And this supply of idle cash, in turn enables commercial banks to buy government obligations without being compelled to "borrow to buy." Also the excess of cash tends to keep money rates low.

The plan is irresistibly logical under the circumstances. But it is also irresistibly inflationary.

Note that in the 22 weeks under review money in circulation has increased an average of about 1% a week. That increase may continue, or be accelerated, for the "duration" and for an appreciable period after the conflict ends. After the conflict ends because it is well known that elaborate spending plans for world rehabilitation are already planned.

It should also be noted that outstanding loans and investments of reporting banks show about the same rate of increase indicated by circulation—that is, an average of about 1% a week. With Federal spending mounting month by month and with the certainty that commercial banks must take a large part of the securities issued to finance the Federal deficit it seems highly improbable that expansion of bank credits will *average* less than 1% a week. More likely to exceed that amount.

Few people expect any let up in Federal spending in less than two years even if the war comes to an end in the not too distant future. If this is a fair guess, it does not seem fantastic to expect $30,000,000,000 money in circulation by the end of 1944. Bank resources—with the same percentage of gain—may reach $250,000,000,000.

Just how dangerous this double barrelled inflation would be remains to be seen. A few years ago it would have been regarded as alarming in the extreme.

*Mr. Phillips is associated with Jack M. Bass, & Co., 331 Union St., Nashville, Tenn.

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Bowen Heads Dept. At Mackubin, Legg & Co.

BALTIMORE, MD. — Albert M. Bowen — associated with Mackubin, Legg & Company in their Insurance Stocks Department—has just been named director of that Department. Mr. Bowen has spent his entire business life in the insurance business or research connected with insurance stocks.

Many years ago he became associated with the Fidelity and Deposit Company of Maryland in a clerical capacity. By successive steps, he was appointed general bookkeeper of the company, then assistant comptroller and finally comptroller and assistant treasurer. He resigned in 1913 to become vice-president of the American Indemnity Company of Baltimore and vice-president of the New Amsterdam Casualty Company of New York, both companies operating under the same management. 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 resigned from the New Amsterdam Casualty Company and became associated with Alfred M. Best Company, Inc., as editor of Best's Insurance Reports, casualty and miscellaneous edition. He was also the editor of Best's Insurance News, casualty edition. Later he established his own business and acted as intermediary in the purchase and sale of insurance companies, establishing values on such companies. He also furnished reports for a selected clientele, who were heavy investors in the stocks of fire, life 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, New York City, held on Dec. 14, Alfred P. Sloan, Jr., E. Tappan Stannard James L. Thomson, and John S. Zinsser were elected members of the Board.

Mr. Sloan is Chairman of the Board of the General Motors Corp.; Mr. Stannard, President of the Kennecott Copper Corp.; Mr. Thomson, Chairman of the Finance Committee of the Hartford Fire Insurance Co., and Mr. Zinsser, President of Sharp & Dohme, Inc. of Philadelphia.

The addition of these four new directors brings the bank's board to 17 and marks the first time in the history of the corporation or its predecessor that the board has contained directors who were not directly connected with the bank.

In announcing the elections, George Whitney, President of J. P. Morgan & Co. Incorporated said the move could be regarded as an additional step in broadening the character of the institution as a general commercial bank.

H. A. Gotschall To Be Prescott Partner

CLEVELAND. OHIO — Harvey A. Gotschall will become a partner in Prescott & Co., Guardian Building, members of the New York and Cleveland Stock Exchanges, as of Jan. 2. Mr. Gotschall has been associated with the firm and its predecessors for many years.

Attend Montreal Dinner

Herbert Hipkins and Gerard Burchard of the Canadian Securities department of Goodbody & Co., 115 Broadway, New York City, flew to Canada last weekend to attend the Montreal Traders' Dinner on Dec. 12.

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Brokers, Dealers Must Report On Condition

The Securities and Exchange Commission has announced that its new rule (X-17A-5) requiring brokers and dealers to file statements of financial condition with the Commission will become operative on Jan. 1.

The financial 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 prepared in accordance with the provisions of the rule and the instructions contained in the form designed for the rule.

Toronto Bond Traders Elect New Officers

TORONTO. ONT., CANADA—At the annual meeting of the Toronto Bond Traders Association, the following officers and executive committee were elected for the 1942-1943 year:

President: James Wilson, A. E. Ames & Co., Ltd.

Vice-President: H. D. Beatty, Brawley, Cathers & Co., Ltd.

Secretary: L. M. Wightman, Fairclough & Company.

Executive Committee: D. K. Cassels, Cochran, Murray & Co., Ltd.; George Rose, Goulding, Rose & Co., Ltd.; W. E. Parker, Dominion Securities Corp., Ltd.; T. H. Baker, A. M. Ramsay & Co.; S. Cox, J. R. Meggeson & Co., Ltd.; and R. A. Webster, Royal Bank of Canada.

"Canada Pays"

Canada is paying from taxation and other current revenue over fifty per cent of all expenditures for her own direct war and non-war purposes and financing British war purchases in Canada, with the remainder being met through borrowing, with practically all longer term borrowing directly from the people and short term borrowing from the banks, according to a most interesting booklet issued by Wood, Gundy & Co., Inc., 14 Wall Street, New York City.

Copies of the interesting booklet, tabulating war and victory loans in Canada, Canada's financing from Sept. 1, 1939 to Oct. 31, 1942, and showing interest payments, Canadian stabilization of production and living costs, production of war materials, and number of men and women workers, may be had from Wood, Gundy & Co. upon request.

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Strassburger Co. To Merge With J. Barth

SAN FRANCISCO, CALIF.—The investment business of Strassburger & Co., founded in 1880, will be merged with that of J. Barth & Co., 482 California Street. John I. Dakin, member of the New York Stock Exchange, Hartwell Jordan, and W. P. Letchworth will become general partners in J. Barth & Co.; Stanley H. Sinton will be a limited partner. All were members of Strassburger & Co.

J. Barth & Co., members of the New York and San Francisco Stock Exchanges, was established in 1885.

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. Tracy R. Engle of Engle Abbot & Co., Inc., 63 Wall Street, is Chairman of the Dinner Committee with John J. O'Kane Jr. of John J. O'Kane Jr. & Co., 42 Broadway, and J. F. Sammon of J. F. Sammon & Co., 2 Rector St., 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. Mr. Blaine has been associated with the firm for many years as manager of the syndicate department.

Asiel To Admit Werner

Louis J. Werner will shortly be admitted to partnership in Asiel & Co., 11 Wall Street, New York City, members of the New York Stock Exchange. Mr. Werner 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 who are interested in certain municipal bonds because of the tax exemption feature. Especially are we looking for West Virginia, Kentucky and Ohio municipal bonds regardless of the premium involved. There is an inclination to anticipate higher taxes on incomes in subsequent years and our clients are interested in placing a certain percentage of their funds in tax exempt municipals.—*Morris W. Berman, Wm. C. Seufferle & Co.*

With currency circulation amounting to over $14,000,000,000, compared to $9,000,000,000 at the top of the 1929 market, we believe good equity securities offer a most attractive medium for investment of idle funds; especially so with the Dow Jones averages at about 114 level. — *Norman S. Hill, Hill & Co.*

Dallas, Texas

There continues to be a spirited demand for Tax Exempt Municipals, but because of the Treasury's ruling governing amortization of premiums, we find customers are more timid about paying heavy premiums. There has also been more activity in stock buying, although we find few customers who want to do any "reaching" for stocks. Our main business continues to be in behalf of Uncle Sam on sale of Victory Fund Bonds.—*P. B. Garrett, Garrett and Company.*

Kansas City, Mo.

Currently almost all of the time of our organization is devoted to the Victory Fund drive. My personal time is virtually all taken up as Executive Manager for the Tenth Federal Reserve District. There is a strong demand from the investing public for higher-yield securities, and the present investment psychology leans toward speculation. — *Sigmund Stern, Stern Brothers & Company.*

Louisville, Ky.

Business has been rather slow with us due to the drive being made on Victory Bonds. Sales have been very gratifying in this district. We still feel very partial to Insurance Stocks and Bank Stocks, also Kentucky Utilities Company senior and junior preferreds. We are also recommending reorganization rail bonds for speculation and are finding a ready demand with our customers.

We feel that the market will turn around after the first of the year and are looking forward to a very good stock market.—*J. B. Reimer, V.-P., Berwyn T. Moore & Co.*

St. Louis, Mo.

On Nov. 30 dealers in the Eighth Federal Reserve District went all-out on the Victory Fund Campaign selling Government securities. Since their attention has been concentrated on this war effort the distribution of municipal securities has suffered. Prices on municipal bonds in the local market have remained firm and when the books are closed on the new Government securities the market for other securities should become more active with increasing demand for municipals. — *W. P. Sharpe, V.-P., Mercantile-Commerce Bank & Trust Co.*

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Now feeling the results of its improvement and reorganization program begun four years ago, The National Refining Company will show much better earnings in 1942 than had been anticipated.

Net profits for the nine months ended Sept. 30, after allowance for taxes and other charges, were $812,304, equivalent to $13.08 per share on 62,091* shares of $6.00 cumulative Prior Preferred stock, and to 90¢ per share on Common. It is expected that fourth quarter earnings will at least maintain—and probably surpass—the rate of the first three quarters.

Company this year has declared total dividends of $8.50 per share on the Prior Preferred—of which $6.00 was the normal dividend and $2.50 on account of arrears. Accumulated dividends on the Prior Preferred now amount to $27.50 per share.

National Refining, well known in the middle-west, is a completely integrated company. It owns its own producing properties; drills its own wells; owns tank cars and pipe lines; refines, distributes, and retails its own products. Besides automobile fuels and lubricants, Company is a substantial producer of industrial lubricants, tractor and farm equipment fuels and lubricants, and high octane aviation gasoline.

The present National Refining Company was organized in Cleveland, Ohio, in 1906 as successor to the parent Company which began business in 1882. From 1908 through 1932, the Company paid $8.00 per share annually on its preferred stock without interruption. Large cash and stock dividends also were paid on the Common, and both issues were highly regarded. In 1933, however, the Company felt seriously the effects of the depression, and was obliged to cut its Preferred disbursement of $2.00. For several years dividends were sporadic, and in 1938 Company offered in lieu of Preferred arrears, a plan whereby holders of old 8% non-callable preferred received 1⅓ shares of Prior Preferred $6.00 Cumulative stock plus ¾ shares of Common. The Old Common was exchanged for New on a share-for-share basis.

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(Continued on page 2151)

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J. Mark Wilcox, Jr. At United Securities

ORLANDO, FLA.—J. Mark Wilcox, Jr., son of former Congressman Mark Wilcox, is associated with the United Securities Corporation, Florida Bank Building, as manager of that office. Mr. Wilcox is well known in Florida investment circles and was formerly examiner for the Florida Securities Commission. Prior thereto he was employed by the Federal government as at attorney in Washington and was connected with the Bureau of Internal Revenue in Miami.

Heilbron Opens Firm

SEATTLE, WASH.—Andrew S. Heilbron is resuming his securities business 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. Kutz & Co.

Clark, Dodge To Admit

Clark, Dodge & Co., 61 Wall Street, New York City, members of the New York Stock Exchange and other leading exchanges, will admit Perry R. Pease to partnership in their firm on Jan. 1, 1943.

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REAL ESTATE SECURITIES

IMPROVED REALTY CONDITIONS REACT TO BENEFIT OF BONDHOLDERS

A glance at some of the headlines in the Real Estate section of the New York "Herald Tribune" for Sunday, Dec. 13, 1942, gives encouraging news to property owners and the holders of bonds and mortgages secured by real estate. Some of the headlines follow:

"Big Property Deals Brighten Real Estate Market Horizon."

"Realty Field Called 'Best in 20 Years.'"

"Very Much Like Opening of Old Boom Period."

"Market Broadened by Small Investor."

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

"War Worker is Booming City's Hotels."

The Real Estate Board of New York reported 2,005 Manhattan properties were sold in the last ten months involving $115,000,000. Apartment properties, office buildings and hotels alike report increased occupancy levels. These conditions it would seem must react ultimately to the benefit of real estate security holders. It seems to follow that bonds and mortgages secured by real estate if carefully selected offer to the investing public an investment giving an attractive current yield and considerable appreciation possibilities above the present low levels at which they may be acquired.

As to the City's Hotels, a partial quote from an article in the New York "Herald Tribune" gives an insight into present conditions.

"Back of the buying activity among Manhattan hotels is an interesting angle, one which has developed since we have been in the war. New York is becoming a resort, a rest haven for those engaged in war-work centers, either behind highly polished desk tops or in front of smooth-running machines.

"Week ends find them pouring into New York from every section by train, airplane, bus and automobile to stay for a few days or for a long period. Hotel accommodations are being taxed beyond capacity by the flood of week enders with pockets well lined with money made in war factories. They want accommodations and are ready and willing to pay the price. Consequently hotel properties along the main stems of the city are being sought by individuals and syndicates."

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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)

MINNEAPOLIS, MINN.—**Frans A. Lundberg** has become associated with **Harris, Upham & Co.,** Northwestern Bank Building. Mr. Lundberg was previously with Piper, Jaffray & Hopwood, and prior thereto was with Wells-Dickey Co. and the First National Bank & Trust Co.

(Special to The Financial Chronicle)

PORTLAND, MAINE—**Bion R. White** has joined the staff of **Clifford J. Murphy Co.,** 176 Middle Street. Mr. White was previously connected with White & Company of Waterville, Maine.

Cruttenden To Admit John Dunbar, A. Godie

CHICAGO, ILL.—John B. Dunbar and Anthony L. Godie will become partners in Cruttenden & Co., 209 South La Salle Street, members of the New York and Chicago Stock Exchanges, on Dec. 23.

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

To Admit Vincent Coleman

CHICAGO, ILL.—Vincent Coleman will become a partner in Farwell, 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 Farwell, 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., 54 Pine Street, New York City, members of the New York Stock Exchange, as of Jan. 2.

Attractive Situation In National Refining Co.

Prior Preference $6 cumulative stock of National Refining Company offers a particularly attractive situation, according to an analysis just issued by Gillis-Russell & Co., Union Commerce Building, Cleveland, Ohio, members of the Cleveland Stock Exchange. The book value of the stock is $262 per share, the analysis states; underlying cash and Governments alone equal $34; stock earned $9.39 net after taxes in 1941; a payment of four dollars on the prior preferred on Dec. 10 leaves an arrearage of $27.50; would receive $105 plus arrears in liquidation; dividends are now being paid.

Copies of the analysis of National Refining, one of the oldest companies in the petroleum industry, giving full and interesting details, including a condensed balance sheet, may be had from Gillis, Russell & Co. upon request.

NY Security Analysts Meet

The New York Society of Security Analysts, Inc. will meet on Friday, Dec. 18, at 56 Broad Street, New York City. Leslie Shaw of Vilas & Hickey will discuss "1943 Railroad Outlook."

Can You Get 10% With Safety?

Here Is A 10-Year Experience That Says "Maybe" You Can

In the summer and fall of 1932 a certain dealer in the "Over-the-Counter" market prepared lists of low priced, high yield bonds and suggested them for purchase in diversified groups of five to ten bonds each, on the theory that the element of risk in a speculative bond could be lessened through proper diversification and a high investment return enjoyed with comparative safety. The accompanying tabulation shows how the plan has worked out.

It would be easy, of course, for anyone to take a current list of bonds, check back to see how they were quoted ten years ago and then prepare a very interesting picture of results. **This list, however, was not compiled in that manner.** It has been compiled from old lists actually published. It is not represented to be a complete list of over-the-counter bonds available in the low priced group at that time but it does cover those issues **most frequently recommended and most actively traded by the dealer who made the recommendation and bonds most likely to have been purchased by investors who acted on the advice.**

We also call attention to the fact that **mistakes** as well as the successes are included.

Values are figured on $1,000 denominations (without interest accrual) and are approximate as of the periods mentioned.

	1932	Today	Called, Paid or Exch'd
Advance Bag & Paper 1st 6s, 1952	$420	Called 1940	$1,030
Alabama Water Service 1st 5s, 1957	520	Called 1940	1,020
American States Pub. Ser. 1st 5½s, 1948	590	----	----
Reorganized 1937; holders received $538.55 cash, 22 shares pfd., 7 3/10ths shares com. to a total value of			877
American Water Works & Elec. Deb. 5s, 1975	460	$910	----
Arkansas, Missouri Power 1st 6s, 1953	400	----	----
Exchanged April, 1937, for $750 New 1st 5s, 5 shares pfd., 6 shares com., cash and scrip to a total value of			1,090
Associated Chain Store Rlty. 1st 5½s, 1957	310	700	----
*Associated Gas & Elec. Cons. Ref. 4½s, 1958	230	95	----
Associated Public Util. 1st Lien 5s, 1947	320	800	----
Canadian International Paper 1st 6s, 1949	440	945	----
Central Indiana Power 1st 6s, 1947	440	Called 1940	1,050
Central Power & Light 1st 5s, 1956	550	Called 1939	1,040
Central States Edison 1st 5½s, 1943	330	----	----
Exchanged April, 1935, for $500 New Coll. Tr. 5s and 50 shares stock, to a total value of			547
Central States & Elec. 1st Lien Coll. 5½s, 1946	310	1,005	----
Central West Pub. Serv. 1st Lien 5½s, 1956	340	----	----
Exchanged 1936 for $350 1st 5s, 6 shares pfd., 35 shares com., present value of			625
Chicago, Memphis & Gulf 1st 5s, 1940	360	350	----
Coupon rate reduced to 3% in 1940 and extended to 1962.			
Cities Service Deb. 5s, 1950	260	820	----
Cities Service Power & Light 1st 5½s, 1949	400	750	----
Community Water Ser. Deb. 6s, 1946	320	750	----
Cons. Cities Lt., Pr. & Tr. 1st 5s, 1962	400	975	----
Dallas Ry. & Term. 1st 6s, 1951	420	995	----
Derby Gas & Elec. 1st 5s, 1946	580	Called 1937	1,025
Dominion G. & E. Coll. 6½s, 1945	400	995	----
East Coast Utilities 1st 5½s, 1937	340	----	----
Exchanged Jan., 1934, for $1,000 1st 4s and 10 shares stock, value of			980
*Equitable Office Bldg. Deb. 5s, 1952	460	155	----
Federated Utilities 1st Lien 5½s, 1957	340	925	----
Florida Portland Cement 1st 5s, 1937	250	Paid	1,000
Florida Power Corp. 1st 5½s, 1956	570	Called 1937	1,040
Flour Mills of Amer. Conv. 6½s, 1946	530	430	----
*Forty Wall St. Bldg. 1st 6s, 1958	350	155	----
Graybar Bldg. 1st 5s, 1946	520	940	----
Greenwich Water & Gas Coll. 5s, 1952	500	Called 1939	1,030
Grocery Store Prod. Deb. 5s, 1944	300	----	----
Exchanged June, 1935, for $500 Coll. Lien 6s, plus 25 shares stock, value of			425
*Guardian Inv. Deb. 5s, 1948	260	160	----
Hearst Magazines Deb. 6s, 1938	580	Called	1,010
Illinois Pub. & Prtg. 6½s, 1950	540	1,017	----
Indiana Service 1st & Ref. 5s, 1950	440	800	----
International Salt Coll. 5s, 1951	575	Called 1939	1,050
Interstate Tel. 1st 5s, 1961	560	Called 1940	1,040
Iowa Pub. Serv. Deb. 5s, 1968	470	1,035	----
Jacksonville Gas 1st (now 3-5s), 1942	520	460	----
Kansas City Pub. Serv. 1st 6s, 1948	240	770	----
Exchanged 1937 for New 1st 4s, 1957.			
Manila Gas 1st Lien 5½s, 1937	390	Paid	1,000
Missouri Pub. Serv. 1st 5s, 1947	530	New bd. call. 1942	----
Exchanged June, 1936, for $700 1st 5s plus 10 shares stock, value of			745
National Gas & Elec. 1st 5½s, 1953	290	----	----
Exchanged April, 1935, for $500 1st Lien 5s and 55 shares stock, value of			665
Ohio Water Service 1st 5s, 1958	400	Called 1940	1,020
Pacific Northwest Pub. Ser. 6s, 1950	260	----	----
Exchanged 1934 for Portland Elec. Pr. Inc. 6s, value of			300
Peoples Lt. & Pr. 1st 5½s, 1941	480	----	----
Exchanged 1938 for $500 Texas Pub. Ser. 1st 5s (quoted 103½)		500	
Peoples L. & P. 3-6s (subsequently called) also stock scrip and cash. Total realization incl. present market value about			1,119
Power Gas & Water Coll. 5s, 1948	310	Called 193[illegible]	1,050
*Reynolds Inv. Deb. 5s, 1948	300	400	----
Sheridan Wyo. Coal 1st 6s, 1947	330	1,035	----
South Amer. Ry. Deb. 6s, 1933	250	Paid	1,000
Starrett Inv. Sec. 5s, 1950	220	----	----
Exchanged in 1936 for New Inc. 5s and 15 shares stock, value of			235
Textile Bldg. 1st 6s (now 3-5s), 1958	360	250	----
United Artists' Theatres 1st 6¼s (now 3-5s), 1948	280	530	----
United Public Util. 1st Lien 6s, 1947	230	----	----
Exchanged Dec., 1934, for $500 Coll. Tr. 6s, 10 Pfd., 10 Com. and scrip, value of			720
United States Trucking 1st 5½s, 1943	450	Called 1938	1,005
Virginia Pub. Ser. 1st 6s, 1952	600	Called 1942	1,025

*Defaulted issues.

Of the 57 bonds in the list, 15 were called before maturity and 3 paid at maturity.

Reorganizations total 11 and in every instance the new securities received in reorganization are now worth more than the original cost, in many instances much more. Only 5 defaults occurred where no reorganizations or interest resumption has been effected.

A $1,000 bond each of the 18 bonds called or paid would have cost approximately $8,285; total amount received $18,415. Gain $10,130.

Profit 125% or an annual average of 12½% which, of course, does not include the interest received during the interim from date of purchase to maturity or date called and that would have averaged over 10% annually.

A $1,000 bond each of the 11 subsequently reorganized would have cost approximately $3,970; subsequent value of realization $7,345. Gain $3,375.

Profit 85% or an annual average of 8½% without inclusion of

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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 of Chicago, President of the Investment Bankers Association of America, in an article in the December issue of the Association's magazine (made available Dec. 9) finds them "adequate," "if inflation of prices is not allowed to skyrocket the costs of the war."

As one indication of the untapped bond buying power, Mr. Whipple, who is a partner of the Chicago investment house of Bacon, Whipple & Co. and Chairman

Jay N. Whipple

of the Victory Fund Committee for the Chicago metropolitan area, called attention to the record level of bank balances of individuals, partnerships and corporations. It is pointed out that depositors of this type to whom investment bankers are directing their main sales effort in the present $9,000,000,000 Victory Loan Drive, have current balances in excess of $65,000,000,000, as against $34,000,000,000 at the low point of the depression in 1933, and only $50,000,000,000 at the previous peak in 1929.

"It is 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 our job to induce them to put all in excess of minimum current balance requirements into Victory Loan securities."

Government figures on the recent record rate of savings by individuals were cited as another clue as to who can buy more bonds. Total income of individuals has been running almost $4,000,000,000 a month in excess of all living costs, a recent study disclosed, and most of it is being held in currency or in checking accounts. This accumulation of idle money it is contended, has gone on steadily for some time and at a swiftly accelerated rate recently, and it is felt that the tendency will be accentuated as installment purchases are eliminated, old debts are paid off, and new durable goods disappear completely from the market. "Such large surpluses in currency and in checking accounts obviously constitute the most unstable element in our financial situation and the greatest inflationary threat," Mr. Whipple stated. He added: "Converting these excess accumulations of cash and these idle balances into government securities is the first objective of the Victory Loan Drive."

War Needs To Take Fourth Of Food Output

Secretary of Agriculture Wickard on Dec. 3 estimated that at least 25% of the total 1943 American food output would go to meet military and lend-lease needs, compared with about 13% of the 1942 yield.

Speaking before a regional farm production goals conference in Chicago, the Secretary said that "our task grows larger month by month," recalling that only a month ago the Agriculture Department figured war needs would take only 20% of the 1943 production.

Mr. Wickard is said to have described as "superb" the farmers' 1942 performance in which "they smashed all previous records for total production" but said "an even tougher job" confronted them in 1943. The Secretary added:

"We can't produce too much of the needed farm products next year. We can't produce enough of some. For example, our fighting forces, our allies, and our own people would like to have 18,000,000,000 pounds more milk than we have scheduled in the 1943 goals. But it can't be produced. There are not enough cows on hand, even though the nation's dairy cow population is the largest on record.

"We will not have all the labor and machinery and supplies needed to produce enough to supply completely all needs for some other products. We must put first things first. We must convert completely to a war basis. This means cutting down on the less essential lines of production. It means raising output in the more essential lines."

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La France Industries 2nd	4s	@ 55
Okla. City-Ada-Atoka Rwy. 1st Mtg. Income	6s	@ 43
Rochester Ice & Cold Storage 1st Mtg.	5s	@ 55
Southwest Penna. Gas 1st Mtg.	5s	@ 38
Westinghouse Bldg. 1st Mtg.	4-6s	@ 34

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interest received before and after reorganization, which would add at least 10% annually.

A $1,000 bond each of the remaining 28 which have not been called, paid or reorganized (including the 5 still in default) would have cost approximately $10,570; present market value $19,152. Gain $8,582.

Profit 80%, annual average 8%. Annual income (not including interest on the 5 defaults even though they did pay a part of the time) $1,185 or over 11% on original cost. The profit amortized over the 10 year period plus the interest yield would total nearly 20%.

Low priced high yield bonds are not as plentiful today as they were 10 years ago and the general price average is considerably higher but the discriminating investor can still acquire a diversified list to yield as much as 10% with reasonable safety for his principal.

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RAILROAD REORGANIZATION SECURITIES

RAILROAD SECURITIES

Almost two years after starting operations, the reorganized Chicago & Eastern Illinois is to pay a dividend on its Class "A" stock. The stock, which has a par value of $40.00 a share, is entitled to preferential dividends at the rate of $2.00 a share, but the dividend is cumulative only to the extent earned. The dividend of $0.59 a share declared late last week represents the full earnings for the year 1941 and the first earnings realized on the new stock since the effective date of the plan, Jan. 1, 1937. This year the company is expected to report earnings of about $3.00 a share on the senior equity so that payment of the full $2.00 may be expected next year.

The indicated desire of the management to pass along to the stockholders the utmost that is called for in the way of dividends is refreshing when contrasted with the more or less dilatory dividend attitude of directors in some other reorganization properties. Nevertheless, even with this prospect of a dividend of $2.00 a share next year, and similar disbursements so long as the war boom in earnings continues, many rail men are pointing out that the stock appears unattractive in relation to the Erie certificates of beneficial interest. Allowing for the dividend just declared on the Chicago & Eastern Illinois Class "A" stock, the two securities are selling at the same level at the time of this writing.

It is true that the Eastern Illinois "A" stock is cumulative, but this is only to the extent earned and on the basis of past history this would not appear as a very potent consideration. Based on its revised capitalization, Chicago & Eastern Illinois would have reported earnings available for the "A" stock in only two years of the ten years 1932 to 1941, inclusive. In 1936 the indicated earnings would have been in the neighborhood of $0.15 and in 1941 they amounted to $0.59 a share. The record is certainly not encouraging, and there is nothing now visible that would lead to optimism as to a permanent sharp improvement in the road's traffic status.

Bituminous coal is still the most important single traffic item and it is believed that the long-term deterioration in this item is a permanent consideration. The road has suffered from competition from Pocahontas coal, and a number of former railroad customers have acquired their own coal supplies. Highway and pipe line competition have also been important factors in Eastern Illinois' poorer-than-average performance over a period of years and these have not been alleviated permanently, although the highway competition is naturally being eased temporarily by war considerations.

In contrast with the drab performance of Chicago & Eastern Illinois, Erie has consistently shown an ability better to maintain former revenue levels than have the roads in the Great Lakes region as a whole. In most years Erie has done better than Class I carriers as a group. This despite the fact that Erie has always had a heavy stake in the movement of anthracite coal which has been very hard hit by the inroads of competitive fuels. Other traffic items have held up particularly well and it is indicated that the erosion of anthracite has at least been stopped, and may even be reversed.

Many consumers in the East are being forced by the exigencies of war to convert from oil to coal and many will not convert back after the war is over. Automatic stokers have eliminated most of the undesirable features of heating by coal. With respect to other traffic the road is very well situated, particularly for the movement of fast through east-west freight. The New York-Chicago route avoids large intermediate centers so that the road is not handicapped by the expense and delays incident to operating in congested terminal areas. Another factor making for economical operations is that Erie is not burdened with any considerable amount of low density branch and feeder mileage which is the most vulnerable to highway competition.

With this background it is expected that Erie will more than 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. It is notable 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 $3.00, compared with merely $0.59 on the Chicago & Eastern Illinois "A" stock and it is estimated that 1942 results will run in excess of $5.00 a share. Only $1.00 a share has been declared this year (out of 1941 earnings) but a more liberal policy is expected in the coming year.

Will Rails Rally?

With institutional liquidation for tax purposes this year likely to be relatively small, the railroad bond market now is either at, or close to, its seasonal low, and purchases of selected speculative and defaulted railroad bonds are justified in anticipation of the usual year-end rally, according to a most interesting bulletin issued by Paine, Webber, Jackson & Curtis, 25 Broad Street, New York City, members of the New York Stock Exchange and other leading national exchanges. Copies of the bulletin, giving further details, may be had from Paine, Webber Jackson & Curtis upon request.

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; Dec. 16 price—41½.

We recommend dealers' consideration, at this time, of all issues of

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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. One is the weather; and the other is the way in which banking institutions report their earnings. As far as the weather is concerned, the less said, the better in view of war-time restrictions on weather reports and the fuel shortages which have developed. This leaves the field pretty well open to those who would like to see the banks publish regular earnings reports like other corporations—and they are making the most of it.

The matter has already received official recognition by the New York State Bankers Association, which recently distributed to the State's 718 commercial and industrial banks a standard form for reporting annual earnings to stockholders. This form is the result of studies carried on for some time by various banking groups and was adopted after consultation with the Bank Management Commission of the American Bankers Association. It suggests, as a minimum criterion, the reporting of income figures on loans and investments and from other current operations and, on the expense side, data on interest paid, salaries and wages, and other operating expenses.

Inasmuch as the operating earnings of most banks, arrived at by deducting operating expenses from operating income, bear little resemblance to the net change in surplus and undivided profits, provision has been made for a reconciliation between the two. This is perhaps the most important feature of the suggested form because it is in the handling of contingency reserves, amortization, recoveries and charge-offs that the greatest divergence occurs in bank bookkeeping. For the most part, bank stockholders and analysts have heretofore been obliged to struggle along with a minimum of information on these points.

It so happens that, voluntarily and individually, some of the more progressive banks have already adopted the practice of reporting results of their operations in considerable detail. Several of them have been doing this for a number of years and recently more and more of the larger institutions have joined the procession. Some of the operating statements, in fact, give even more information than would be available on the "standard" form suggested by the New York State Bankers Association.

In any event, both the banks and the banking associations are on the right trail and headed in the right direction. The evolution, as is characteristic of the banking business, has been and possibly may continue to be slow. However, the world is moving much more rapidly than it used to and bankers, it is significant to note, are learning to move just as fast and just as effectively as the next fellow. On the other hand, the country cannot afford to have its bankers become too "progressive" because they must be depended upon, in large degree, to act as an antidote for every species of social and economic iconoclasm. We still need, and possibly more than ever, some important group or element which can say "no"—and no one can say "no" quite as emphatically and conclusively as a banker.

There have been many reasons, of course, why banks have not been moved or compelled to publish more complete operating statements. Some of the reasons have been good, some not so good. In the first place, banks have long been subject to close government and state supervision. Their position as custodians of public funds and as underwriters of government financing has set them considerably apart from other businesses. Therefore, it has never been regarded as necessary, or perhaps even advisable, for them to make public their results in too minute detail. Some schools of thought have held that the public might not understand, and might react unfavorably, when a bank or banks reported "losses" in a public statement. This has probably been a fallacy because, like other items of bad news, such matters can usually be handled best by full explanation and education.

It is to be hoped that full operating disclosure will soon be standard practice for all the banks of the country or, at least, that many more will adopt this procedure. Such a course would act both as a brake and as a spur to the bankers themselves and would enable stockholders to supervise their investments more confidently and intelligently.

MacKenzie Returns To Cleveland Reserve Bank

Kenneth H. MacKenzie, formerly Assistant Vice-President of Federal Reserve Bank of Cleveland, who had been loaned to the War Production Board as statistician for the Cleveland regional office since Aug. 1, 1942, has been appointed Vice-President of the bank, and will assume his duties at that institution, it was announced Nov. 23 by M. J. Fleming, President of the bank.

Mr. MacKenzie entered the employ of the bank on Dec. 27, 1926, in the statistical department. For a number of years he has been in active charge of statistical work in the bank, including the preparation of the "Monthly Business Review," a publication dealing with business and financial conditions in the Fourth Federal Reserve District. He will continue his association with the War Production Board's regional office statistical development in a supervisory capacity as a "$1-a-year" man.

Tomorrow's Markets Walter Whyte Says—

Tax selling about over; mass opinion veers to "seasonal" upswing theory. Don't believe rally will carry much above recent highs or go below recent lows.

By WALTER WHYTE

Up to the time this is written nothing of spectacular importance has occurred. At least the market doesn't think so. It is still on an even keel, though there were days last week when the stability of the market was threatened.

* * *

On the home front the spotlight is aimed at the departure of the 77th Congress, in continuous session for two years with the exception of a few days' recess between sessions. At least it was theoretically in session. For there were weeks when neither House could raise a quorum if it's life depended on it. Members drawing salaries for being on the job were either gallivanting around the country mending political fences or simply stayed away because they didn't want to appear on record for or against certain pieces of legislation. The only accomplishments the 77th Congress will go down in history for are its declaration of war against the Axis and its imposition of the highest taxes in the country's history.

* * *

The incoming Congress which convenes Jan. 6 will have its job cut out for it. It is hoped it will spend less time talking about things and more time seeing that they're done.

* * *

As 1942 draws to a close it finds the market flirting with its recent highs, but leaves the question of "what now?" still unanswered. If forecasting the price trend depended entirely on market action it would be a comparatively simple matter. All one would have to do is to sit down, pore over past market performances, draw some pretty lines, then go to the broker and say "Gimme 100 shares of that and 100 shares of this." Then sit back and wait for the profits to roll in. Unfortunately things never work out that way. For even if everything was as Mr. Harding once defined as "normalcy" the question of what stock or stocks to buy would still have to be solved. But today there are other things that enter into calculations.

All of these can be summed up in the word "war." And

(Continued on page 2155)

DIVIDEND NOTICES

acf

AMERICAN CAR AND FOUNDRY COMPANY

30 Church Street

New York, N. Y.

There has been declared, out of the earnings of the fiscal year now current, a dividend of one and three-quarters per cent ($1\frac{3}{4}\%$) on the preferred capital stock of this Company, payable December 31, 1942 to the holders of record of said stock at the close of business December 22, 1942.

Transfer books will not be closed. Checks will be mailed by Guaranty Trust Company of New York.

Charles J. Hardy, *President*
Howard C. Wick, *Secretary*

December 11, 1942

American Manufacturing Company

NOBLE AND WEST STREETS

BROOKLYN, NEW YORK

The stock record books of the American Manufacturing Company will be closed for the purpose of transfer of stock on December 19th, 1942 until January 2nd, 1943. Directors' meeting will be held on Friday, December 18th, 1942.

ROBERT B. BROWN, *Treasurer.*

Dividend Notice of

THE ARUNDEL CORPORATION,

Baltimore, Md.

December 15, 1942.

The Board of Directors of the Arundel Corporation has this day declared 25 cents per share as the regular quarterly dividend and 50 cents per share as an extra dividend on the no par value stock of the corporation issued and outstanding, payable on and after December 28, 1942, to the stockholders of record on the corporation's books at the close of business December 18, 1942.

JOSEPH N. SEIFERT, Secretary.

THE GARLOCK PACKING COMPANY

December 15, 1942

COMMON DIVIDEND No. 266

At a regular meeting of the Board of Directors, held in Palmyra, N. Y., this day, a dividend of 75¢ per share was declared on the common stock of the Company, payable December 28, 1942, to stockholders of record at the close of business December 19, 1942.

R. M. Waples, *Secretary*

National Power & Light Company

$6 PREFERRED STOCK DIVIDEND

The regular quarterly dividend of $1.50 per share on the $6 Preferred Stock of National Power & Light Company has been declared for payment February 1, 1943, to holders of record at the close of business January 15, 1943.

ALEXANDER SIMPSON, Treasurer

UNITED FRUIT COMPANY

DIVIDEND NO. 174

A dividend of seventy-five cents per share on the capital stock of this Company has been declared payable January 15, 1943 to stockholders of record at the close of business December 24, 1942.

LIONEL W. UDELL, *Treasurer.*

DIVIDEND NOTICES

THE NEW YORK TRUST COMPANY

100 Broadway

The Board of Trustees has this day declared a quarterly dividend of $3\frac{1}{2}\%$ ($0.87½ per share) on the Capital Stock of the Company, payable January 2, 1943, to stockholders of record at the close of business on December 19, 1942. The transfer books will not close.

HARRY F. LITTLEJOHN,
Secretary.

New York, December 15, 1942.

United Shoe Machinery Corporation

The Directors of this Corporation have declared a dividend of 37½c per share on the Preferred capital stock. They have also declared a dividend of 62½c per share on the Common capital stock. The dividends on both Preferred and Common stock are payable January 5, 1943, to stockholders of record at the close of business December 15, 1942.

WALLACE M. KEMP, *Treasurer.*

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 advices 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 prior to its inception will find the bulk of stocks well taken and the market internal position gradually strengthened for this late-December swing forward.

It is doubtful that many security operations are now being influenced by thoughts of next year's tax bill or by liquidation to secure funds for income tax payments next March. These factors will doubtless have to be contended with in the early months of 1943 but they should not prove difficult obstacles if other pertinent news and corporate developments are generally favorable. One offset may be the publication of some truly excellent earnings reports for the current quarter and for the entire year. Assuming such earnings and indications permit one to anticipate reasonably satisfactory dividends, another sustaining feature will be available.—*J. S. Bache & Co.*

NSTA Service Flag

The following are members of the Twin City Bond Traders Club who are now serving in the armed forces. The Twin City Club is an affiliate of the National Security Traders Association.

William T. Howard, formerly with J. M. Dain & Co., Minneapolis.

Arthur H. Rand, Jr., formerly with Woodard-Elwood & Co., Minneapolis.

William E. Ritt, formerly with Park-Shaughnessy & Co., St. Paul.

CONTINENTAL BAKING COMPANY

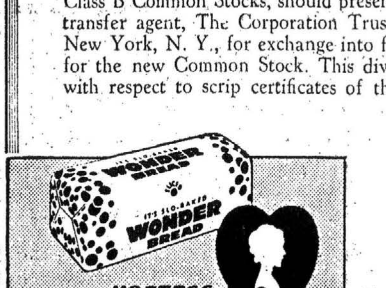
Preferred Dividend No. 16

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 1, 1943 to stockholders of record at the close of business on December 18, 1942.

Common Dividend No. 1

The Board of Directors has declared this day a dividend of fifty cents (50¢) per share on the outstanding *new* Common Stock, payable January 23, 1943 to holders of record of such stock at the close of business on January 8, 1943.

To facilitate the prompt payment of the Common dividend, those stockholders, who still retain certificates for the old Class A and Class B Common Stocks, should present the same, promptly, to the transfer agent, The Corporation Trust Company, 120 Broadway, New York, N. Y., for exchange into full share or scrip certificates for the new Common Stock. This dividend will not be disbursed with respect to scrip certificates of the Company dated July 15, 1941, presently issued or to be outstanding, except in accordance with the terms and conditions set forth on the face thereof.



The stock transfer books will not be closed.

BRAYTON CAMPBELL
TREASURER

December 9, 1942

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The Securities Salesman's Corner

You are entitled to a "profit"—why hide the fact?

There are two ways to "sell securities to your customers." There is a right way and a wrong way. The amount of profit that you make on the individual transaction is closely tied into the whole picture. One method leads to success, a satisfied clientele, and a clear conscience which is based upon the realization that you have treated your client fairly. The other leads down a blind alley, contains no constructive plan upon which you can build a business, and eventually leads to criticism by all four segments of the public who are fundamentally affected by every business transaction—your customer, the general public, the rest of the securities industry, and yourself (as dealer or salesman).

The dealer or salesman who has no "plan," who follows no program for developing customers; for selling them securities that fit their requirements, who only works when he needs a "commission," is the fellow who nine times out of ten, is subjected to criticism for ejecting abnormal and excessive profit margins from a few isolated securities buyers. He is the fellow who, to be frank about it, is usually so much in need of "funds" that in a sort of desperation he goes out and finds a customer to whom he can sell something, or anything, and when he does, his first interest is by necessity the filling of his own depleted pocketbook. Unfortunately, these individuals exist in every line of business—the securities business today, however, is singularly free of this type of operator—although we do have a few such dealers and salesmen who somehow continue to stay in business.

Then there is the successful dealer who not only maintains a solvent business, charges a profit in keeping with sound merchandising policy **And Actually Uses This Program As A Selling Argument Upon Which To Build His Business.** It is one of the best selling arguments a salesman can use **To Build A Clientele.** The reason is fundamental: (1) because you appeal to the customers' "self interest"; (2) because such an approach is sincere, justifiable and honest.

Assume that you have met a buyer of general market securities. He owns listed and unlisted investments—or for that matter only listed items. You wish to sell him a particular stock or bond as a dealer or "principal for your own account." First you explain that you have something more to offer him than just another stock or bond. You must gain his confidence in your integrity and your ability to do a better job for him on the particular items you sell him than he might otherwise be able to do for himself. There are so many ways to do this. All of them are tied into one major premise **—Real Belief And Faith In Your Own Integrity And Ability To Do This Very Thing.** If you have this faith you will convey it to your prospect. He will sense by the things you say (not as a salesman who talks for effect) but because you "know" that if he buys certain securities from you that his general average in the longer run will be satisfactory.

During your talk you can and should bring out the fact that you are making a profit. But do this at the right time. Tell him you know that as a business man he will understand that in order for you to make your business pay its way that you are entitled to a fair profit. He will agree—if he is the right kind of an individual that you would want for a customer. Those who are not willing to concede this fundamental fact which is involved in every business relationship are not worth "sales effort." There are the "wrong kind" of people buying securities as well as selling them.

We know of a salesman who has a client who has bought and sold seventeen different assorted over-the-counter items during the past twelve months. The record shows an amazing record of performance—sixteen trades and sixteen profits—one small loss—total percentage gain over 60% on the entire account for the year. This customer originally said, "I don't buy anything but listed securities." Today he buys both and you can imagine who gets his business **And He Is Glad To Pay This Salesman Several Points Over The Market Even On His Listed Investments. Nor Does He Ever Argue About Price Or Check Inside Bid And Ask Prices.**

He was sold the idea that this securities man could help him, that it would **Cost Him Money**, and he is a satisfied customer. As Hi' Phillips, in the N. Y. "Sun" would say, "Wanna Bet!" What do you think?

The National Refining Co.

(Continued from page 2147)

was launched to eliminate unprofitable departments, cut out waste and inefficiency, increase sales, and generally renovize physical property and personnel. In the ensuing three years, approximately $3,000,000 was spent for improvements, while at the same time many obsolete and unwieldy units were eliminated and a new marketing technique was instigated. First practical results of these efforts were indicated in the 1941 net earnings of $9.39 per share on the Prior Preferred.

There have been two important developments in 1942. First, was the election to the Presidency of Mr. Kenneth R. Proctor, who had entered the sales department of the Company in 1922 and steadily won his way to the top by virtue of his sound marketing policies. Second, was the Company's recent call for tenders of Prior Preferred stock to exhaust approximately $250,000, which had been accumulated by sale of obsolete and non-essential capital assets. A total of 4,878 shares were thus retired at an average cost of $51.60 per share, resulting in an ultimate potential saving to the Company of more than $400,000 in principal, as well as nearly $30,000 per year in interest.

At Dec. 31, 1941, the balance sheet showed Cash on Hand and U. S. Treasury obligations of more than $2,256,000, net working capital was nearly $7,000,000, and book value exceeded $260 per shares of Prior Preferred.

The Company's sound financial condition and aggressive policies indicate a continuation of this year's good earnings. Its stockholders also may feel some measure of assurance in the fact that National Refining's substantial ownership of oil lands, producing properties, bulk plants and retail station sites represents a fairly acceptable hedge against inflation.

To Be Baker Weeks Partner

Schroeder Boulton will be admitted on Dec. 31 to partnership in Baker, Weeks & Harden, 52 Wall Street, New York City, members of the New York Stock Exchange and other leading national Exchanges.

Royal Bank of Scotland
Incorporated by Royal Charter 1727

HEAD OFFICE—Edinburgh
Branches throughout Scotland

LONDON OFFICES:
3 Bishopsgate, E. C. 2
8 West Smithfield, E. C. 1
49 Charing Cross, S. W. 1
Burlington Gardens, W. 1
64 New Bond Street, W. 1

TOTAL ASSETS
£98,263,226

Associated Banks:
Williams Deacon's Bank, Ltd.
Glyn Mills & Co.

Australia and New Zealand

BANK OF NEW SOUTH WALES
(ESTABLISHED 1817)

Paid-Up Capital	£8,780,000
Reserve Fund	6,150,000
Reserve Liability of Prop.	8,780,000
	£23,710,000

Aggregate Assets 30th Sept., 1941 £150,939,354

SIR ALFRED DAVIDSON, K.B.E., General Manager

Head Office: George Street, SYDNEY

The Bank of New South Wales is the oldest and largest bank in Australasia. With over 870 branches in all States of Australia, in New Zealand, Fiji, Papua and New Guinea, and London, it offers the most complete and efficient banking service to investors, traders and travellers interested in these countries.

LONDON OFFICES:
29 Threadneedle Street, E. C.
47 Berkeley Square, W. 1
Agency arrangements with Banks throughout the U. S. A.

NATIONAL BANK of EGYPT
Head Office Cairo
Commercial Register No. 1 Cairo

FULLY PAID CAPITAL . £3,000,000
RESERVE FUND £3,000,000

LONDON AGENCY
6 and 7 King William Street, E. C.
Branches in all the principal Towns in
EGYPT and the SUDAN

Result Of Treasury Bill Offering

Secretary of Treasury Morgenthau announced on Dec. 14 that the tenders for $600,000,000 of 91-day Treasury bills to be dated Dec. 16, 1942, and to mature March 17, 1943, which were offered on Dec. 11, were opened at the Federal Reserve banks on Dec. 14.

Details of this issue are as follows:

Total applied for, $1,293,757,000.

Total accepted, $600,722,000.

Range of accepted bids (excepting two tenders totaling $60,000):

High, 99.926; equivalent rate of discount approximately 0.293% per annum.

Low, 99.907; equivalent rate of discount approximately 0.368% per annum.

Average price, 99.908; equivalent rate of discount approximately 0.364% per annum.

(35% of the amount bid for at the low price was accepted.)

There was a maturity of a similar issue of bills on Dec. 16 in amount of $402,059,000.

This week's offering of bills was raised from $500,000,000 to $600,000,000 in view of the increase in maturing issues from $350,000,000 to $400,000,000 weekly. However, the Treasury will realize an increase to $200,000,000 in "new money" as against $150,000,000 in recent weeks.

BOND SERIES — NATIONAL SECURITIES SERIES — INCOME SERIES
LOW-PRICED BOND SERIES — PREFERRED STOCK SERIES
LOW-PRICED COMMON STOCK SERIES — INTERNATIONAL SERIES
FIRST MUTUAL TRUST FUND
Prospectuses upon request
NATIONAL SECURITIES & RESEARCH CORPORATION
120 Broadway, New York

Investment Trusts

DIVIDEND POLICY

Editor's Note—There are almost as many different dividend policies in the investment company field as there are individual companies. On this point few managements see completely eye to eye.

The George Putnam Fund recently announced a new dividend policy. Henceforth quarterly distributions will be made at a "reasonably dependable" annual rate whether they are earned or not. In the event that current earnings are not sufficient to cover the distributions the difference will be paid from capital surplus. Subject to changed conditions, future cash dividends will approximate the 1942 payment of 65 cents per share, or roughly 5% on the average price paid by investors for the present outstanding shares. "We believe," said the trustees, "that over any reasonable period the amounts paid from capital will be more than made up by realized profits and the improvement in the value of the portfolio."

One of the beneficiaries of the Fund wrote a letter to the trustees objecting to the new dividend policy. Mr. George Putnam replied at length. Because of the background material 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.

"Dec. 8, 1942.

"Dear Mr. ....:

"I have received your letter of Dec. 4 and I really appreciate your frankness in setting forth your objections to the Fund's future dividend policy. Matters of this kind are very important to our beneficiaries and they should take an active interest in them.

"Before attempting to answer your objections to the new policy I want to tell you some of the reasons for its adoption from the management's standpoint.

"At the present time the Fund has over 2700 beneficiaries and that number is increasing steadily. Most of our beneficiaries are individuals of moderate means 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 current income is important. They need a good income and a reasonably dependable one such as many of them have been receiving for years on their holdings of American Telephone.

"And now I wish to direct your attention to another problem that arises from the fact that shares in this Fund are being constantly offered and sold to investors—just the same way that your company is selling insurance every day. It is a hard but undeniable fact that a good investment, just like insurance, must be sold to people. It doesn't sell itself; it must be merchandised in a highly competitive market.

"In the late twenties and early thirties 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 but disastrous to the investor. In recent years investors have grown increasingly income conscious. Now managements are under pressure to produce large income and pay large dividends even in the face of record low interest rates. To the extent that this pressure leads to unsound investment practices, it will harm the investor rather than help him. It's the same sort of thing that would happen if you had to sell insurance on a highly competitive rate basis, and actually did happen I believe in the early days of your industry. When we started this Fund five years ago we set out to give people an all-round, all-weather investment. We adopted a policy of balanced investing as our basic investment philosophy and thereby we got away from the stock market and 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

(Continued on page 2153)

WELLINGTON WF FUND
Prospectus of this Mutual Investment Fund Available through your Investment Dealer or from
W. L. MORGAN & CO.
Packard Bldg., Philadelphia

Keystone Custodian Funds

BONDS
Business Men's Investment Bond Fund . . . B1
Medium Priced Bond Fund B2
Low Priced Bond Fund B3
Speculative Bond Fund B4

PREFERRED STOCKS
Income Preferred Stock Fund K1
Appreciation Preferred Stock Fund K2

COMMON STOCKS
Quality Common Stock Fund S1
Income Common Stock Fund S2
Appreciation Common Stock Fund S3
Low Priced Common Stock Fund S4

Prospectus may be obtained from your dealer or from
THE KEYSTONE CORP. OF BOSTON
50 CONGRESS STREET, BOSTON

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ttp://fraser.stlouisfed.org/

Municipal News & Notes

For the first time in seven years the average tax rates in American cities with populations between 30,000 and 500,000 showed a decrease in 1942, the National Municipal League reported Dec. 9.

The small decrease—averaging 5 cents per $1,000 of assessed value—was accompanied by a 1.5% increase in assessed value.

The league's annual tax survey, prepared by Rosina K. Mohaupt of the Detroit Bureau of Governmental Research, compared the adjusted tax rates for 276 cities with the survey of former years.

Because of wide variations in legal requirements and assessing practices the league explained an adjusted tax rate was determined by applying to the actual tax rates levied the estimated ratio of assessed valuation to true cash value for each city. The adjusted tax rates computed by applying these estimated assessment ratios to the actual tax rates are all on a uniform 100% basis of assessment.

The survey disclosed that Atlantic City, N. J., for the fourth consecutive year had the highest reported adjusted property tax rate—$57.20 a thousand. This was $2.60 lower than Atlantic City's rate in 1941.

Wheeling, W. Va., showed the year's lowest adjusted rate — $10.50. The city with the lowest rate last year, Montgomery, Ala., at $8.13 a thousand in 1941, failed to report in this year's survey.

The most favorable record was shown by cities between 250,000 and 500,000 population. They reported the greatest decrease in adjusted tax rate—31 cents on every $1,000—and the smallest increase in assessed value.

Cities having more than 500,000 population failed to show a trend toward decreased rates. Miss Mohaupt said these cities had experienced a series of decreases in assessed valuation which had never been restored to them, a factor which appeared 10 years ago as an outgrowth of predepression assessments based on speculative real estate values.

The survey showed that each of the following cities had the highest adjusted tax rate in its population group: one million or more, Chicago, $36.59; 500,000 to 1,000,000, Boston, $41; 250,000 to 500,000, Jersey City, N. J., $53.73; 100,000 to 250,000, New Bedford, Mass., $46.60; 50,000 to 100,000, Atlantic City, $57.20, and 30,000 to 50,000, Chelsea, Mass., $49.80.

The lowest rates were: One million or more, Los Angeles, $26.46; 500,000 to 1,000,000, San Francisco, $21.98; 250,000 to 500,000, Birmingham, Ala., $10.80; 100,000 to 250,000, Canton, Ohio, $13.20; 50,000 to 100,000, Wheeling, W. Va., $10.50, and 30,000 to 50,000, Fort Smith, Ark., $10.80.

Status Of Maricopa County Refunding Bonds

In connection with the call for bids by the State of Arizona on $4,100,000 refunding bonds for the account of Maricopa County, it is pertinent to observe that some confusion may exist in municipal circles as regards the State's position with respect to the bonds. It will be recalled, of course, that the State, in acting for the county, is so doing in comformity with the decision of the State Supreme Court upholding the county's contention that the original bonds were subject to prior redemption before maturity. This ruling, moreover, obviously clearly defines the nature of the State's responsibility regarding the refunding bonds. This is evident in the following excerpt from the decision:

"It will be observed that the State does not pledge its full faith and credit to the payment of the refunding bonds issued by the loan commision at the request of the board of supervisors, but that the only obligations it is required to undertake regarding them are to see that taxes for the payment of them, principal and interest, are levied and collected by the county and paid to the holders thereof by the State Treasurer. In this situation, the State becomes in effect merely the agent of the bond holders to see that these acts are accomplished."

As to the prospect of the county refunding bonds being callable prior to maturity, the statute governing their issuance seemingly eliminates any such possibility, as the law states that bonds issued thereunder shall not be subject to redemption for 15 years and the obligations now offered have a final maturity date of 1957.

$424,000

Hudson County, New Jersey

2¾% Bonds

Due serially December 1, 1943 to 1967, inclusive

Legal Investment, in our opinion, for Savings Banks and Trust Funds in New York and New Jersey

These Bonds, to be issued for nurses' home and maternity hospital purposes, in the opinion of counsel will constitute valid and legally binding obligations of the County, payable from ad valorem taxes levied against all the taxable property therein without limitation as to rate or amount.

Prices to yield 0.75% to 2.75%

These bonds are offered when, as and if issued and received by us and subject to the approval of legality by Messrs. Hawkins, Delafield & Longfellow, whose opinion will be furnished upon delivery.

HALSEY, STUART & CO. Inc.

Dated December 1, 1942. Principal and semi-annual interest, June 1 and December 1, payable in Jersey City, N. J. Coupon bonds in the denomination of $1,000, registerable as to principal only or as to both principal and interest. The information contained herein has been carefully compiled from sources considered reliable, and while not guaranteed as to completeness or accuracy, we believe it to be correct as of this date.

December 14, 1942.

Vandewater, Sykes & Galloway Continue Municipal Practice

Due to the retirement of Frank C. Moore on Dec. 31, 1942, to assume his duties as Comptroller of the State of New York, the municipal law firm of Dillon, Vandewater & Moore, 120 Broadway, New York City, has announced that all of the remaining partners, together with Archibald N. Galloway, formerly an Associate, will continue the practice of law, after Dec. 31, under the firm name of Vandewater, Sykes & Galloway. The firm's address remains unchanged and it will continue specializing in examining the validity of municipal bonds and securities.

In addition to Mr. Galloway, the other partners in the firm are Edwin Vandewater, Alonzo C. Heckler and Charles S. Sykes.

Revenue Trend On Toll Projects Charted

Blair & Co., Inc., New York, in an analysis of recent revenues of the Port of New York Authority, Triborough Bridge Authority and the Pennsylvania Turnpike Commission, state that the falling off in income for each of the projects has not followed a definite pattern since advent of gasoline rationing and collateral restrictions on automobile traffic in the eastern States.

The investment house points out that while shrinkage in gross income for Port of New York Authority has been substantially less than the indicated falling-off for all road traffic in the eastern states, revenue declines for both Triborough Bridge Authority and Pennsylvania Turnpike have been greater.

In the case of Pennsylvania Turnpike, however, an improved measure of resistance to the decline was indicated in results for October. This was attributed to the greater number of truck and bus operators using that comparatively new development. The volume of commercial traffic using the Triborough Bridge facilities is relatively small, the circular emphasizes. One project operated by Triborough, the Henry Hudson Bridge, cannot be used by commercial vehicles, it is pointed out.

The market for toll revenue bonds, incidentally, has improved considerably in the recent past, co-incident with a somewhat more optimistic investor attitude regarding the future revenue prospects for the various facilities. This view has been heightened, it was said, by the rather growing impression that the war will be terminated before the present curtailment of revenues has attained such proportions as to seriously endanger the debt-paying ability of the borrowers. Another factor mentioned is the possibility that some form of Federal aid may be extended to the units in event that conditions make such assistance necessary.

Georgia To Retire Highway Certificates

The Highway Department and all other agencies of the State have been instructed by Governor Eugene Talmadge to pay all their bills by Dec. 31 so that, with certain exceptions, "there will be no indebtedness against any agency of the State."

Department heads who fail to liquidate their bills by the end of the month will be held personally responsible for payment of the debts, the Governor said, since sufficient funds have been provided in their budgets.

State Auditor B. E. Thrasher, Jr. said the Governor's instructions included payment of all the outstanding certificates of indebtedness issued by the Highway Department. On Oct. 31, $3,320,848 of these were still outstanding.

Most of the remaining certificates do not mature until 1943 and 1944; only about $174,000 of them are payable before the end of the year. Thrasher said, however, that the Highway Department had $5,000,000 in cash on hand at the end of October and was able to liquidate all the certificates now.

Many of the certificates have changed hands since they were issued to contractors and other creditors of the department. The auditor said some holders had discounted the certificates with banks or others, rather than wait for payment in full from the State.

Payment of the certificates will still leave the State with several millions of dollars of cash on hand, Thrasher said. He added, though, that this does not justify any easy optimism about the State's financial outlook because rationing is cutting heavily into gasoline tax receipts, Georgia's principal source of income.

But, compared with the situation two years ago, he said, there has been considerable improvement. On Jan. 1, 1941, he asserted, the State had a net deficit of $26,415,080 since there was only $3,344,561 in cash above necessary reserves to liquidate obligations of $29,759,642.

Albany, N. Y., To Refund $1,805,000 Bonds

The Common Council has authorized City Comptroller Lawrence J. Ehrhardt to petition the State Comptroller for permission to refund $1,805,000 city bonds maturing in 1944 and 1945.

The State Comptroller will be asked to authorize the refunding of $914,000 in bonds next year and $891,000 in 1944.

The bulk of the bonds to be refunded are water bonds. The refunding is part of a long range financing plan under which the cost of the new water supply is being spread over a number of years, thereby avoiding a large tax rate increase in any single year.

Mobile, Ala., To Invest $600,000 In War Bonds

Mayor Ernest M. Megginson has announced that the city is going to invest $600,000 of its funds in government war bonds, thereby aiding the war effort and also securing a return on funds which would otherwise remain idle. The City Commission, the Mayor said, sees little prospect of being able to use any substantial amount of the permanent improvement fund in financing municipal projects in the next year. From this fund, which is expected to total about $700,000 by the early part of 1943, the city will invest $500,000 in United States Treasury ⅞% certificates to mature in one year.

From its surplus waterworks revenue it proposes to invest $100,000 in Series G 12-year United States Treasury Savings bonds pay a maximum of 2.75% interest if held until maturity. They may be surrendered, however, at any interest period, Mayor Megginson said:

The investment of waterworks revenue will be done in this manner. The City Commission will set up a sinking fund for the retirement of a $350,000 water-sewer bond issue maturing in 1953. To this fund will be transferred an original sum of $100,000 from the surplus of about $200,000 which has been accumulated in the waterworks account. This $100,000 will then be invested in war bonds.

Mayor Megginson explained that $100,000 is the limit which the city is entitled to buy in Series G bonds.

Kentucky Debt-Free; 1943 Revenue Losses Forecast

Kentucky has become a member of that small but select group of State governments which are entirely free of indebtedness, having recently called for payment $1,250 worth of interest bearing warrants. More than $25,000,000 of such obligations were outstanding in 1935. The redemption just announced left a $10,000,000 cash balance in the State's general fund, not counting some funds allocated, the Treasury department said:

There remain on the books $13,278 in old warrants issued years ago, but Millard Ball, Assistant State Treasurer, expressed belief their owners either had lost them or that a bookkeeping error of long ago was responsible for them. Under a 1942 legislative act, these old warrants may be charged off the books if not presented for payment in two years.

Co-incident with the above report comes the forecast by Dr. James W. Martin, Director of the University of Kentucky Bureau of Business Research, that wartime conditions will occasion a loss in 1943 of approximately $14,500,000 of the State's peak income from four specific taxes. Mr. Martin predicted these 1943 tax reductions from previous high marks: Road fund, about $10,000,000; distilled spirits production tax, nearly $3,000,000; motor usage tax, more than $1,000,000. Receipts from State income tax "undoubtedly will be lower," he said, although not mentioning any appropriate figure. Higher Federal income taxes will serve to lower the gross amount subject to State taxes.

Martin also anticipated revenue losses from gasoline and motor taxes, which are distinct from the motor usage impost. Road fund revenue had declined from more than $8,920,000 in October, 1941, to $5,340,000 for the same month in the current year. "It may be expected," the Director added, "that gasoline rationing will bring about a very rapid decrease in the gasoline tax revenues."

Civilian Defense Now Major Budget Item

Civilian defense now is a major item in budgets of the nation's cities, costing most of them much more this year than last, a survey by the Municipal Finance Officers Association disclosed. Two hundred and fifty cities of 25,000 or more population reported in the survey on amount, source and purpose of funds spent by municipalities for defense.

Civilian defense costs have been particularly heavy for cities in coastal areas and war industry centers, with the problem accentuated in industrial areas by the great influx of workers, the survey shows.

Portland, Ore., Tacoma, Wash., and Long Beach, San Diego and Oakland, Cal., for example, had to expand their regular municipal services, pay for civilian defense and take out war risk insurance. Portland's civilian defense cost last fiscal year was $40,269, while this year $85,500 has been appropriated. Long Beach spent $185,941 last year and has set aside $719,411 for the current year, while Oakland, which spent $77,221 last year, has made current appropriations of $346,300.

Most civilian defense costs are paid from special appropriations made as part of the regular budget, and are subject to the same controls as other expenditures, the survey shows.

Short-term loans or bond issues were used widely for financing by New York, Massachusetts and Pennsylvania cities. Buffalo, N. Y., floated a bond issue of $170,000; Fall River and Lawrence, Mass., took loans of $25,000 each; New Rochelle, N. Y., $41,000, borrowed on temporary certificates.

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Service Flag For N. Y. City Finance Employees

Ceremonies marking the formal unveiling and presentation of a service flag and an honor roll plaque commemorating the service of 153 employees of the office of New York City Comptroller Joseph D. McGoldrick were held on Dec. 1, on the fifth floor of the municipal building. Approximately 14% of the 1,100 employees of the Comptroller's office are now serving in the armed forces and the list is continually growing.

Wisconsin State And Local Indebtedness On Wane

"The $12,047,000 reduction in Wisconsin's State and local bonded debt between 1940 and 1941, marked the largest debt reduction in the last decade," according to the "Wisconsin Taxpayers Alliance."

The total State and local long-term bonded debt was reduced from $133,494,000 in 1940 to $126,446,000 in 1941. The 1941 figure is the lowest debt recorded since the peak in 1931.

"According to 1941 U. S. Census data, Wisconsin had the lowest per capita State and local debt of any State. Advance information indicates many units of government are continuing their debt reduction in 1942, and are preparing to make further reduction in 1943," the "Alliance" claimed.

Analyzing debt figures recently released by the State Department of Taxation, the "Alliance" pointed to several hopeful trends:

"1. Since 1939 the bonded debt which must be borne by property taxpayers outside Milwaukee City has declined. Total debt has declined since 1931, but the true effect upon property owners has been obscured by State payments of county bonds issued for State trunk highway purposes and large reductions in Milwaukee City due to its debt amortization plan. With these two exceptions, local debt continued to increase until 1939, but during the last two years has been substantially reduced.

"2. Many units of government are ridding themselves of their debt burden as rapidly as possible. In 1941, 22 counties were free of debt except for State highway bonds, which are an obligation of the State. Ten counties reported no debt of any kind. In the same year 24 cities were out of debt. Over half the villages and 85% of the towns were debt free.

"3. Intensified efforts are being made by counties and municipalities to place themselves on a pay-as-you-go basis. With increased tax yields, municipalities are paying off old debts. With expenditures for construction and other activities curtailed, new borrowings are limited. Borrowing on the part of counties for poor relief, which increased through 1940, fell off in 1941.

"Retirement of State and local debt is a distinct aid to war economy," the "Alliance" stated. "Retirement now tends to check inflation and to place localities in a good position to handle post-war problems."

State's Tobacco Tax Income Net $130 Million

Tobacco taxes collected by the States increased 761% during the last decade—from approximately $17,000,000 to more than $130,000,000, according to an analysis by the Federation of Tax Administrators.

Greater part of the jump was caused by the increase in the number of States making the tobacco levy during the 10-year period. In 1932 there were only 13 States with a tobacco tax; at present 28 States levy the tax.

The sharp increase in revenues between 1939 and 1942—from slightly less than $60,000,000 to $130,000,000—is due mainly to effects of the war, such as smoking by service men and a general increase in purchasing power, the Federation said. During the same period, also, the two largest populated States in the country—New York and Illinois—adopted the tobacco tax.

Federal Tax Collections 75% Higher In 1942 Fiscal Yr

Wartime changes in U. S. economy contributed largely to the 73.1% rise in Federal tax collections for the fiscal year 1942, which reached a total of $13,419,000,000, the Federation of Tax Administrators said Nov. 3. The 1941 collections of $7,753,600,000 represented, in turn, an increase of 37.2% over the $5,651,700,000 collected in 1940.

A large part of the increase in Federal revenues is due to higher tax rates in the Revenue Act of 1941, under which income tax revenues rose with improved business conditions, to $8,006,900,000, compared to $2,125,300,000 in 1940. Reflecting improved business conditions also is the 28.1% rise in payroll taxes—from $925,200,000 in 1941 to $1,185,400,000 in 1942.

Collections of death and gift taxes in 1942 increased by 20% over those of 1940, contrary to the trend in the States. A 10% increase in the Federal estate tax rate, together with the many gifts made in anticipation of still higher gift and estate levies caused the increase in large part, according to the Federation.

Customs revenues, which had increased by 12.4% in 1941 over 1940, declined from $391,900,000 in 1941 to $389,000,00 in 1942. The increase was caused by more imports for national defense, which declined after Pearl Harbor when Asiatic trade connections were cut.

Tobacco and liquor taxes also showed increased yields in 1942. Tobacco collections went up from $579,800,000 in 1939 to $780,000,000 in 1942, while liquor tax collections rose from $587,600,000 to $1,048,200,000 during the same period.

Other taxes, such as stamp and excise levies, increased from $496,800,000 in 1939 to $1,206,600,000 in 1942.

Except for the great rise in total collections, the Federal revenue structure has remained relatively stable compared to tax changes of previous years, the Federation said. The relative importance of income taxes increased from approximately 38% in 1940 to 60% in 1942, while other items lost proportionately.

Half Of Canada's Wartime Budget Provided by Taxes

Canada is financing more than one-half its $3,900,000,000 budget for 1943 with tax revenues, the only major country in the world to pay out of current revenues so large a proportion of wartime expenditures, the Federation of Tax Administrators said Dec. 1.

U. S. Treasury estimates for United States' expenditures total approximately $78,000,000,000 for the current fiscal year, of which $24,843,000,000—or about 32%—is expected to come from taxes.

Canadian taxes, it is estimated, will yield $2,144,000,000 in the fiscal year ending March 31, 1943—an increase of 46.5% over revenues collected in 1942. Expenditures are anticipated as $3,900,000,000 in 1943—an increase of 32.4% over 1942 and 103.1% over 1941 expenditures.

Income taxes, including succession duties (comparable to U. S. estate taxes) and excess profits taxes, contribute the largest part of Canadian revenues. Rising from $135,000,000 in 1940 to an estimated $1,318,000,000 in 1943—an increase of 876.3%—income taxes will represent 62% of total revenues this year. Second in importance are excise taxes estimated to yield $368,000,000 in 1943, an increase of 318.2% over 1940 collections.

Customs duties, though increasing in absolute amount, decrease in relative importance from 19% in 1940 to an estimated 6% in 1943. The same is true of sales taxes, which are expected to fall from 26% in 1940 to 10% in 1943, despite a $77,000,000 increase in total collections.

The three main classifications of Canadian expenditure changed in relative importance since 1940 as follows:

War expenditures, exclusive of "Aid to Britain," rose from about 15% of the total budget in 1940 to 57% for 1943, standing at $2,200,000,000. "Aid to Britain," 10% of total expenditures in 1940, is 28% for 1943, totalling $1,110,000,000. A margin of $330,000,000 added for "good measure" in the 1943 budget has been included in these figures, allocating one-third to "Aid to Britain" and two-thirds to war expenditures proper.

Non-war expenditures for 1943, including $84,000,000 to be paid Canadian provinces as compensation for giving up the income tax, amount to only 15% of the whole budget; in 1940 they were nearly 75% of the total.

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.

Feb. 1, 1943

$4,100,000 Maricopa Co., Ariz.

Bids for these bonds will be received by the State Treasurer in behalf of the county.

Investment Trusts

(Continued from page 2151)

our care to the very best of our ability without having an undue pressure upon us to produce a high income, which can only be done by lowering the quality of the Fund's investments, or to realize and distribute profits every three months. The policy is a frank admission on our part of the desire of a majority of our beneficiaries for a larger dividend than can be produced under present conditions by a conservative investment policy.

"Most people are going to have to do more financial planning and budgeting in the future than they have ever done in their lives. A reasonably steady dividend on the shares of this Fund helps our beneficiaries to plan their future income. We are adopting a policy—unorthodox, to be sure, but fundamentally honest—that allows the management to meet the demands for a reasonable dividend without pursuing an unsound investment policy.

"I am quite convinced that our new distribution policy is a very real improvement from the point of view of both the investor and the management. From the management standpoint my principal argument is that the trustees can do a better job of looking after the money if the pressure upon them for a competitive income is removed. All of my experiences tell me that this is so and I believe that this statement will be corroborated by other people who have had to wrestle with this problem over the past twenty years.

"You are probably aware of the increasing interest in the corporate trust field in the more flexible annuity or periodic payment type of trust instrument rather than the old fixed type where distribution is limited solely to the income. Because of the sharp fluctuations in the earning power of invested capital and in an endeavor to get away from the income pressure many trust officers are thinking in terms of the more flexible type. It is also interesting to observe that a somewhat similar distribution policy has been followed for a number of years by the funds sponsored by the two leading investment counsel concerns here in Boston.

"You express doubts in your letter as to the soundness of the new policy. In other words, you ask if it is sound for the Fund to pay out more than it earns. My answer is yes as long as the amount paid from capital is not so large but that you can reasonably expect it will be made up over a period by the increase in the market value of the portfolio and profits actually realized.

"It would be quite different if the investments of the Fund were composed entirely of high grade bonds and mortgages, such as your company owns, in which the possibility of future enhancement in value is very small. A substantial part of the investments of this Fund consists of securities that have the ability to increase in value either through growth or through improvement in general market conditions. A single day's change in the market can more than offset a distribution from capital amounting to ten cents a share.

"Regardless of the accounting distinction there is actually no difference insofar as the beneficiary is concerned between a distribution of ten cents a share from realized profits or a similar amount from capital surplus. In each case the beneficiary receives the ten cents and the value of each share is reduced by an equal amount. It is merely that in the first instance the trustees go through the motion and expense of registering a profit.

"I believe the new distribution policy is very much in the best interests of the beneficiaries of this Fund. It meets a very practical problem in an honest manner and it provides a better background for the trustees to carry out a prudent investment program. It meets the needs of most of our beneficiaries for income and it leaves the management free to use their best judgment in the investment of the trust property.

"I am sorry that you do not approve of the new policy and we would regret to have you leave the Fund. Won't you please consider what we have done from a practical rather than from an orthodox standpoint? New ideas take hold slowly in the field of finance. To condemn the new policy as unsound because it is different is certainly not justified. Progress can only come from those who dare to be different and have the courage to pioneer their ideas . . .

"Sincerely yours,

(Signed) "George Putnam."

SEC Revokes License

The broker-dealer registration of Trost & Co., Inc., over-the-counter security house of Buffalo, N. Y., was revoked by the Securities and Exchange Commission, which also directed that the firm be expelled from the National Association of Securities Dealers, Inc.

The Commission found that Trost & Co. had violated section 17 (a) of the Securities Act of 1933 and section 15 (c) (1) of the Securities Exchange Act of 1934 by concealing true price of securities bought and sold for customers, taking a secret profit, charging prices which bore no reasonable relation to the prevailing market and misrepresenting market prices. The Commission also stated that the particular security which was to be "pressed on a customer, the price at which it was to be sold and the price to be paid for customers' securities bought were always determined by Edward Trost, President of the respondent."

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SAMUEL A. GREEN, Sec'y-Mgr.

Air Transport Industry And Its Role In The War

A new and comprehensive study of the air transport industry, its role in the war and its prospective part in world reconstruction is presented in the 1942 edition of "Air Transportation, A Growth Industry," issued by the firm of Merrill Lynch, Pierce, Fenner & Beane, 70 Pine Street, New York City, members of the New York Stock Exchange and other leading Exchanges.

The survey discusses the effect of the war economy on the air transport companies, revenues and earnings, routes, Federal regulation, post-war expansion, rates, the outlook for freight and passenger traffic, and the industry's contribution to the economic and social welfare of the nation and of the world in years to come. Operating and financial statistics of each of the major airline companies are included in the survey.

Jean 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 with Rear Admiral Callaghan and Captain Young when they were killed.

Ensign Witter was the eldest son of Jean C. Witter, partner in the San Francisco investment firm of Dean Witter & Co., and himself now serving as Colonel in the U. S. Army.

Hoppin Bros. To Admit Riordan And Tunstall

Hoppin Brothers & Co., 120 Broadway, New York City, members of the New York Stock Exchange, will admit James A. Riordan and John E. Tunstall to partnership in their firm as of Jan. 2. Both have been associated with the firm for many years, specializing in unlisted securities.

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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 investor located in a small upstate New York town. The spelling and punctuation are reproduced just as given in the letter itself.

the . . . . . . Co.,
New York N. Y.
AND Dear Sir's.

to the Reply to your Offers of November the 14th. of you Buying Of our 8%. per Cents of the 8 years $2000, Of our Guaranteed Associated Gas and Electric Co, Gold Bond Which Was Due on March the 15 (1940) We Wish to inform you that When We purtched this $2000, Gold Bond on a Down Cash payments at that time We Had No intentions at that time Of Buying Bonds at that time to Sell them Now on a Discounts of 20 to 35 per Cents as we Do Not Due Such a foolish Sort of Business as that Way and Supposed that We Offered you $700, for $1000, Would you accept it than you May think How your Offers Sounds to us and if our $2000, Bond is Worth $1619 to you than it is Worth $1619, to us or More and We Cannot in No Ways Sell our Bonds for Less than We paid for them and if any ones Can Hold them than we Can as we feel assure that the Associated Gas & Electric Co, Will Live up To their Guaranteed Statements and pay us all our Money Back with interests in time Whenthey Get their Matters Streighten out and we know that they Have property to that affect and that we Can Collect Whenever we See fits to Collect our Money Back on their Bond and we Cannot Sell this $2000, Bond for No Less than their full face Values unless you Wish to Buy our Bond for What interests Which is against them against the Associated Gas & Electric Co, Since September the 15 (1939) Which amounts to Quite a few Hundreds Of Dollars So if you wish to take up the Matters of Buying our Bonds for for the interests Which is against them Since September the 15 (1939) for the face Values of the Bond as we State in this Statement please Let us know So We Can Make Some arragments Between us and the Banks AND please Bare in Mind that we Cannot Sell our $2000, Bond Not Less than their full face Values and this is final Mr,

AND Now we Hope that we Have Made Every things Clear in this Statements and understandable.

AND We Not Coaxse No Ones to Buy our Bonds on the full price Value of their face Values of the $2000, Of Which we Have State in this Statements as they are a Registered Gold Bond and they Hold their full face Value the Same as Money Does Holds it face Values. , and thease Bonds are Increasing in Values Every Day

Sincerely Yours Truly

Pollak Mfg. Attractive

Stock of the Pollak Manufacturing company offers a particularly interesting opportunity at present levels according to a memorandum just issued by Ward & Company, 120 Broadway, New York, N. Y. Copies of the memorandum 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 approved, effective Jan. 1, 1943, changes in certain rules and policies which according to Edward C. Gray, Director of the Department of Member Firms of the Exchange will:

"(1) Reduce from four to three in each calendar year the number of answers to the financial questionnaire required to be submitted by member firms carrying accounts for the public;

"(2) Reduce from four to two in each calendar year the number of answers to the financial questionnaire required to be submitted by member firms not carrying accounts for the public;

"(3) Revise the capital requirements to eliminate consideration of uncleared 'regular way' purchases and sales of securities."

The announcement of Mr. Gray also said:

"On the basis of four years' experience the Exchange believes that the present requirements are more extensive than reasonably necessary. The making of these changes at this time, is particularly opportune as it will relieve some of the pressure upon member firms and upon the Exchange arising from the loss of personnel who have gone into the armed services or are now engaged elsewhere in the national war effort."

Hajoca Prospects Good

Some dealers are stressing the attractive speculative possibilities which they believe are inherent at the present time in securities of the Hajoca Corporation, manufacturers of plumbing supplies, toilet accessories, and kitchen equipment. The company is now engaged almost 100% on war work, directly or indirectly.

Hajoca is taxfree in Pennsylvania. Back in 1935 the Company was thoroughly reorganized. Under the plan of reorganization 50% of the net earnings, after full preferred dividends, must be applied to retirement of preferred stock by purchase in the open market, by tender, or by call. There is no funded debt and it is understood that all bank loans were paid off in 1942.

The net earnings before allowing for preferred diivdends but after taxes, were $651,123.23 for 1941, and it is expected to earn seven dollars per share on the common stock in 1942 after all charges and taxes, since it has the advantage of an unusually broad tax base.

The initial dividends on the common stock were 50 cents on Sept. 1, and 75 cents on Dec. 1; the current dividend on the preferred stock is six dollars.

Present market level is 16½-17½ for the common and 83-85 for the preferred.

NYSE Firms Told To Select Accountants

Member firms of the New York Stock Exchange doing business with others than members or member firms were reminded on Dec. 11 that before Jan. 15 each such firm should notify the Department of Member Firms of the name of the public accountant selected to make an audit of its affairs during 1943, submitting at the same time a signed copy of the accountants' agreement. This is in accordance with Rule 533 of the Exchange's Board of Governors which requires, among other things, that member firms select an independent public accountant to make an audit of its affairs during each calendar year.

The notice issued to members of the Exchange by Edward C. Gray, Director of the Department of Members Firms of the Exchange further stated:

"Under this procedure the first indication which a member firm will receive that an audit is to be made of its affairs will be the appearance of the accountants at the office of the member firm. The accountants will not be precluded from starting their inspection a few days prior to the audit date for the purpose of accomplishing preliminary work. Upon receipt by the Department of advice from the independent public accountants that they have commenced such an audit of a member firm or the preliminary work in connection therewith, instructions with respect to the preparation and submission of the answer to the financial questionnaire, the regulations to be followed in conducting the audit and an attestation form will be forwarded promptly to the member firm for delivery to the independent public accountants."

Anti-Poll Tax Bill Shelved By Senate

The bill barring collection of poll taxes as a prerequisite to voting in elections involving Federal officials was killed for this session of Congress on Nov. 23 when the Senate defeated a motion to limit debate by a 41 to 37 vote. Approval of two-thirds of those voting was necessary.

A seven-day filibuster by a group of Southern Senators who opposed the bill had blocked formal consideration of the measure. The filibuster came to an end on Nov. 20 under a "gentlemen's agreement" calling for a vote on Nov. 23 on the move for adoption of the cloture rule limiting each Senator's discussion to one hour. Senator Barkley (Dem., Ky.), the majority leader, following failure to invoke cloture, then moved to lay the bill aside and to contest any further effort to call it up at this session.

Poll tax opponents said on Nov. 24 that they would attempt to revive in the new Congress a bill abolishing the practice, and Representative Marcantonio (Amer.-Labor, N. Y.) announced on Nov. 26 that he plans to offer such a bill as soon as the new Congress convenes.

The Senators from the eight Southern States—Tennessee, Arkansas, Mississippi, Alabama, Georgia, South Carolina, Virginia and Texas—which levy poll taxes, had vigorously contended that only the States have the right to fix qualifications for voters. They asserted that to abolish the poll tax as a prerequisite for voting in Federal elections would be an unconstitutional invasion of State rights.

The Senate bill was sponsored by Senator Pepper (Dem., Fla.).

The House had approved on Oct. 13, by a vote of 252 to 84, an anti-poll tax bill in slightly different form. The measure, passed as an amendment to the Hatch Act preventing pernicious political activities, had been introduced in January, 1941, by the late Representative Geyer of California. It had been "pigeon-holed" in the House Judiciary Committee for months but the way for a House test on the issue was cleared on Sept. 22 when the 218th signature was added to a petition forcing the bill out of Committee.

On Oct. 12 the House paved the way for debate on the floor when, by a vote of 251 to 85, it discharged the Rules Committee from further authority to pass on a rule making the bill preferred business on the House calendar. Then the House by a 250 to 85 vote adopted the rule.

U. S. To Rehabilitate Mexico Rail Lines

In order to expedite shipment of vital war materials from Mexico, the United States has agreed to rehabilitate certain key sections of the Mexican National Railways. This was officially disclosed on Nov. 18 in an exchange of notes between Mexico's Foreign Minister Ezequiel Padilla and Ambassador George S. Messersmith in Mexico City.

The United States Government agreed to bear the cost of all necessary materials and equipment, as well as repair costs and the cost of additional maintenance.

As its share of the joint rehabilitation task, the Mexican Government and the Mexican National Railways will contribute part of the materials and equipment necessary to achieve maximum efficiency in operation of the lines. In addition, Mexico agrees to follow the suggestions and advice of the technicians furnished by the United States. This railway mission is headed by Oliver M. Stevens, former executive officer of the Missouri Pacific Railroad and now President of the American Refrigerator Transit Co.

In announcing the arrangement, the State Department said:

"United States Government agencies have purchased in Mexico extensive quantities of a long list of strategic materials urgently required for direct war uses. The Mexican National Railways are being called upon to carry a traffic burden which several times exceeds peace time peak loads.

"Unless certain basic changes and improvements are made these lines will not be able to stand up under the increasingly greater strain now being placed upon them. In order that optimum efficiency in the operation of the railroads may be assured for the transportation of these vitally needed materials, not only from Mexico but also from Central America now that the Suchiate River Bridge has been completed, through the joint efforts of the Guatemalan and Mexican Governments, to link the transportation system of those two countries, work has already started to place the railways in condition to carry the needed tonnage."

Roswell Ingram With Kalman & Company

(Special to The Financial Chronicle)

ST. PAUL, MINN.—Roswell P. Ingram has become associated with Kalman & Company, Endicott Building, members of the Minneapolis-St. Paul Stock Exchange. Mr. Ingram was formerly St. Paul representative for C. D. Mahoney & Co.

To Deal In Securities

Samuel M. Rose has formed the Midland Securities Company with offices at 1775 Broadway, New York City, to engage in an investment business.

Only Series E Issue Designated War Bonds

George Buffington, assistant to the Secretary of the Treasury, disclosed on Nov. 28 that beginning Dec. 1 only the Series E savings bonds will continue to be designated as "War Bonds." Series F and G bonds, designed for large investors, will be known only as "United States Savings Bonds."

The Series E bonds are those bought by most wage earners and are issued in denominations of $25, $50, $100, $500 and $1,000. Series F and G bonds are issued in denominations of $100, $500, $1,000, $5,000 and $10,000.

Mr. Buffington said the change of designation had been ordered to avoid confusion and to present more specific popular names for the three issues of savings bonds according to the United Press.

10 Months' Construction In '42 Surpasses Previous Yrs.

Total construction contracts awarded in the 37 eastern states during the first 10 months of this year have exceeded the total 12-month volume of any previous year, according to F. W. Dodge Corporation in a release made public on Nov. 21. The dollar total for all building and engineering work started from Jan. 1 through Oct. 31 was $6,892,161,000. The previous record year, 1928, had $6,628,285,000 in contracts awarded during the entire year. This year's 10-month total was 35% greater than the figure for the corresponding period of 1941. The report added:

The 1942 record volume is comprised principally of the construction of war facilities; 85% of the total dollar volume represented public-ownership projects. In dollar volume, non-residential building increased 72% over the first ten months of 1941; residential building volume declined 13%; heavy engineering construction increased 42%.

The October contract total, $780,396,000 was 8% greater than that of the previous month, and 29% greater than the October 1941 figure. The current program of the War Production Board calls for emphasis on end products in 1943 rather than on creation of more new facilities and indicated that construction volume will taper of considerably from the 1942 peak.

Non-Farm Foreclosures

While there were a few more non-farm foreclosures in October than in August, the seasonally adjusted foreclosure index for October dropped to the lowest point in the eight years such records have been kept, the Federal Home Loan Bank Administration reported on Dec. 5. The advices further stated:

"There were 3,072 foreclosures throughout the country in August, 3,360 in September and 3,083 in October, with the August figure the lowest reported in the 15 years for which annual records are obtainable. But with adjustments for seasonal causes, the October index was 23.9, as compared to the 1935-1939 base of 100, while the index for August was 24.1.

"October foreclosures were 30% less than those for October, 1941. The 36,147 cases reported for the first 10 months of 1942 were 28% below those for the corresponding period in 1941. The Federal Home Loan Bank Administration, a unit of the National Housing Agency, reported that more than half of the October foreclosures were in cities of more than 60,000 population and pointed out as a consistent trend that the smaller the city, the lower has been the rate of foreclosure."

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UP-TOWN AFTER 3

PLAYS

"The Willow And I," by John Patrick. Presented by Blackwell and Curtin in association with David Merrick at the Windsor Theatre, N. Y. With Martha Scott, Barbara O'Neil, Gregory Peck, Edward Pawley and others. Directed by Donald Blackwell. Sets by Lemuel Ayers. Costumes by Aline Bernstein. (Reviewed Friday, Dec. 11, 1942).

Here is a sound melodrama which deserves a better fate than the first night reviewers slated it for. It is true that some of the story is a bit on the hokum side. Yet in retrospect "The Willow And I" has most of the elements that make for first-rate theatre. It has a good plot, sustained interest and some of the best acting on Broadway. The story deals with the Sutro sisters and carries over from the Victorian days to the present. Mara Sutro, the weak, shy, retiring sister, falls in love and is to be married to a young doctor. Bessie Sutro, her strong, dynamic, grasping sister, loves the same man, resents the marriage and threatens suicide just as the ceremony is to start. In the struggle for the gun, a shot is heard. The shock drives the bride into amnesia, a condition which lasts for forty years. Bessie marries the doctor and a son is born to them. The years pass, the son grows up, the father dies and Mara, now an old woman, is still in a mental fog. The tragedy of Mara living in the past in a world which has passed her by and Bessie living in the present resenting her sister, is readily apparent. The denouncement comes in the midst of a thunderstorm that shocks Mara back to consciousness. She relives the awful moments that led to her condition but the years in between are a complete blank. Her realization that she has lost her husband-to-be to her sister, and the deaths of people known so well to her, is handled with masterful suspense. Its similarity to Rip Van Winkle is, of course, obvious, but Mr. Patrick's handling of a psychopathic subject is a great deal more profound. The burden of the story is carried on the shoulders of Martha Scott as Mara, Barbara O'Neil as Bessie and Gregory Peck, who plays a dual role. But some of the best work comes from Pauline Myers, the colored maid, and two youngsters, R. Davis Williams and Alec Englander.

MOVIES

"Random Harvest" (MGM) is drama with all the floodgates down. The ladies will cry up at least two handkerchiefs, and even the hard-bitten male will pretend he's got something in his eye. It's a story of post-war England (World War I) and its shell-shocked veterans who are in asylums suffering from various mental disorders. One of these is Ronald Coleman, who has amnesia and vocal paralysis. After a poignant scene he escapes from the asylum and meets Greer Garson, a show girl. She, feeling sorry for him, shelters and later marries him. Blissfully happy, they have a baby and he leaves for Liverpool about a job. An accident drives all memory of his life with Greer Garson away but restores him to the wealthy family of which he is the heir. The only clue of his life in a small English cottage is the key to its door he finds in his pocket. The James Hilton book, on which the story is based, was not a very good one. The picture, however, is deftly handled and well presented. . . . **"Journey For Margaret"** (MGM) is also based on a best seller by W. L. White. It deals with the horrors of war as they effect the children who go through bombings and lose not only their parents but all sense of security. Set in England during the big blitz, Robert Young, American newspaper correspondent, and his wife, Larraine Day, are bombed out of their hotel. His wife, ill, leaves for America and Young stays behind. He rescues a little victim of the raid still clutching his toy-woolen lamb. At the home where he takes the child he discovers another bomb victim, little Margaret. He finds he wants to adopt both children but regulations and Clipper space prevent. How he solves the problem is the basis of the story. Little Margaret, played by Margaret O'Brien, a five-year-old youngster, is wonderful. The boy, Billy Severn, as Peter, is equally good.

AROUND THE TOWN

Ben Harriman of the **Aquarium Restaurant** is running oyster-eating contests. Anybody who can eat more than three dozen (uh!) gets them for nothing plus a week's dinners on the cuff. Of course if you gag before you manage to swallow the entire three dozen you not only will have to pay for the entire lot but will have to furnish your own doctor and pay for your own medicine. . . . **Vic Knight** offers this $64 question, "Why is it that the woman who complains she has nothing to wear never has enough closet space either?" . . . **Madeleine Carroll** comments that women are getting men's wages these days. **Meyer Davis** mutters, "They always have in one way or another." With New York's around the corner here are the prices some of the places in New York are charging. **Penthouse:** $5 each for supper. **Ruban Bleu**, $10 a couple (includes champagne). **Havana-Madrid**, up to $20 (depending on location). **Mon Paree**, $10 each. **Casino Russe**, $25 couple in main room; $20 couple in Baghdad Room. Open house at the following: **Cafe Louis XIV, Ceruttis, Holland House, Reuben's.** Hotel lists are not in yet. By the way, none of these include taxes unless specifically mentioned.

News & Views

The current issue of "News & Views," distributed by Butler-Huff & Co. of California, 210 West Seventh Street, Los Angeles, California, discusses tax-selling and some investments which the firm considers offering particularly attractive possibilities at current levels. Copies of "News & Views" and an interesting bulletin on the Aetna Fire Insurance Company may be had from Butler-Huff & Co. upon request.

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Tomorrow's Markets Walter Whyte Says—

(Continued from page 2150)

nobody can give a pat answer which includes the war.

* * *

All this means one thing. A bull market of the old fashioned kind is out of the question. The best you can hope for is sustained rises which may carry ten or twenty points, followed by declines of anywhere from seven to fifteen points. If you are keen enough to buy the right stocks, hold them for a while, then get out before the inevitable reactions follow, you will make money. If you buy them when everybody is chanting stories of how swell the market is, and how high it's going the chances are you'll be hung up just when the market is ready to start turning down. This is not new. It has happened when there wasn't any war. It's more likely to happen today.

* * *

The chief reason is the reading of inspired headlines plus the interpretations of so called military experts (and the radio is full of them) which give rise to either wild optimism, or the other extreme, doleful pessimism. The market, besides its other qualities, is a mirror of public opinion and acts accordingly.

* * *

The results are usually obvious. How one can avoid falling into the mistake is something I'm not qualified to answer. It requires, among other things, the ability to make one's own decisions. It also presupposes an ability to avoid the obvious.

* * *

Currently, the market is back to about 116.50 in the Dow averages. Any market follower is aware of an old top between 117 and 118. Now, for some weeks past the rank and file has been waiting for tax selling to get prices down. We know that outside of a reaction to about 113 and a high fraction the long awaited set-back failed to materialize. So now the common belief has sprung up that a seasonal rally will carry the market up again. I'm afraid I don't agree. It's true the market can go up. It can even make a new high. But if it goes up say a point and a half, the new high will be established. But new highs in averages don't necessarily mean new highs in all stocks.

* * *

If you will look back on some of the stocks you will see there were any number that made new highs long before the market as measured by averages even threatened to do it. The same thing holds true on the down-side. Stocks make new lows before the averages. From what I can see of the market I think it will go up to a new high, but not by much. And as mass opinion starts veering to the side of renewed optimism, I think the market will start down again.

There aren't many ways one can guard against being caught between the two millstones and being ground into a powder. The protection I prefer is taken care of by stops. I realize, in thin markets, it's not the ideal. But until something better comes along it will have to do.

The stops as applied to the stocks you hold are as follows: Air Reduction — stop 35. Goodyear—stop 21. International Harvester—stop 53 and Superheater—stop 12.

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.]

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In The Armed Forces

Casey, James P., Thomson & McKinnon, Chicago. Pvt., U. S. Army, 2nd Bn., 136th Inf., A.P.O. 33, Tacoma, Wash.

Clarke, Harrison, Johnson, Lane, Space & Co., Atlanta. Aviation Cadet, U. S. Army, Air Force, Sqdn. C, Group 1, A.A.F. C.C. Nashville, Tenn.

Eklung, George H., Thomson & McKinnon, Chicago. Staff Sgt., U. S. Army, 605th T.S.S. (sp), Sioux Falls, S. D.

Figora, Joseph S., Thomson & McKinnon, Chicago. Pvt., U. S. Army, Co. I, 377th Inf., A. P. O. 95, Camp Swift, Tex.

Henderson, James, Thomson & McKinnon, Chicago. Pvt., U. S. Army, Btry. C, 55th Bn., (AA) Training, Camp Callan, San Diego, Calif.

Huebener, Albert, J. G. White & Co., New York. U. S. Army, Signal Corps.

Jordan, Dixon, Thomson & McKinnon, Chicago. Cpl., U. S. Army, 12th Schl. Sqdn., Scott Field, Ill.

Jordan, John W., Thomson & McKinnon, Indianapolis. Major U. S. Army, Base HQ., Army Air Base, Topeka, Kan.

La Presto, Frank J., Thomson & McKinnon, Chicago. Pvt., U. S. Army, 28th Bn., S.C.R.T.C., Barracks 1576, Camp Crowder, Mo.

McDonald, Joseph, Thomson & McKinnon, Chicago. Sgt., U. S. Army, Btry. F, 94th C.A., A.P.O. 922, c/o Postmaster, San Francisco, Calif.

Malloy, John, Thomson & McKinnon, Chicago, Pvt., U. S. Army, 5th Tng. Bn., AAA Enl. Div. Schl., Ft. Bliss, Tex.

Mann, William H., Jr., Thomson & McKinnon, New York, 2nd Lt., U. S. Army, Camp Murphy, Fla.

Miller, Samuel, Thomson & McKinnon, Chicago, Pvt., U. S. Army, HQ & HQ Co., 68th Armored Regt., 6th Armored Div., A.P.O. 256, Camp Chaffee, Ark.

Muir, Edward D., Russ & Co., San Antonio, 2nd Lt., U. S. Army, Duke University, Durham, N. C.

Neville, Robert, Thomson & McKinnon, Chicago, Cpl., U. S. Army, Btry. C, 244th C.A., A.P.O. 935, Seattle, Wash.

O'Connell, John, Thomson & McKinnon, Chicago, Pvt., U. S. Army, R.C.N. Co., 821st T.D. Bn., Camp Carson, Colo.

Ogle, Kenneth L., Thomson & McKinnon, Indianapolis, Major, U. S. Army, Fort Ord, Calif.

Pauly Elmer W., Prescott, Wright, Snider Co., Kansas City, Pvt., U. S. Army, Finance Dept., Camp Bowie, Tex.

Priggemeier, Charles G., Rambo, Keen, Close & Kerner, Philadelphia, Pvt., U. S. Army, Finance Dept., 1322nd Service Unit, Ft. Meade, Md.

Pullman, W. A. P., C. F. Childs & Co., Chicago, Lt., U. S. Naval Reserve (Asst. to the Executive Officer, Great Lakes, Ill.), Naval Training Station, Great Lakes, Ill.

Salak, Anthony J., Thomson & McKinnon, Chicago, Radioman, 1st Cl., U. S. Naval Reserve, Naval Training Station, Great Lakes, Ill.

Tryon, Louis S., J. G. White & Co., New York, U. S. Army, Air Force.

Wells, Charles I., Rambo, Keen, Close & Kerner, Philadelphia, Pvt. 1st Cl., U. S. Army, HQ Co., 85th Inf. Div., A.P.O. 85, Camp Shelby, Miss.

Witter, Dean, Dean Witter & Co., San Francisco, Col., U. S. Army, Deputy Chief of Ordnance, San Francisco District.

Wray, John W., Thomson & McKinnon, Indianapolis, Specialist, U. S. Naval Reserve, Naval Air Base, Peru, Ind.

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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 invites us, the inheritors of institutions which have cost countless generations of toil 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 fetid bogs of false humanism. It is distorted by bias and pregnant with disaster.

Nechayer, one of the minor prophets of communism, gave the formula for handling fellow-travellers and liberals who frequent its political environs: "conspire with them, get possession of their secrets, compromise them and use them as instruments for stirring up disturbances."

Despite 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 born to equivalent and corresponding duties. It is nonsense distinguished as an apothegm; a stereotyped catchphrase on a soapbox, making up in noise the hysterical gesticulations what 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 thesis depends upon rhetoric only and its effectiveness grows in inverse proportion to its lucidity.

Equality before the law carries the obligation to know and obey it in spirit as well as letter. Equality 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 capacity to capitalize upon it or think that success should be automatic — coexistent with existence. By any logical implication, opportunity means freedom to accept rewards proportionate to results. It does not mean handicapping the superior so that he cannot excel the inferior.

It is a dangerous fallacy which teaches that men are entitled by perogative to liberty and equality, which are coordinate with responsibility. The theory of inalienable rights is meaningless babble in which the flower is taken for the whole tree. It is based upon the assumption of the existence of an ideal economic and moral man in the ethnic 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 obligations, then 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 unsound and ridiculous social formulae are based, ignoring the fact that a society cannot be built upon man's weakness but only upon his strength.

Progress depends upon observance of the principle that duties take precedence over rights; that liberty exists only when they are in equilibrium. The true function of government is to see that men perform their obligations before they enjoy their rights. Government also has an obligation, 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 must 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 theory falsifies the entire concept of life is but an affirmation of the obvious.

Some of the rights currently claimed vociferously and the obligations quietly over-looked are:

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

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 work.

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

The right to an opinion—the obligation to know something about the matter.

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 better implements 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's past labor.

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 current labor, and assumes the risk, an element which is generally forgotten when the risk is passed, and which is intentionally overlooked by the proponents of production for use schemes—which in itself is a phrase without a meaning. Risks are inherent in profits but profits are not inherent in risks. Loss is always an alternative.

The medieval concept — which is being revived by our self-styled intelligensia, whose chief ability lies in the use of dialetic and invective, in which they are past masters—that money was static and interest immoral, had no more basis in fact than the ancient belief that the earth was square and the center of the universe, with the sky a crystal roof 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 prohibition 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 misnamed 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 distortion.

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; it is worth interest or rent. Interest can no more be eliminated from a progressive economy than can the profit motive, nor can the rates of either be effectively controlled over a period of time except in a regime of rigid regimentation, 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 regime must be implemented by corruption, terror and force incarnated in a bleak program of dehumanized bestiality, a corollary overlooked by altruists who are busily engaged in improving the lot of humanity by planning its 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 kindly and well-intentioned people —and some not so well-intentioned—who draw a line of demarcation between human 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 for which men live. These rights are not antipathetic but coeval, cognate and equally sacroscant. It is shallow thinking, even though ostensibly idealistic, to believe that the rights of property owners, creditors and employers can be destroyed and other rights preserved. Neither can be infringed without social and economic reprisals 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 philosophies start from the premise that nothing is true that is disagreeable. They are just a welter of words, which run like a river in spate, without a kernel of meaning, and are believed with emotional rather than intellectual sincerity. The danger is that motives and purposes have little to do with consequences. Sentimentalities cannot be taken as truths. People do not need to be self-inducted into the service of mankind. Good intentions are not the critera 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 forces. Irrational idealism confuses issues more 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 abstemious fare of mental honesty and finds no need for logic. The most distinguished characteristic of thinking is facing the facts without equivocation or self-deception. There are two varieties of superficiality, the possession of facts that are not understood and the advocacy of theories not sustained by facts.

Our Reporter's Report

(Continued from first page)

Series G and H 4s due in 1946, it is the opinion in bond market circles that the offers probably came fully up to expectations.

Approximately $97,400,000 of the combined series were outstanding, in about even amounts, prior to the call for tenders.

And since the both series are selling slightly under par, it is assumed in investment circles that the road probably was able to take up a considerable total since it evidently was willing to acquire such bonds as were offered for sale to it at par or under.

Other Roads Expected to Act

Now that they are in a position to apply surplus earnings toward reduction of funded debt without having to fear any tax liability, 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 and they have been, buy in their bonds on favorable opportunities in the open market. Such buying has reflected from time to time in the behavior of bonds of various roads in recent months.

But in order to avoid the possibility of inducing too much speculative activity in such issues, it is considered possible that the issuers will lean more aggressively to the idea of seeking to obtain the bonds they want through calling directly to holders for tenders.

Around the Street

The executive committee of the New York Section of the Investment Bankers Association, met this week and announced the election of F. Kenneth Stephenson, of Goldman, Sachs & Co., as vice-chairman. He succeeds R. McLean Stewart, of Harriman Ripley & Co., Inc., who recently took a leave of absence to serve with the Civil Aeronautics Bureau in Washington.

It is reported, also, that Walter Blaine, associated for almost a quarter of a century with Goldman, Sachs & Co., was recently admitted to the firm as a partner.

New York Stock Exchange Weekly Firm Changes

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

Proposed transfer of the Exchange membership of the late W. Gillette Bird to Louis J. Singer will be considered on Dec. 23. It is understood that Mr. Singer will act as an individual dealer.

Transfer of the Exchange membership of George L. Worthington to Charles Plohn will be considered on Dec. 23. Mr. Plohn will continue as a partner in Newborg & Co., New York City.

Transfer of the Exchange membership of William B. Reilly to Henry Brevoort Seaman will be considered on Dec. 23. Mr. Seaman will act as an individual floor broker.

C. Charles Latour retired from partnership in Scholle Brothers, New York City, on Dec. 14.

Deery & White, New York City, is inactive because of the illness or war service of all of its partners.

Franklin A. Batcheller of Blair S. Williams & Co., New York City, died on Dec. 8.

Henry Morgan Dead

Henry Morgan, senior partner of Henry Morgan & Co., 42 Broadway, New York City, New York Stock Exchange member firm, died at his home in Tucson, Arizona after a long illness.

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Changes In Canada Brought About By War

The war is bringing about marked changes in business, economic and social conditions in Canada, A. E. Phipps, President of the Imperial Bank of Canada, told shareholders at their 68th annual meeting in Toronto on Nov. 25. It has substantially increased the productive capacity of the country and stimulated the production of new materials, Mr. Phipps said, adding that "these changes are due largely to the extensive war production program and partly to the inevitable industrial, commercial and financial adjustments to a war-time basis."

Mr. Phipps continued:

"The country has traveled far in in the intensification of war activities and the effects of emergency demands on production facilities are being increasingly felt, causing some dislocation in industry and trade. It is obvious that a country cannot divert an increasing share of its productive capacity to wartime channels without impairing some parts of its industrial structure, and it is equally clear that the energies of the people cannot be turned from the production of the necessities and comforts of life to the production and use of implements of war without a corresponding decline in the standard of living. Some of the major strains are now developing and greater sacrifices will probably be necessary if the duration of the war is extended."

Dominion Government financing and banking expansion, he stated, have reflected the influence of the economic expansion during the war period. Total Government expenditures for the first seven months of the fiscal year are reported at $2,375,471,038, nearly triple the figure for 1941 of $841,693,432, Mr. Phipps said, adding that "as the expenditures are steadily advancing, it appears that the budget estimate of a total expenditure of $3,900,000,000 for the current fiscal year may be exceeded.

Mr. Phipps further said that the outstanding feature of the bank's statement is the growth in the totals on both sides of the balance sheet, the deposits having increased approximately $37,000,000, with a corresponding increase in the assets. Saying that this was of course due to the enormous expansion of business caused by the war, he explained that the increased resources have been loaned to the Government at a low rate of interest.

Treasury To Use New Materials In Small Coins

Treasury Department officials disclosed on Nov. 26 that one-cent pieces would be minted of steel coated with zinc so as to free copper for war industries as soon as Congress passed legislation permitting the use of substitute materials for small coins. According to the Associated Press the bill already has been passed by the Senate and now awaits House approval. In anticipation of its early passage, the Treasury has experimented with several copperless pennies and officials reported that zinc-coated steel seemed to be the most successful substitute. The advices from which we quote added:

"Actually, according to mint officials, there now are more pennies in existence than ever before in history, despite the fact that war needs for copper recently caused coining of the one-cent pieces to be temporarily suspended. Prior to the suspension, the mint had been turning out pennies at an unprecedented rate —more than a billion last year alone.

"However, increasing spending, an increase in vending machines and odd-cent priceing methods, besides sales and excise taxes, have increased the demand for pennies."

The Senate Banking and Currency Committee on Nov. 18 was told by Mrs. Nellie Taylor Ross, Director of the Mint, that the Mint and Treasury had discussed the making of half dimes—a coin smaller and markedly different from the nickel—to relieve the "pressure" on the nickel supply, and 3-cent pieces to offset some of the demand for pennies.

Wants Government To Encourage Future Home Ownership

At its recently-concluded national war conference in St. Louis, the National Association of Real Estate Boards adopted resolutions calling on the Government to encourage home ownership in this period of increased incomes for many families. The Association makes these two suggestions, according to advices made available by it on Dec. 6.

1. That in addition to the purchase of bonds our citizens also be encouraged by the Government to gain an added stake in America and its future through home ownership.

2. That the Government encourage the many institutions and others with large residential property holdings over the nation to evolve an attractive and economic plan for sale to their present tenants providing for lower down payments, lower interest rates and longer term mortgages—all compatible, of course, with OPA regulations.

The placement of these savings in a home would divert much money from purchase of consumer goods which require new production, the resolutions point out.

Pledging to use its best efforts to persuade home owners to open up their homes to war workers as roomers and tenants, thus expanding the use of present housing facilities, the association, by resolution, asked that a change be made in OPA rent regulations in order to make the war guest campaign more effective. The association suggests that OPA change its regulations so as to eliminate entirely from the provisions of the Rent Control Act a householder who has four or less war guest tenants, in order that any family would be free to evict a tenant whose presence proves deleterious to the family life.

Hails Court Ruling In Price Fixing Case

Price Administrator Leon Henderson on Nov. 25 characterized as an outstanding victory "for the man in the street and the woman in the home," the decision of Federal District Judge Gunnar H. Nordbye in Minneapolis, upholding the validity and reasonableness of the General Maximum Price Regulation in an enforcement action brought by OPA against a Minneapolis chain store organization and its chief supplier. Mr. Henderson said:

"Judge Nordbye's findings in the first major court test of what is one of the most important regulations ever issued in the public interest under war-time conditions certainly constitute an outstanding victory. However, I do not consider it so much a triumph for OPA as a victory for the man in the street and the woman in the home.

"The General Maximum Price Regulation is their regulation. It has been the principal weapon employed by this office to hold war-time living costs in check and it has succeeded. To have its major provisions upheld so sweepingly is indeed a matter for gratification."

The OPA points out that Judge Nordbye, granting an injunction in a suit brought by OPA against the C. Thomas Stores, of Minneapolis, and its chief supplier, the Mutual Wholesale Food and Supply Co., found for the government in virtually every contested point. The OPA also presents the following data:

"The defendants, who were brought to court in the course of OPA's nation-wide enforcement drive, were found to have:

"Raised prices above the March, 1942, ceilings set in the General Maximum Price Regulation;

"Refused to differentiate in prices on group or quantity purchases;

"Assumed authority to adjust prices without consulting OPA as required by law;

"Made no attempt to confer with OPA in problems involving price 'squeezes'—that is, higher costs of replacing price-controlled goods; and

"Failed to comply with price-posting requirements of the General Maximum Price Regulation in many of the 62 outlet stores.

"While recognizing that the reporting and record-keeping requirements of the OPA regulation 'impose numerous and serious burdens' on storekeepers, Judge Nordbye declared that 'no citizen in these times should complain of additional burdens,' if strict compliance with the regulation will achieve the goal of defeating inflation."

Controlled Materials Plan Set Up By WPB

A new Controlled Materials Plan Division to administer the distribution of steep, copper and aluminum was recently set up in the War Production Board, announcement with regard thereto having been made by J. A. Krug, Deputy Director General for Distribution.

Director of the CMP Division and Chairman of the Controlled Materials Board is Harold Boeschenstein, President and General Manager of the Owens-Corning Fiberglass Corp., Toledo, Ohio. Assistant Director is W. C. Skuce, supervisor of materials procurement, priorities and inventory control for the General Electric Co., Schenectady.

In distributing materials under the Controlled Materials Plan, Mr. Boeschenstein and Mr. Skuce will work in close co-operation with Hiland G. Batcheller, Arthur H. Bunker and Harry O. King, directors, respectively, of the three controlled materials division—steel, aluminum and copper—and with control officers of the claimant agencies.

The basic principles of the new Controlled Materials Plan are those which American industry has used to develop its own production procedure, Ernest Kanzler, Director General for Operations of the War Production Board, indicated on Nov. 24 at a meeting in New York of about 3,000 business men and industrialists under the auspices of the WPB and the National Association of Manufacturers. The WPB, Mr. Kanzler said, has found it necessary to deal with American industry "as one vast company—one tremendous, integrated production unit." He added:

"All our efforts are directed toward smashing the Axis. Speed is the great factor, and it is necessary that material be at the proper place at the proper time. To back up the fighting fronts, we must back up the home industrial front with a Controlled Materials Plan. This is the biggest job ever undertaken by our economy and we present the plan with expectations of your full co-operation."

The production cycle from raw material to finished product would be shortened by the plan, Mr. Kanzler said, and mass output from all industry would be developed.

Courtney Johnson, a member of Mr. Kanzler's staff, told the conference that the bases of the plan were: (1) Matching of available materials to production authorized and scheduled and, (2) direction of materials to the right place at the right time.

Putting the plan into effect, he added, will be accomplished by gathering information from the industry, forwarding applications for material by industry to the WPB, and finally, allotment by the WPB of material to industry.

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

Plans for the participation of banks throughout the country in the Treasury's $9,000,000,000 Victory Fund war financing drive in December are set forth in a booklet sent Nov. 27 by the American Bankers Association to its entire membership of more than 14,000 banks. Key bankers in every Federal Reserve district have been enrolled in Victory Fund Committees and in sub-committees in all States and most counties and municipalities. Approximately 45,000 volunteer workers, largely from the banks, are contributing their experience and their knowledge of the investment habits of their communities to the Treasury's drive for funds.

These volunteers, it was announced, would carry the Treasury's drive directly to the doorsteps of individual investors, municipal and county officials, endowed educational, social and religious institutions, fraternal organizations and large and small corporation bank depositors.

The A. B. A.'s booklet sent to its membership points out that the Treasury's December offering includes securities that will appeal to every type of investor from those who buy United States Savings Bonds to large corporations and other organizations which invest millions of dollars in single issues.

In suggesting to its members the procedure by which they could effectively and thoroughly cover the potential field for sale of the Treasury's securities, the A. B. A. urged the banks to prepare complete lists of prospects likely to be interested in buying the securities.

Such a list of prospects should include, the booklet says, individual investors, whether or not they have bought their quotas of United States Savings Bonds, who may be prospects for other Treasury issues; counties, various school funds, pension funds, and other sinking funds; cities, towns and villages; school districts, endowed institutions, universities, colleges, hospitals, religious institutions; insurance companies—life, casualty and fire; labor orgaizations, service groups, fraternal organizations; corporations which may have idle cash available that cannot be used for the present in the normal course of business, and small businesses having war contracts which may have produced new money for investment.

Senate Group Urges 48-Hour Work Week

In order to increase the productivity of the nation's labor force to the utmost, the Subcommittee on Manpower of the special Senate Defense Investigating Committee recently recommended lengthening of the work week to at least 48 hours "wherever practicable," stopping of labor hoarding, concentrating essential civilian production in non-defense localities and converting existing plants for war production expansion.

The report of the sub-committee, headed by Senator Kilgore (Dem., W. Va.), said that "the manpower problem is too difficult and complex to be solved by any simple solution such as creating a manpower czar or authorizing by statute a Government agency to determine by coercion where each employee shall work," and that "the administrative machinery would be too cumbersome."

With respect to lengthening of the work week in war industries to 48 hours, the group proposed that "any additional overtime wages which are paid should be required to be paid in war bonds cashable only at the end of the war and to be used during the war only to pay Federal taxes."

The report also said:

"Suspending the 40-hour week in non-war industries, with the proviso that employers be permitted to pay overtime to the extent paid in 1942, should be studied as a possible answer to severe labor shortages in our civilian industries."

In order to assure a sound basic approach to the problem, the subcommittee on manpower recommended that "military manpower and war production plans be balanced against our over-all manpower resources, that a single head be made responsible for the manpower program and that this director know and have a voice in final determination of military and war production manpower demands."

The subcommittee further suggested so as to insure orderly withdrawals of men from industry for the armed forces, that Army and Navy recruiting be eliminated, that volunteering be permitted only when local draft boards and manpower committees approve and that essential workers be deferred.

In order to facilitate the bringing into the nation's labor force of the 4,000,000 to 7,000,000 additional workers estimated to be needed by the end of 1943, the subcommittee called for further reduction in production for civilian use, expanded training programs, relaxation of restrictions on the employment of handicapped persons, and the enlargement of nursery schools so that more mothers may work.

FDR Declines Prophecy On Duration Of War

President Roosevelt declared on Dec. 1 that he was not making any guesses as to when the European war might end.

When told at his press conference that Oliver Lyttleton, British Minister of Production, had said in Washington on Nov. 30 that the European phase of the war might be won by next June, Mr. Roosevelt replied that it was all right for Mr. Lyttleton to make such a guess, but the newspapermen would take notice that the President had not made any guesses yet.

According to the Associated Press, Mr. Lyttleton told his press conference that the period from June, 1942, to June, 1943, represents the first 12 months since the war began which contains the possibility of victory. He added, however, that he did not think the war would end so soon and said that 1944 production already was being planned.

FDR Broadcasts Xmas Eve

President Roosevelt will broadcast holiday greetings to the Nation on Christmas Eve, Dec. 24, the White House announced on Dec. 12.

The President and Mrs. Roosevelt will preside over the annual national community Christmas tree ceremony on the south grounds of the White House on Dec. 24, and Mr. Roosevelt will broadcast his Christmas greetings from there.

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Calendar of New Security Flotations

OFFERINGS

POTASH CO. OF AMERICA

Potash Co. of America has filed a registration statement with the SEC for 65,000 shares of capital stock, par value $5 per share. The shares are already issued and outstanding

Address—First National Bank Building, Denver

Business—It is engaged, and intends to continue to engage, in the business of prospecting for, mining, refining and distributing potassium salts, known as sylvite or manure salts, and potassium chloride, known as muriate

Offering—The 65,000 shares will be offered to the public at a price to be filed by amendment

Underwriting — Maximum number of shares to be purchased by the underwriters are 42,064 of the 73,360 shares now owned by Lehman Corp., and 22,936 of the 40,000 shares owned by General American Investors Co., Inc. The underwriters are Boettcher & Co., Denver, which will purchase 21,032 shares from Lehman and 11,468 shares from General American Investors, and Laurence M. Marks & Co., New York, 21,032 shares from Lehman, and 11,468 shares from General American Investors

Proceeds—Proceeds will be received by the selling stockholders

Registration Statement No. 2-5066. Form A-2 (12-1-42)

Registration statement effective 5:30 p.m. (EWT) on Dec. 9, 1942.

Offered Dec. 10, 1942, at $27 per share.

Following is a list of issues whose registration statements were filed less than twenty days ago. These issues are grouped according to the 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. 17

870 SEVENTH AVENUE CORPORATION

870 Seventh Avenue Corp. has filed a registration statement with the SEC for $4,055,200 4½% general mortgage (income) bonds.

Address—870 Seventh Avenue, New York, N. Y.

Business—Owns and operates a hotel at 870 Seventh Avenue, New York, known as the Park Central Hotel.

Offering—It is proposed by agreement to modify the terms of the registrant's 4½% general mortgage (income) bonds as follows: The holders of such bonds became entitled to fixed interest thereon at the rate of 4½% per annum on Jan. 1, 1940, and interest at that rate has duly been paid on the bonds for the years 1940 and 1941. It is proposed in lieu of fixed interest that commencing with the calendar year 1942 cumulative income interest at the rate of 4½% per annum shall be paid on assented bonds. The plan is a voluntary one and does not extend to or affect the rights of holders who do not accept the plan in the manner specified. Statement says that under the plan of modification mentioned the holders of $2,422,200 principal amount of these bonds had consented to the modification of the terms thereof as in said plan provided at the close of business on Nov. 24, 1942.

Underwriting—No underwriter.

Registration Statement No. 2-5065. Form E-1. (11-28-42)

SATURDAY, DEC. 19

PHILLIPS PETROLEUM CO.

Phillips Petroleum Co. has filed a registration statement with the SEC for 43,928 shares of common stock, without par value.

Address—80 Broadway, New York

Business—The company and its subsidiaries compromise an integrated unit in the petroleum industry, owning reserves of crude production in a number of fields in the Mid-Continent and Gulf Coast areas, natural gasoline plants and crude oil refineries, oil pipe lines, gasoline pipe lines and marketing outlets throughout Central United States and extending into adjacent areas

Underwriting—There are no underwriters in connection with this issue

Offering—Executive committee on Nov. 24, 1942, approved an issue of 43,928 shares of its common capital stock, without par value, for issuance if the company exercises an option received under date of Nov. 12, 1942, to acquire capital stock of Alma Oil Co. The latter, a Delaware corporation, has issued and outstanding 25,000 shares of common stock, par $100 per share. In consideration of $1,000 cash, the owners of 21,500 shares of stock granted to Phillips and Sunray Oil Co., an Oklahoma corporation (in the proportion of 79% to Phillips and 21% to Sunray), the option to purchase the 21,500 shares and such additional shares of the remaining 3,500 shares as said stockholders shall be able to deliver. In the event that Phillips and Sunray shall exercise such option, the consideration to be paid will be 43,928 shares of Phillips common stock, and the sum of $615,024, provided, that if the said stockholders shall be unable to deliver all of the shares of said common stock of Alma, the cash payment shall be reduced $98.40 for each share not so delivered. Stating the basis of exchange in terms of the consideration to be paid only by Phillips, the company will receive in exchange for the 43,928 shares of its common stock 18,749 and a fraction of common stock of Alma, which will be recorded on the company's books at $1,844,976

Proceeds—For exchange of stock

Registration Statement No. 2-5064. Form A-2 (11-30-42)

TUESDAY, DEC. 22

NATIONAL RESERVE ASSOCIATION, INC.

National Reserve Association, Inc., has filed a registration statement with SEC for 350,000 shares of common stock, par value $1 per share.

Address — Michigan Trust Building, Grand Rapids, Mich.

Business—New investment company, incorporated Nov. 11, 1942.

Offering—Sold prior to registration to officers 1,000 shares at $1 per share. To be publicly offered at $1 per share 349,000 shares.

Underwriting—No underwriter named.

Proceeds — To provide capital requirements of face amount certificate of company and for working capital.

Registration Statement No. 2-5067. Form A-1. (12-3-42)

THURSDAY, DEC. 24

SUPERIOR OIL CO. OF CALIFORNIA

Superior Oil Co. of California has filed a registration statement with SEC for 35,000 shares of capital stock, par value $25 per share. All of the stock is issued and outstanding and is being offered by W. M. Keck, W. M. Keck, Jr., and Howard B. Keck who have informed the company that the amount of stock to be offered and offering price have not been determined, and that the figures have been furnished to the company solely for the purpose of calculation of the registration fee.

Address—930 Edison Building, Los Angeles, Cal.

Business — The company is engaged principally in the acquisition of prospective oil lands; the exploitation and development of such lands; and the production and sale of crude oil and natural gas.

Underwriting—Dillon, Read & Co., New York, is the principal underwriter. A selling group consisting of certain dealers may be formed in connection with the offering of the capital stock registered.

Offering—As soon as practicable after registration statement becomes effective. The number of shares of stock to be purchased by the underwriter from each of the three sellers, the price to be paid and the offering price to the public will be supplied by amendment.

Proceeds—None of the proceeds from the sale will go to the company, but to the selling stockholders, all of whom are officials of the company. W. M. Keck is President, W. M. Keck, Jr., and Howard B. Keck both Vice-Presidents. All three also are Directors.

Registration Statement No. 2-5068. Form A-2. (12-5-42)

SUNDAY, DEC. 27

HURON BUILDING COMPANY

Barnet L. Rosset, John F. Rhodes and Charles J. Young, as trustees under a voting trust agreement dated Dec. 27, 1932, have filed a registration statement with SEC covering voting trust certificates in connection with a maximum of 2,851 shares of the common capital stock of the Huron Building Company.

Address—Suite 315, 11 South La Salle St., Chicago.

Business—Office building.

Offering—Certificates are already outstanding in the hands of registered owner and it is only proposed that date of termination of trust agreement will be extended for five years from Dec. 27, 1942, without exchange of new securities.

Underwriting—No underwriter.

Proceeds — Extension of voting trust agreement.

Registration Statement No. 2-5069. Form F-1. (12-8-42)

MONDAY, DEC. 28

STEEP ROCK IRON MINES LIMITED

Steep Rock Iron Mines Limited has filed a registration statement with SEC covering $2,250,000 5½% sinking fund debentures, due Dec. 1, 1957.

Address—25 King St., West, Toronto, Ontario, Canada.

Business—Mining. Company owns property comprising approximately 7,000 acres in the Steep Rock Lake area, near Atikokan, Ontario, Canada, containing large bodies of high-grade iron ore. The property includes all of Steep Rock Lake, under which the known ore bodies lie.

Underwriter—Otis & Co., Cleveland, O., is principal underwriter. In the underwriting agreement Otis & Co. agreed to purchase and the company has agreed to sell the $2,250,000 face amount of debentures covered by the registration statement and 562,500 shares of the company's capital stock. The rate to be paid by the underwriter for each $1,000 face amount of debentures and shares of stock will be supplied by amendment. The capital stock is to be deposited under a voting trust agreement.

Offering—Price to the public per unit consisting of $1,000 face amount of debentures and a number of voting trust certificates for capital stock to be offered with debentures will be furnished by amendment.

Proceeds—For plant, equipment, drilling, development and working capital.

Registration Statement No. 2-5070. Form A-1. (12-9-42)

STEEP ROCK IRON MINES LIMITED

Donald M. Hogarth, Julian G. Gross and Russell D. Bradshaw, voting trustees, have filed a registration statement with SEC for voting trust certificates for 562,500 shares of capital stock without nominal or par value of Steep Rock Iron Mines Limited.

Address—3100 Canadian Bank of Commerce Building, Toronto, Ontario, Canada. Address of corporation, 25 King St., West, Toronto.

Offering—See registration statement of Steep Rock Iron Mines Limited No. 2-5070.

Proceeds—To deposit shares in a voting trust.

Registration Statement No. 2-5071. Form F-1. (12-9-42)

WEDNESDAY, DEC. 30

BEDFORD PULP & PAPER CO., INC.

Bedford Pulp & Paper Co., Inc., has filed a registration statement with the SEC for $700,000 face amount of first closed mortgage 5% sinking fund bonds. The bonds will be dated Dec. 1, 1942, and mature Dec. 1, 1949.

Address—Big Island, Va.

Business—Company is engaged in the manufacture, distribution and sale of Nine Point paperboard. This is a paper material which is used to form the inner corrugated part of corrugated paperboard employed in making containers for packing and shipping merchandise. Plant is located at Big Island, Va., where company also owns water rights and hydraulic works on the James River. A wholly-owned subsidiary, Bedford Timber & Land Corp., owns and leases timber lands from which the company derives a part of its supply of pulpwood.

Underwriting—Coffin & Burr, Inc., Boston, is named the principal underwriter.

Offering—It is proposed to offer the bonds to the public at 99¾.

Proceeds—The net proceeds to be received by the company from the sale of the first closed mortgage 5% bonds is estimated at $658,910 and they will be used, together with $289,000 of 5% debenture notes which are to be issued concurrently with these bonds, to retire $225,000 face amount of Series A mortgage bonds 4% and $714,000 Series C mortgage bonds 5%; total $939,000. The remainder of the cash proceeds from the sale of the bonds will be added to the working capital of the company.

Registration Statement No. 2-5072. Form A-2. (12-11-42).

MONTROSE HOTEL, INC.

Barnet L. Rosset, Charles J. Young and Abraham Greenspahn, as trustees under a trust agreement dated July 1, 1932, have filed a registration statement with SEC for voting trust certificates representing a maximum of 2,697 shares of the common capital stock of Montrose Hotel, Inc., each having a par value of $50 and deposited under the voting trust agreement.

Address—Of issuer, Suite 315-11 South La Salle St., Chicago. Location of hotel, Fortieth and Main Sts., Kansas City, Mo.

Business—Hotel.

Underwriting—No underwriters.

Offering—Date of proposed offering or delivery of voting trust certificates Dec. 31, 1942. Certificates are already outstanding in the hands of registered holders and it is only proposed to extend trust agreement for five years from June 30, 1942, with privilege of interim withdrawal of certain conditions.

Proceeds—To extend voting trust agreement.

Registration Statement No. 2-5073. Form F-1. (12-11-42)

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.

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)

Amendment filed Dec. 7, 1942, to defer effective date.

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. 30, 1942, to defer effective date

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)

Hearing on suspension of registration set for Dec. 15, 1942, as SEC states it has reasonable cause to believe that statement includes "untrue statements of material facts"

FIREMAN'S FUND INSURANCE CO.

Fireman's Fund Insurance Co. has filed registration statement with SEC for 64,086 shares of $10 par value common stock

Address—San Francisco, Calif.

Business—Fire, motor and marine insurance, etc.

Offering—After reclassification of securities to offer 33,738 shares of Fireman's $10 par common and scrip for fractional shares in exchange for 44,984 shares of $10 par common of Home Fire & Marine Insurance Co. of California on basis of 75/100ths share of Fireman's Fund for one share of Home; and 30,348 shares of Fireman's in exchange for 67,440 shares of $10 par common of 45/100ths share of Fireman's Fund for mon of Occidental Insurance Co. on basis one share of Occidental

Underwriting—There are no underwriters

Proceeds—To be issued under plan of exchange

Statement filed in San Francisco

Registration Statement No. 2-5051. Form A-2. (10-15-42)

Registration statement effective 4:30 p.m. (EWT) on Dec. 1, 1942.

FLORIDA POWER & LIGHT CO.

Florida Power & Light Co. registered with SEC $45,000,000 First Mortgage bonds, due Oct. 1, 1971; $10,000,000 Sinking Fund Debentures, due Oct. 1, 1956, and 140,000 shares Cumulative Preferred Stock, $100 Par. Interest rates on the Bonds and Debentures, and the dividend rate on the preferred stock, will be supplied by amendment

Address—25 S. E. Second Ave., Miami Fla.

Business—This subsidiary of American Power & Light (Electric Bond & Share System) is an operating public utility engaged principally in generating, transmitting, distributing and selling electric energy (also manufacture and sale of gas) serving most of the territory along the east coast of Florida (with exception of the Jacksonville area), and other portions of Florida

Underwriting and Offering—The securities registered are to be sold by company under the competitive bidding Rule U-50 of the SEC's Public Utility Holding Company Act. Names of underwriters and price to public, will be supplied by post-effective amendment to registration statement

Proceeds will be applied as follows: $53,170,000 to redeem at 102¼, the $52,000,000 of company's First Mortgage 5s of 1954; $15,693,370 to redeem at $110 per share, the 142,667 shares of company's $7 preferred stock, no par. Further details to be supplied by post-effective amendment

Registration Statement No. 2-4845. Form A2. (9-17-41)

Amendment filed Nov. 28, 1942, to defer effective date

GRAND FORKS HERALD, INCORPORATED

Grand Forks Herald, Incorporated, has filed a registration statement with the SEC for $170,000 4½% first mortgage serial maturity bonds, dated Sept. 1, 1942. Bonds will mature as follows: $12,000 on each Sept. 1 from Sept. 1, 1943 to and including Sept. 1, 1951; $62,000 on Sept. 1, 1952

Address — 118 North Fourth Street, Grand Forks, N. D.

Business—Newspaper publication

Offering—Bonds are to be offered at prices ranging from 100.50 and interest to 104.08 and interest

Underwriting—Kalman & Co., Inc., St. Paul, is the sole underwriter

Proceeds—The net proceeds, together with other funds of the corporation, are to be used to retire as of Jan. 1, 1943, the corporation's 6½% 15-year sinking fund debenture bonds due Sept. 1, 1944

Registration Statement No. 2-5049. Form A-2. (10-12-42)

Registration effective 5.30 p. m. ESWT on Nov. 9, 1942

INTERIM FINANCE CORP.

Interim Finance Corp. filed a registration statement with the SEC for 39,912 shares class A stock, $25 par; and 25,232 shares common stock, $1 par

Address—33 N. La Salle St., Chicago, Ill.

Business—Primary function of company is to loan money to enterprises whose debt and/or capital structures are being adjusted or reorganized by its wholly-owned subsidiary, H. M. Preston & Co. A secondary function is to loan money, with funds not used in its primary function, to provide "interim" or intermediate financing to enterprises until the financial positions of the borrower or a change in general capital markets open avenues for longer-term borrowing from customary sources

Underwriter—H. M. Preston & Co., Chicago, Ill., is the sole underwriter. The underwriting commission is $8 per unit

Amendment filed, July 30, 1942 to defer effective date

Offering—The class A stock is to be sold in units of 4 shares, at a price of $110 per unit. With at least the first 900 units, there will be included with each unit 4 shares of common stock; thereafter company reserves the right to reduce the number of common shares to be included in each unit of class A stock

Proceeds will be used for working capital

Registration Statement No. 2-4968. Form A-1. (3-18-42)

Amendment filed Nov. 9, 1942, to defer effective date

NEIMAN-MARCUS CO.

Neiman-Marcus Co., Dallas, Texas, has filed an amended prospectus with the SEC in connection with the public offering of $700,000 5% cumulative preferred stock, par value $100 per share. According to amended prospectus the public offering price has been reduced from $100 to $92.50 per share, effective Nov. 15, 1942. Statement says that principal underwriters will grant concessions to dealers constituting the selling group of $6 per share. The principal underwriters have also discontinued stabilizing the price of such shares

The registration statement was originally filed Nov. 19, 1942, No. 2-4581, Form A-2. Offering price to public at that time was given as $100.50, with underwriting discounts or commissions of $5.50 per share. Amended prospectus dated May 1, 1942, stated that 1,566 shares of the 7,000 shares covered remained unsold in the hands of the principal underwriters and selling group and price to public was lowered to $100 per share. Amended prospectus does not indicate number of shares still remaining in hands of selling group

Principal underwriters were Moss, Moore & Cecil, Inc., and Dallas Rupe & Son, Dallas, Texas

Company owns and operates retail specialty shop located in Dallas, Texas

NU-ENAMEL CORPORATION

Nu-Enamel Corporation filed a registration statement with the SEC for 106,500 shares of common stock, $1 par value

Address—8 South Michigan Ave., Chicago

Business—The company is engaged in the distribution and sale of enamels, paints, varnishes, linoleum finish, stains, polish and kindred lines, which are principally distributed under the trade name "Nu-Enamel." The products sold by the company are manufactured by Armstrong Paint & Varnish Works, of Chicago, under contract in accordance with the company's formulae and specifications

Underwriting—Floyd D. Cerf Co. is the principal underwriter.

Offering—The principal underwriter is granted the option, until close of business Dec. 31, 1942, to purchase at $1.50 per share all or any part of 72,500 shares of common stock of the company from C. L. Lloyd and all or any part of 34,000 shares from Gladys Lloyd. There is no firm commitment to purchase any of said shares. The principal underwriter has agreed to pay a finder's fee to American Industries Corp., Detroit, Mich., in the amount of 5 cents for each share of common stock purchased by the principal underwriter from the selling stockholders. Offering price to the public will be supplied by amendment

Proceeds—The shares to be offered are already issued and proceeds will go to the individual sellers of the shares

Registration Statement No. 2-5029. Form A-2. (8-1-42)

Nu-Enamel Corporation on Aug. 26 filed an amendment to its registration state-

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ment giving the public offering price at $2 per share

Registration effective 5:30 p.m. EWT on Sept. 14, 1942

TRIUMPH EXPLOSIVES, INC.

Triumph Explosives, Inc., has filed a registration statement with the SEC for voting trust certificates for 499,722 shares of common stock, par value $2 per share

Address—Fourth Avenue at Wood Street, Pittsburgh, Pa. Plant located at Elkton, Maryland

Business—Manufacturer of fireworks, flares, etc.

Uunderwriting—No underwriters.

Offering—Date of proposed offering or delivery of voting trust certificates Dec. 18, 1942. Peoples-Pittsburgh Trust Co., Pittsburgh, trustee. The voting trust is for the duration of the war, but not exceeding ten years from Oct. 1, 1942, the date of the voting trust agreement. The agreement may be terminated earlier by the voting trustees with the written consent of the holders of v.t.c. representing a majority in par value amount of the stock deposited thereunder

Registration Statement No. 2-5063. Form F-1 (11-25-42)

Registration statement effective 2:45 p.m. (EWT) on Dec. 7, 1942.

UNION ELECTRIC CO. OF MISSOURI

Union Electric Co. of Missouri filed a registration statement with the SEC for 2,695,000 shares common stock, no par

Address—315 N. Twelfth Blvd., St. Louis, Mo.

Business—This subsidiary of The North American Co. is engaged primarily in the transmission, distribution and sale of electric energy, which it generates and purchases from its subsidiaries, serving the city of St. Louis, Mo., and portion of 5 adjacent Missouri counties and of 3 counties in Missouri adjacent to the company's Osage hydroelectric plant

Underwriting—Dillon, Read & Co., New York, is named the principal underwriter. Names of the other underwriters will be supplied by amendment

Offering—The 2,695,000 shares of company's common stock are outstanding and are owned by its parent, The North American Co., who will receive the entire proceeds from the sale to the public of such shares

Registration Statement No. 2-4940. Forn A2 (2-2-42)

Union Electric Co. of Missouri, on Feb 9, 1942 filed an amendment to its registration statement, naming the underwriters, 141 in all, who will publicly offer the 2,695,000 shares (no par) common stock all of which are owned by its parent company, The North American Co. The names of the underwriters, and the maximum number of shares of such common stock which each agreed to purchase were listed in the "Chronicle" of Feb. 26, 1942, page 848

Amendment filed Dec. 5, 1942, to defer effective date

UNION LIGHT, HEAT AND POWER COMPANY

Union Light, Heat and Power Co. registered 25,000 shares $100 par commor stock

Address—4th & Main St., Cincinnati Ohio

Business — Operating electric utility company

Underwriter — Columbia Gas & Electric Corp.

Offering—Stockholders will receive offer to subscribe to 25/94ths of one common share in units of 5/94ths of a share for each 5/94ths of a share held at $5.3: for each unit. On a share basis, stockholders may subscribe to 5 new share for each share held at $100.016 per share Substantially all outstanding stock is helc by Columbia Gas & Electric Corp.

Proceeds—To repay current debt and $2,835,000 first mortgage bonds held by parent and associated companies, and fo construction costs

Registration Statement No. 2-4379. Forn A-2 (3-30-40)

Amendment filed Dec. 2, 1942, to defer effective date

UNITED GAS CORPORATION

United Gas Corp. registered $75,000,000 first mortgage and collateral trust 3¼% bonds due 1958

Address—2 Rector Street, New York City

Business—Production and sale of natural gas; part of Electric Bond and Share System

Underwriters—None

Offering Terms—Bonds will be sold to institutional investors, whose names will be supplied by amendment, at 99.34%

Proceeds—To redeem $28,850,000 United Gas Public Service 6% Debentures due 1953; to pay 6% demand note of $25,925,000 to Electric Bond and Share; to repay $2,000,000 open account debt to E. B. & S.; and to purchase from United Gas Pipe Line Co., $6,000,000 of its 1st & Coll. 4% bonds due 1961. Balance will be used in part to reimburse treasury for capital expenditures and possibly to pay accumulated dividends of $9,502,490 on companys $7 preferred stock

Registration Statement No. 2-4760, Form A-2 (5-15-41)

United Gas Corp. filed amendment with SEC on Feb. 21, 1942, stating that it had been unable to further extend the purchase agreements with 14 insurance companies covering the proposed private sale to such insurance companies of $75,000,000 of the company's first mortgage and collateral trust 3¼% bonds, due 1959. This amendment states: "These purchase agreements expired on Feb. 16, 1942. The corporation intends to continue negotiations to the end that its bonds shall be either sold privately, by renewal of the aforesaid agreements or otherwise, or offered to the public as circumstances shall dictate in order to obtain the pest possible price."

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

NYSE Short Interest Lower On Nov. 30

The New York Stock Exchange announced on Dec. 10 that the short interest existing as of the close of business on the Nov. 30 settlement date, as compiled from information obtained by the Exchange from its members and member firms, was 551,053 shares, compared with 558,446 shares on Oct. 30, both totals excluding short positions carried in the odd-lot accounts of all odd-lot dealers. As of the Nov. 30 settlement date, the total short interest in all odd-lot dealers' accounts was 27,655 shares, compared with 23,472 shares on Oct. 30.

The Exchange's announcement further said:

"Of the 1,242 individual stock issues listed on the Exchange on 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, exclusive of odd-lot dealers' short positions, was 433 compared with 452 on Oct. 30."

In the following tabulation is shown the short interest existing at the close of the last business day for each month for the last two years:

1940—	
Dec. 31	459,129
1941—	
Jan. 31	498,427
Feb. 28	487,151
Mar. 31	537,613
Apr. 30	510,969
May 29	496,892
June 30	478,859
July 31	487,169
Aug. 29	470,002
Sept. 30	486,912
Oct. 31	444,745
Nov. 28	453,244
Dec. 31	349,154
1942—	
Jan. 31	460,577
Feb. 27	489,223
Mar. 31	513,546
Apr. 30	530,636
May 29	534,396
June 30	514,158
July 31	*517,422
Aug. 31	532,867
Sept. 30	548,365
Oct. 30	558,446
Nov. 30	551,053

*Revised.

Canada Called Major Industrial Nation

The expansion of the productive industry of Canada since the beginning of the present war has been such that Canada has risen to the rank of a major industrial nation, Huntly R. Drummond, President of the Bank of Montreal, told shareholders at their annual meeting in Montreal on Dec. 7. It was the 125th annual meeting of the institution, which is the oldest chartered bank in Canada. As is customary, the meeting was attended by many of the business leaders of the Dominion.

This wide expansion of industrial production, Mr. Drummond pointed out, has been financed by taxation and Government borrowings, the Government providing the money, guaranteeing the overhead and providing the market for the output. These conditions, he said, would not, and could not, obtain after the war. "Then," he asserted, "we must look to the initiative and trained experience of private enterprise to reverse the process, in which it has been so successful, and to convert our war factories to the production of peace-time goods."

Referring to Canadian banks in general, Mr. Drummond said that while giving credit to the Government for the conduct of its finances in this war, it was the work done by the banks of the Dominion before and during the war which had laid broad and firm the foundation on which the Government's efforts are founded and which in fact made them possible. In part, Mr. Drummond also stated:

"If the health of the country is sound, in a monetary sense, it is largely due to the wise conduct by the banks, over many years, of their own affairs, and their help and guidance on the business affairs of all Canadians. Thus today they are able to support to the full the Government in its stupendous task of financing the war. We can fairly claim that in Canada our banking system has more than justified its existence and, with irrefutable facts, answer those who talk of the State taking over the banks."

Commenting further on the unparalleled expansion in manufacturing that has taken place Mr. Drummond said that "with the present income and excess profits taxes no company today can retain large profits. Industry is working, not for profit but for furtherance of our war effort, and merits our unstinted praise." He added:

"Nevertheless, it is vital to the future welfare of the country that industry should be allowed to retain sufficient reserves to enable it to meet the strain of re-converting plants to the production of peace-time goods at the end of the war."

G. W. Spinney, in his address to the shareholders, as general manager of the bank, illustrated the magnitude of the Government's expenditures by stating that for the six months ended Oct. 31st they had been at the average of $357,000,000 a month, as compared with $55,000,000 a month in any year of the First World War. He expressed the view that the Government's war financing through the chartered banks has so far been kept within reasonable and manageable proportions and said that while the mounting debt is increasing the interest burden, the total interest charges are at present less than 10% of the Dominion revenues.

OPA Point Rationing To Start In January

Ration stamps are to take on new importance in the buying habits of the American housewife when War Ration Book Two is put into the public's hands, the Office of Price Administration said on Dec. 9. The new book which will be issued in January will be used to ration goods under a "point system" which is different from straight coupon cashing under sugar and cofee rationing.

In explaining the plan, the OPA said:

"Sugar is rationed by a comparatively simple method known as the unit system. Under this system the total supply of sugar available for civilian use is divided on a per capita basis, allowing each person an equal share. Sugar can be rationed in this way because it is an essentially uniform article and the supply is large enough so that every one can have a useable quantity.

"While the unit system is excellent for rationing sugar, it cannot be used for rationing foodstuffs that are diversified. Using meat as an example, OPA officials said it would be impossible to divide the total supply of each kind of meat on a per capita basis because there are too many types of meat (beef, pork, veal, mutton and lamb, for example); too many different cuts of each type (chops, roasts, steak and boiling meats), and too many grades of each type and cut.

"The supply of some cuts is so small that if it were divided equally among the total population, the individual share of a particular cut might be too small to be practical. Furthermore, tastes vary and not all persons want some cuts.

"The point rationing system is designed to ration foods that, like meat, cannot be rationed by the unit system. OPA officials said that certain basic principles were followed in working out the new point system. It provides a fair share for everyone, and includes the element of freedom of choice for the consumer. It is thoroughly American and will allow for various climatic and economic conditions in the United States.

"Under the point rationing system, the Government will group scarce commodities that are similar or related and ration the whole group. Each commodity in the group will have a point value. Every consumer will be alloted a certain number of ration points to spend for any of the rationed items.

"The stamps in War Ration Book Two are worth one, two, five or eight points. In addition to the point value, each stamp has an identifying letter to indicate the time period in which the stamp may be used. Purchase of rationed commodities must be paid for with point stamps and money. The same stamps will be used to buy any of the rationed items in a particular group.

"Different commodities will have different point values. A pound of one kind of meat might be valued at 8 points a pound, while a pound of another kind of meat slightly more plentiful might be valued at six points a pound. Consumers will spend their points on the basis of individual preference.

"The Government will determine the point value of each commodity on the basis of supply and demand. A low point value will be given to those commodities that are relatively plentiful while a high point value will be given to those that are comparatively scarce.

"As the demand or supply situation changes, the point values will be changed correspondingly. For example, if a certain cut of meat becomes scarce, the Government could increase its point value to discourage buying. On the other hand, if a cut becomes plentiful the Government can decrease the point value to encourage buying.

"For the housewife, point rationing will introduce a new 'currency' which will require the same care in budgeting as the housewife gives in planning her 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 Paul A. Porter announced on Nov. 16 that 68 more defense-rental areas would be brought under control by the Office of Price Adminisrtation on Dec. 1. The announcement stated in part:

"Orders cutting rents back to levels prevailing on March 1st of this year are being issued for the 68 areas immediately. In addition, control is being extended to include the entire defense-rental areas of Grand Rapids-Muskegon, and Kalamazoo-Battle Creek in Michigan where control had been made effective in one county in each area on Oct. 1.

"Scattered across 33 States from Maine to California, the Dec. 1st areas, with a population of over 6,000,000, include such cities as Bangor, Maine, Portsmouth, N. H., Jackson, Miss., Nashville, Tenn., Richmond, Va., Charleston, W. Va., Lincoln and Omaha, Neb., Tucson, Arizona, and Santa Barbara, Calif.

"The action Dec. 1 will extend Federal rent control to 355 defense-rental areas in which 76,000,000 persons live.

"For rent payers in the new areas, OPA's maximum rent regulations mean that on paying December rents, whether for a house, an apartment, or similar accommodations, tenants are to pay no more than the same accommodations were bringing on March 1st of this year. The chief exception to this over-all rule comes when the quarters have been substantially changed since that date by a major capital improvement. Any reduction is automatic, and does not need the approval of the landlord before payment of the reduced amount.

"Of the 398 defense-rental areas designated prior to the over-all designation of Oct. 5, only 43 areas remain in which Federal control has not been made effective. As to these 43 areas, Deputy Administrator Porter, who is in charge of the rent department, said:

"All defense-rental areas are under continuing study, those in which regulations have been made effective, as well as those not yet under actual regulation. As rapidly as the situation warrants, and as it becomes administratively feasible, the rent department will continue to extend its control of rents.

"It will be just six months on Dec. 1 since maximum rent regulations went into effect in the first 20 defense-rental areas," Mr. Porter continued. "And in addition to those areas which had already been designated we made the rest of the nation subject to control by designation as defense-rental area all sections not previously designated.

"In this six months the rent index has dropped, evictions have been effectively checked, and Federal rent ceilings have been placed over the rents paid by nearly every urban resident and by persons in rural communities within controlled defense-rental areas."

As to those areas designated on Oct. 5, OPA pointed out that under the Emergency Price Control Act. 60 days must pass from date of designation before OPA may issue a maximum rent regulation, and can take such action then only if investigation shows that recommendations made at the time of the designation have not been met. The Oct. 5 designations named as defense-rental areas all portions of the country not previously designated.

FDR Favors $25,000 Limit On All Incomes

President Roosevelt told his press conference on Dec. 1 that the new Congress faced the challenge 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 there was criticism developed since the order did not affect income from investments. Mr. Roosevelt emphasized that the limitation permits individuals to be paid a gross income of $67,200, which, after payment of Federal taxes, life insurance commitments and fixed obligations, would bring it to a net of $25,000.

The President intimated that he might explain the subject in a radio address which he plans to make before Jan. 1. In illustrating his point Mr. Roosevelt connected the present war salary limitation program with the situation in 1933 when the railroads, facing bankruptcy, were ordered to restrict their Presidents' salaries to a $60,000 limit.

Congress has twice previously refused to follow the President's wishes for a $25,000 top limit on income, after taxes, and the matter is certain to come up again, probably when the new Congress gets the Treasury's request for additional revenue.

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The Business Man's Bookshelf

Democracy as a Principle of Business (Appendix B of the forthcoming book, "Price-Making in a Democracy")—by Edwin G. Nourse—The Brookings Institution, Washington, D. C.—25c.

Outlay and Income in the United States, 1921-1938—by Harold Barger—National Bureau of Economic Research, 1819 Broadway, New York City—$2.50.

MacDonald & Co. Will Merge With Bioren Co.

PHILADELPHIA, PA. — At a dinner held Monday evening at the Racquet Club it was announced that the Stock Exchange firms of MacDonald & Company and Bioren & Co. will be merged as of Jan. 1, 1943 under the name of Bioren & Co.

Inasmuch as the nature of business and policy of the two houses are similar, it was looked upon by the financial community as a "natural" combination, according to E. Clarence Miller, senior partner of Bioren & Co.

The firm of Bioren & Co. was organized in 1865 and the partners of MacDonald & Company have been associated with the brokerage business for the past 35 years. The resultant combination is, therefore, not merely a merging of financial interests but a pooling of long experience in the business.

Harry MacDonald will become a general partner of Bioren & Co. and Raymond Ollis will also be associated with the firm. The Germantown Office of MacDonald & Co. will be retained by Bioren & Co.

Bioren & Co. are members of the New York Stock Exchange, Philadelphia Stock Exchange and Associate Member of the New York Curb Exchange. They maintain complete facilities in their trading department in public utility, railroad and municipal bonds, as well as the service of a statistical department.

J. M. Klein Co. In N. Y. C.

Jacob M. Klein is engaging in a securities business from offices at 1775 Broadway, New York City, under the firm name of J. M. Klein Company.

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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 the propriety as well as the shrewdness of some of those purchases. . . . To be specific, the point at issue right at the start is the comparative value of buying the "c.is", especially the new ⅞s, or the 1¾% bonds of June 15, 1948. . . . The problem is which is the better issue for a business corporation or institution with funds believed fairly safe for one to five years. . . . The secondary angle is which is the more patriotic gesture—purchase of the ⅞s due Dec. 1, 1943, or purchase of the 1¾s due in five years. . . . And a point coming up later is just how smart and helpful is the investor who places the bulk of his funds in tax notes. . . .

There are two ways to look at this situation. . . . From your point of view as an investor and from the Treasury's point of view as 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 without delay. . . . Here are the basic points:

(1) It is wiser to buy the 1¾s today than the ⅞% certificates of indebtedness. . . .

(2) Chances are purchase of the longer-term securities will be just as safe as purchase of the ⅞s due in one year. . . .

(3) The money market can tighten considerably over the next five years without pushing the 1¾s below par. . . .

(4) While holding the 1¾s, of course, you get twice as much interest as would be available on the ⅞s. . . .

(5) Purchase of the ⅞s by any ordinary business corporation with fairly stable cash reserves is somewhat akin to purchase of interest-bearing currency and scarcely can be called an all-out gesture of cooperation on the finance front. . . .

(6) If thorough analysis of the two securities is made, the conclusion well may be that the investor buying the ⅞s in the expectation that he has the safest Government security available at a good return is in truth "outsmarting himself." . . .

These are strong statements but they may be backed up and a good story right here may be pertinent. . . . According to an informed source, one well-meaning salesman for the Victory Fund Committee in New York last week was badgering a business corporation to switch out of its ⅞s into the 1¾s. . . . The corporation's executives became annoyed, telephoned the Federal Reserve Bank to complain 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 ⅞s and other very short-terms the presumption is you expect to "roll them over" every year and keep your money invested on a very short-term basis. . . . All right. . . . For many institutions, that's the only smart way to act. . . . It's accepted policy too. . . . And rolling over maturities is one of the best ways known to protect yourself during periods of uncertainty in the money and bond marts. . . .

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 next year or so. . . . Otherwise, why penalize yourself by buying the lowest-yielding Governments on the list?

So the questions are:

Do you expect interest rates to be up considerably by next December? If not, why are you holding the ⅞s? You'll only get another ⅞ at this time 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 range? If so, you must also believe our Government cannot control this market even though other nations have been able to do what they wished with their own and to date so has this Administration. And you must also believe that the banks and other money-dependent institutions are going to be in a bad way soon, for they hold the inside-10-year maturities in the billions. . . .

If not, why are you holding the shortest-terms and least attractive (from an income viewpoint) Governments?

And now to the second step in this argument which has nothing to do with your own personal answers to these questions. And that is that the 1¾s, due in five years, are getting shorter all the time. . . . Every month, they become a shorter-term bond carrying 1¾% interest, which is nothing to scoff at in this period of low money rates. . . .

SOME COMPARISONS

Let's figure the 1¾s 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 1s of March 15, 1946 are on a 1.26% yield basis. . . . The 1½s of Dec. 15, 1946, are on a 1.48% yield basis. . . . The "then" 1¾s of June, 1946, would be on a 1.40% yield basis, for they fall between these two. . . .

If the market is at the same interest and price level two years from now, the 1¾s, obviously, would be worth a substantial premium. . . .

If the market declines and interest rates harden, a leeway between 1.75% and 1.40% would allow the 1¾s some decline before they would hit 100. . . . In other words, money rates can stiffen and the 1¾s still will be worth 100 plus. . . .

The basis of the argument now shows up. . . . The fact that the 1¾s are in the five-year range and that they constantly move closer to maturity makes them attractive in comparison with the ⅞s—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 ⅞s or tax notes (in excess of tax needs) by a business corporation. . . . Really, that type of investor is buying interest-bearing currency and there's no point in sidestepping the issue. . . . For commercial banks and some special 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 2½s may not be wise. . . . That may be taking too much of a chance, if the cash is not certain. . . .

So let's say the 1¾s 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" still going magnificently, with the big $2,000,000,000 jump due as soon as books close on Friday on commercial bank purchases of the ⅞s. . . .

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

Which means the deal will be over the top by a nice margin this week-end. . . . Books are scheduled to be closed Dec. 23, the original hope and dream. . . .

Insurance company re-entrance into the market for more 2½s may come and will if companies are convinced it's necessary. . . . Whether they'll come in 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 not now that the news is around about the success of the offering. . . .

No major financing expected until April of size of this deal by several sources. . . . In February, a few billions may be borrowed, it is said. . . . March is a bad month for borrowing (obviously!) and that means April. . . .

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

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

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

Coney Elected V.-P. Of Pittsburgh Bank

CLEVELAND, OHIO—Directors of the Union Trust Company of Pittsburgh have elected Aims C. Coney a vice-president. Mr. Coney has been vice-president of the National City Bank of Cleveland for several years and assumed his new duties Dec 14. Mr. Coney was well known in Cleveland where he was in charge of the investment department of the National City Bank, and previously had served with the Union Trust Company in the same capacity.

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

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 funds in insured Federal Savings and Loan investments.

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Zeigler Coal Looks Good

Common Stock of the Zeigler Coal & Coke Company offers a particularly attractive situation at the present time according to a circular issued by Kneeland & 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 from Kneeland & Co. upon request.

War Bond Committee Appointed By NSTA

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

Frank P. Meyer, Chairman, First of Michigan Corporation, Detroit, Mich.

George V. Jackish, Harris, Upham & Co., Minneapolis, Minn.

Andrew Tackus, Putnam & Company, Hartford, Conn.

Henry J. Richter, Scherck, Richter Co., St. Louis, Mo.

Ludwell A. Strader, Scott, Horner & Mason, Inc., Lynchburg, Va.

Frank P. Meyer

George V. Jackish

Andrew L. Tackus

Henry J. Richter

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