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OUR REPORTER'S REPORT

Bankers handling the Dominion of Canada's projected big refunding operation are expected to open books for public subscriptions a week from today.

The refinancing, initial plans for which were announced a week ago, was covered in a registration statement filed with the Securities and Exchange Commission several days ago. Morgan Stanley & Co., New York, will head the underwriting group.

The issue will total $90,000,000 and include $30,000,000 2½s, due Jan. 15, 1948, and $60,000,000 3s, maturing $30,000,000 each in 1953 and 1958.

The financing is the largest undertaken, outside war loans of the United States Treasury, since the $100,000,000 American Tobacco Company operation last year.

Purpose of the financing is to provide funds, together with Dominion Treasury cash, for the refunding of $100,000,000 of outstanding Dominion 30-year 5% bonds due in 1952.

The latter issue will be called for payment on or about March 15 next at principal amount plus accrued interest to the date of redemption.

Prices for the new issues, for public offering, will be set in an amendment to the registration statement to be filed in due course by the issuer.

Terms of New Bonds

As set forth in the registration statement, the new five-year 2½% bonds, maturing in 1948, are subject to call, at the option of the Dominion, in whole but not in part, on or after Jan. 15, 1947 at par and accrued interest upon 30 days notice.

The 3 per cents, maturing in 10 years, may be redeemed by the

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HOW DID WE GET THIS WAY?

THE ANATOMY OF CAPITALISM

By H. B. LOOMIS and JOHN B. KNOX
of John B. Knox & Company

Part IX

It should be obvious to anyone who thinks at all that everything that anyone possesses is the result of past or present effort. Industry, therefore, is the first duty of man, as every human being must ultimately subsist upon the fruits of someone's labor. This law is as valid for the future as it is has been for the past, and social planners will serve humanity best when they realize the justice of its dictums. There is no chance that the miracle of Galilee will be repeated.

Man is not sustained by either present or future labor but by past labor, which is capital, the function of which is to bear the time lag and the risk. While the grain is growing, we consume the fruit of other harvests. The decrepit arguments to the contrary are sheer casuistry; they border on the periphery of the ridiculous and need to be strained through the screen of common sense. If all products were consumed as rapidly as produced; if all men lived in the present instead of looking to the future; if everyone looked to the Government for support in their old age, sickness or times of depression, reversion to barbarism would be inevitable and rapid. As a matter of fact, if the instinct to progress, to get ahead, to learn, to save, had not been dominant in some men, civilization would have been impossible and the malcontents, the inefficients and those who make political capital out of their imaginary grievances would not be here. **The tragedy of existence is not that many men fail but that few seldom really try.**

The destruction of wealth—and its redistribution by political metathesis is destruction—spells the eclipse of civilization. Every agreement which restricts or limits production, whether entered into by corporations to control markets, by labor unions to control work, or encouraged by governments to control crops, is an economic crime; a direct theft from the standard of living of everyone.

One fundamental human duty is economy or the careful consumption of the products of industry. It is the duty of the individual and the duty of the State. A profligate government, however, is something more than a wastrel, it is a thief, and the directors of its policy, no matter how selected or what they are called, are of the same flimsy quality as all thieves.

When elections are influenced by Government largess the depths of depravity are reached and the foundations of democracy and a sound economic system are shattered at their base.

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Our Reporter On "Governments"

We expected premiums, all right—in fact predicted them on the 2½s and 1¾s in this column almost immediately after the December drive began. . . . But premiums of 18/32 on the "on sale" 2½s and premiums of 9/32 on the 1¾s, and even premiums on the ⅞% certificates are something to ponder over following a $12,000,000,000 borrowing! . . . Particularly is this noteworthy when you remember that this time unlimited subscriptions by non-banking sources were permitted and encouraged. . . . Particularly is this noteworthy when you remember that these big premiums began appearing immediately after the books closed. . . . There's a story in this and it's a story of first importance, at least from the intermediate point of view, to every investor in Governments. . . .

Where is the demand coming from? . . . Before answering that question, one doubt or suspicion must be removed from the minds of observers. . . . This is not inside-the-market maneuvering. . . . The dealers have been active in the market, admittedly, and we know the professionals bought large amounts of the 1¾s and ⅞s. . . . The brokers' loan figures—which showed a rise from $584,000,000 to $952,000,000 in the period from December 2 to December 23—tell us that clearly. . . . Brokers' loan advances these days usually mean purchases of Government securities on margin—not increased speculation in stocks. . . . But the dealers aren't powerful enough and don't own enough of the 2½s (or the others) to boost the market price level as much as has been indicated. . . . That's definite . . . And inquiries around the financial district confirm the statement beyond a shadow of doubt. . . .

So where is the demand coming from? . . . From small investors mostly, for the purchases recently on the premium side have been in small blocks, ranging from 10 to 100 bonds. . . . From trust funds and estates and portfolios anticipating their January requirements. . . . From individuals who held off to see how the market would act and who now are sorry they didn't subscribe at 100. . . . From corporations which have accumulated funds since Dec. 23 and which don't want to hold off until April for a chance to get back into the market and which aren't familiar with other types of Governments available. . . . (The publicity given to the December basket is a factor here). . . . From regular, bona fide buyers, in short, who feel investment now is better than idleness for three months, and from sources who have gathered funds on a seasonal basis. . . .

What is remarkable is not that the December issues are at premiums but that the premiums should be so high and should be indicating further advance. . . . What is remarkable is the continued magnificently strong performance of the Government market even after the need for a "good appearance" has disappeared. . . .

THE TWO "2½s"

The new "on sale" 2½s of 1968/63 are selling around 100 18/32. . . . They're available in coupon or registered form. . . .

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NYSE Wage Dispute Certified To WLB By Secretary Perkins After Conciliation Failure

After an unsuccessful effort to settle the dispute over wages and union security between the New York Stock Exchange and members of the New York Stock Exchange Employes Independent Association, the controversy has been certified to the National War Labor Board by Secretary of Labor Perkins. Involved are about 400 employes of the Exchange represented by the union which is an independent body, affiliated with neither the C. I. O. nor the A. F. of L.; these consist of almost all the floor workers, but less than half of the present personnel of the Exchange as a whole.

Negotiations between the union and the Exchange began in October, with a demand by the union for wage increases, vacation pay, insurance, time off and overtime.

"We agreed on everything," said Emil Schram, president of the Exchange, "save their demand for what I call a closed shop. They wanted us to fire anybody taken on who did not join the union within a certain period. We did not agree to that. They then took the case to the Department of Labor and an arbitrator was sent here. We did not recede from our position on the closed shop, so he made his report early in November and it has just now been referred to the War Labor Board."

Mr. Schram declared that wage increases for floor employees of the Exchange since the beginning of 1941 have aggregated about 20% and added that he had some doubts that the War Labor Board would even approve the most recent wage increase granted in the October negotiations with the union.

Williams Municipal Mgr. For Byllesby

H. M. Byllesby and Company Inc., announce the appointment of Edward H. Williams as manager of the municipal department of their New York office, 111 Broadway.

Mr. Williams was recently associated with Starkweather & Co., and prior thereto was a partner in Ward & Williams, and was with Lord & Widli and Dougherty, Corkran & Co.

J. C. Mickle With Glidden, Morris Co.

J. Clifford Mickle, for the past 24 years identified with the investment securities business in Wall Street, and a recent partner of Berdell Brothers, has become associated with Glidden, Morris & Co., 72 Wall Street, New York City.

N. Y. Security Dealers Re-elect Frank Dunne

Frank Dunne, of Dunne & Co., was re-elected Jan. 5, as President of the New York Security Dealers Association. He has been President since 1937, and has been a member of the Association since 1930.

Also re-elected were:

Clarence E. Unterberg, C. E. Unterberg & Co., 1st Vice-President; John J. O'Kane, Jr., John J. O'Kane, Jr., & Co., 2nd Vice-President; Tracy R. Engle, Engle, Abbot & Co., Inc., Secretary; Fred J. Rabe, F. J. Rabe & Co., Treasurer.

The following Governors were re-elected to serve for three years:

Frederick C. Kraehling, Fred H. Hatch & Co., Inc.; John J. O'Kane, Jr., John J. O'Kane, Jr., & Co.; Clarence E. Unterberg, C. E. Unterberg & Co.

Theodore C. Corwin, T. C. Corwin & Co., and Percival J. Steindler, P. J. Steindler & Co., were elected to serve for one year.

The members of the Regular and Special Committee were also appointed to serve for the current year.

Lackawanna Possibilities

The leased line securities of the leased line securities of Delaware, Lackawanna & Western offer attractive possibilities at the present time according to a bulletin on these issues in the current issue of "Railroad Securities Quotations," published by B. W. Pizzini & Co., 55 Broadway, New York City. Copies of the "Quotations" containing this interesting bulletin and quotations on guaranteed rail stocks underlying mortgage rail bonds, reorganization rail bonds, minority stocks and guaranteed telegraph stocks may be had from the firm upon request.

Clifford Drake Joins Blair Co. As Mun. Mgr.

Clifford Drake has joined the municipal bond department of Blair & Co., Inc., 44 Wall Street, New York City. Mr. Drake was formerly associated with H. M. Byllesby and Company, Incorporated, in New York City, in charge of their municipal bond department; prior thereto he served in the same capacity in the New York office of H. C. Wainwright & Co.

Auville Eager Retires As Mackubin, Legg Partner

BALTIMORE, MD.—Mackubin, Legg & Company, 22 Light Street, members of the New York and Baltimore Stock Exchanges, announce that Auville Eager has withdrawn as a member of the co-partnership heretofore existing between him and the firm. In connection with this announcement, Mr. Eager states that he will continue his investment banking activities as a representative of the firm.

John C. Legg, Jr., Laurence M. Simmonds, Howard E. Demuth and Joseph W. Sener will continue to carry on the investment banking and brokerage business of the firm under the same name.

Townsend, Graff Co. Admit Chas. W. Wright

Townsend, Graff & Co., 120 Broadway, New York City, members New York Stock Exchange, announce that Charles A. Wright has been admitted to general partnership in the firm.

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E. M. Bradley & Co. Celebrates 75 Years

Edward M. Bradley & Co., Inc., 215 Church Street, New Haven, Conn., the oldest investment house in the State of Connecticut, is celebrating the firm's 75th anniversary. An anniversary booklet entitled "75 Years of Service to Investors" has been published for distribution to the firm's clients and interested investors. An interesting feature of the booklet is a list of Connecticut securities with unbroken dividend records of 25 years or more.

125th Anniversary Of Brown Bros. Harriman

Marking the beginning of its 125th anniversary year, the private banking firm of Brown Brothers Harriman & Co., 59 Wall Street, New York City, has made use of its year-end published statement of condition to call attention to its latest milestone.

Brown Brothers Harriman & Co. is one of the few institutions in N. Y. City with a continuous business existence of 125 years. The original bank dates from 1818, when the house was founded in Philadelphia. The New York office was opened in 1825, and the Boston office in 1844. The firm's present name dates from January, 1931, when the businesses of Brown Brothers & Co., Harriman Brothers & Co. and W. A. Harriman & Co., Inc., were combined. The New York, Philadelphia and Boston offices continue to conduct a complete domestic and foreign banking business.

In its early history, the bank was directed by the three younger sons of Alexander Brown, who was born in northern Ireland in 1764 and emigrated to Baltimore in 1800 with his oldest son, William, to engage in business as importers of Irish linen. A few years later Alexander Brown's younger sons completed their education in Yorkshire and came to America, while the oldest son went to Liverpool and formed his own firm, which later developed into the London private banking house of Brown, Shipley & Co.

Brown Brothers Harriman & Co. has always been a private bank. From its earliest days it has been engaged extensively in financing domestic and foreign trade and in serving the banking needs of American commerce and industry. The present partners include direct descendants of the founders and the bank, with present resources of over $160,000,000, continues to take an active part in its traditional field of commercial banking.

Edward Emmons Now With Reynolds & Co.

SYRACUSE, N. Y.—Edward L. Emmons has become associated with Reynolds & Co., State Tower Building. Mr. Emmons had been an individual dealer in Syracuse since 1910.

NASD Board To Meet; Will Discuss Wartime Economic Problems Of Securities Business

Board of Governors of the National Association of Securities Dealers, Inc., will hold its annual organization meeting in Chicago, Jan. 18-19, H. H. Dewar, Chairman, announced. Representing 2,300 brokers and dealers throughout the country, the 21 members of the Board will meet to discuss war-time economic problems of the securities industry, future plans for aiding in the Government's war financing campaigns, as well as the Association's 1943 program. NASD is the self-regulating instrument of the securities business to which the majority of brokers and dealers belong.

The meeting January 18 will be devoted to a review of activities in 1942. Officers for 1943 will be elected at the meeting the following day at which seven new governors also will be inducted into office. Retiring governors are:

H. H. Dewar, Dewar, Robertson & Pancoast, San Antonio, Texas; Robert W. Baird, The Wisconsin Company, Milwaukee, Wis.; B. Howell Griswold, Jr., Alex. Brown & Sons, Baltimore, Md.; William A. Fuller, William A. Fuller & Co., Chicago, Ill.; Laurence M. Marks, Laurence M. Marks & Co., New York, N. Y.; John A. Prescott, Wright, Snider Company, Kansas City, Mo.

In addition to election of a Chairman to succeed Mr. Dewar, the Board, on January 19, will elect Vice-Chairmen, the Treasurer, Chairman of the Finance Committee, and the Executive Director.

H. F. Reed Is V.-P. Of Hill, Thompson & Co.

Hill, Thompson & Co., Inc., 120 Broadway, New York City, announce that Harry F. Reed, formerly manager of the trading department of Hardy & Hardy, has been elected a Vice-President of the company. Mr. Reed is a director of the Security Traders Association of New York.

NY Curb Renominates Moffatt For President

Fred C. Moffatt, President pro tem of the New York Curb Exchange since July 1, 1942, when George P. Rea resigned from that office, has been renominated as chairman of the board of governors of the Exchange for a one-year term. The nominating committee, under the chairmanship of Harry A. Tracy, also designated candidates for the board of governors and trustees of the gratuity fund. Elections will be held on Feb. 8, 1943.

John S. McDermott, chairman of the public relations committee of the Exchange, was nominated as a class A member of the board of governors for a one-year term.

Nominees as class A members of the board of governors for a three-year term are Andrew Baird of Josephthal & Company, Philip W. Brown of Smith, Barney & Company, H. Lawrence Jones of Eastman, Dillon & Co., John A. Ludlow of J. A. Ludlow & Company, and Herbert G. Tully.

Nominated as class B governors for a two-year term were Paul L. Hughes of Gude, Winmill & Company, John F. Wark of Merrill Lynch, Pierce, Fenner & Beane, and John Whitney of Baker, Weeks & Harden.

Class B nominees for a three-year term are Casper C. deGersdorff of Harris, Upham & Company, Benjamin B. McAlpin, Jr. of Laird & Company, Albert G. Redpath of Auchincloss, Parker & Redpath, and William S. Wilson of Montgomery, Scott & Company.

George Herrel and Clarence L. Eckstein were nominated as trustees of the gratuity fund for a three-year term.

Mr. Moffatt has been a member of the Exchange since 1923 and served as President from 1935 until 1939.

Municipal Sec. Co. In Greensboro, N. C.

GREENSBORO, N. C.—Wiley A. Sykes and Etha G. Hall announce the formation of a partnership to conduct an investment securities business under the firm name of Municipal Securities Company, Guildford Building, as successors to the corporation of Bray Brothers Company. Both were formerly officers of the latter corporation which was established in 1890.

Am. Cyanamid Looks Good

The 5% cumulative preference stock of the American Cyanamid Company offers an attractive situation at the present time according to an interesting memorandum just issued by Bristol & Willett, 115 Broadway, New York City. Copies of this memorandum may be had from Bristol & Willett upon request.

Brown Co-Manager In Cgo.

CHICAGO, ILL. — Salomon Bros. & Hutzler announced that Harry Brown has been appointed co-manager of their Chicago office, 231 South La Salle Street. Mr. Brown has been with the firm in Chicago for many years.

REAL ESTATE SECURITIES

Record of Herald Square Building Since Reorganization Original $2,500,000 Mortgage Reduced To $1,530,000

Pursuant to a plan of reorganization covered by the execution of a Supplemental Trust Indenture, new first mortgage leasehold sinking fund income bonds were exchanged on a par for par basis for the old Herald Square Building first mortgage leasehold 6s. At the time of issuance of the new bonds, the original $2,500,000 mortgage had been reduced $471,000 to $2,029,000.

The Supplemental Indenture provided for interest at 3½% per annum, if earned, plus additional income interest up to but not exceeding 1½% per annum, if earned, until issue had been reduced to $1,000,000, thereafter annual interest up to 6% per annum from available net income. Sinking fund based on earnings is as follows: Until the issue is reduced to $1,000,000, net income up to $101,450 per annum shall be applied, first to interest up to 3½%, the remainder of the $101,450 to sinking fund for purchase and redemption of bonds, 40% of surplus above $101,450 used in an amount sufficient to pay additional income interest up to 1½%, then any residue of the 40% plus the other 60% to go into sinking fund for further purchase and redemption of bonds. After the issue is reduced to $1,000,000 available net income shall be applied, first to payment of 6% per annum interest on the bonds, the residue, if any, one-half for purchase and redemption of bonds, the other half for other corporate purposes.

From the date of the new indenture, March 1, 1936, through June, 1940, earnings from the property were sufficient to provide sinking funds for the retirement of $325,000 bonds, reducing the issue to $1,704,000, and to set aside a cash contingent reserve fund of $50,000.

In October, 1939, Rogers Peet & Co. vacated space formerly occupied by them in the main building and the old 2½-story structure immediately adjoining, operated as a unit. Annual rental paid by Rogers Peet & Co. was $100,000. The owners of the property were confronted with the problem of expending $40,000 to $50,000 to place the vacated space in a rentable condition which when ready could not produce rentals commensurate with the expenditure, and at best have an improvement adequate for the land covered; or to entirely demolish the old building and erect a larger and more modern structure.

Bondholders under date of Jan. 31, 1940, were advised of these facts, and further that it was the intention of the company to proceed with demolition and to erect a modern four-story structure with basement, stores on the ground floor and loft space or showrooms above. Construction work started March 1, 1940, and on Nov. 6, 1940, the new building was approved as complete by the City of New York, cost of demolition and construction amounting to $225,529.96. Payment was made by the use of the $50,000 cash contingent reserve fund and by the use of amounts available from earnings for sinking fund.

Sinking fund operations were resumed after construction costs were paid. Amounts available for sinking fund since have been as follows:

June 30, 1941	$19,204.55
Dec. 31, 1941	41,874.46
June 30, 1942	38,685.82

Retiring $174,000 in principal amount of bonds to reduce the issue to $1,530,000. The amount available as sinking fund for the period ended Dec. 31, 1942, is approximately $40,000 and will be used for further purchase and retirement of bonds. Total interest paid for 1942 amounted to $48.85 per $1,000 bond.

The bonds are secured by a direct first closed mortgage on the leasehold estate in the land (extending about 212 feet on Broadway, 197 feet on Sixth Avenue, 60 feet on 35th Street and 136 feet on 36th Street; comprising about 20,000 square feet) together with the buildings erected thereon. The main building is a 24-story structure of fireproof steel construction having a rentable area of approximately 280,000 square feet. The new four-story wing has a rentable area of about 40,000 square feet. These buildings are diagonally opposite the R. H. Macy & Co. corner at Herald Square.

The assessed valuation of the land and buildings is $4,080,000.

Twin City Traders Wednes. Round Table

MINNEAPOLIS, MINN.—The Twin City Bond Traders Club announces that it has just completed plans to hold regular luncheon meetings every Wednesday from 11:30 to 2:00 at Mrs. Jones Rand Tower Garden in a private room reserved for the Traders Club.

The hours have been arranged for flexibility to permit "staggering" of lunch time for men on the trading desk. There is no minimum charge—it is every man for himself.

Tomorrow's Markets Walter Whyte Says——

Bullish rail forecasts not convincing. Think rail market action gives better clue than impressive statistical array. Industrials still against offerings. Look for news to break market out of rut.

By *WALTER WHYTE*

As this goes to press the eyes of Wall Street are peeled on three things. The new Congress, the Rails and, in the background, the War. Of the first there are high hopes based on little more tangible than that a conservative Congress will put a stop to bureaucracy. Republican leader Joseph Martin has already announced, "We shall insist upon radical reduction of Government expenses." Then in the next breath adds, "—we shall respond promptly to every request for money needed for the prosecution of the war." So if anybody is laboring under the delusion that taxes will be reduced they are in for a rude awakening.

* * *

The rails as everybody in the Street knows have been step-children since back in 1930 or so. But now talk is gathering momentum that the group is finally about to emerge from its lonesomeness. One of the arguments presented is that the rails have finally achieved a favorable ratio between market price and property investment.

* * *

Total value of all classes of rail securities is now about $18,000,000,000. Investment in property account is now about $26,000,000,000. The assumption naturally being that buyers of rail securities at this time are not only getting actual value but are obtaining earning power for nothing. In line with this theory it can be shown that many rails are therefore selling at one or even less times earnings.

* * *

Seeing these, and more powerful arguments one is tempted to buy into what appears such a favorable situation. Unfortunately things in the market seldom work out so simply or so well.

* * *

Two and two make four any place in the world but in the market. There is a little thing called public psychology to consider. If anyone could figure out what makes a public fight to buy stocks selling for say 10 times earnings at one time, and makes the same public turn up its nose at the same stocks when available at say two times earnings, he would come a lot closer to profits than a close study of all the balance sheets and income statements could give him.

* * *

Of course you will say the public is no longer in the market, it's the all powerful "They" who do the real buying today. Yet the fact remains that unless these "Theys" find a public to whom they can sell their stocks, losses are inevitable. For after all is said potential buyers of securities never become more than potential unless they feel that sometime in the not too distant future they can sell their stocks for more than they paid. Even the investor who is interested in yield, rather than in market value, isn't totally disinterested in market possibilities. All this brings the problem of buying and selling down to the question of: What about the market?

* * *

At the end of 1942 the rail averages closed at 27.39. Up to the time this was written they managed to go up to 28.32. The high for 1942 was 29.28, low 23.31. For the past two and a half years the rails have made at least six attempts to push through a 29 to 31 range. Each time they have failed. Now they are again in the limelight for two reasons. The first was given above. The second is the importance most technicians give to what is called a confirmation of the Dow Theory.

* * *

According to this theory no bull market can be called that unless and until both averages (rails and industrials) confirm each other by moving into new high ground. The industrials have done so. The rails have not. You can see then how important it is, psychologically, for the rails to advance. But here I believe the wish becomes father to the thought. So all kinds of statistical arguments are trotted out to prove the rails must go up.

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Dick & Merle-Smith Admit

Allan B. Cook and John Melcher will be admitted to partnership in Dick & Merle-Smith, 30 Pine Street, New York City, members of the New York Stock Exchange, as of Jan. 14.

UP-TOWN AFTER 3

AROUND THE TOWN

Sonny Dunham, the band leader and virtuoso on the trombone and trumpet, opens at the **New Yorker Hotel** to an audience which goes slightly mad as it hears him give out. . . . **The Hartmans**, the funniest dancing team we have ever seen, open this Friday evening in the **Wedgewood Room** of the **Waldorf-Astoria.** Others on the same program will be **Tito Guizar, Carmen Cavellaro** and his orchestra and **Mischa Borr** and his rumba band. . . . **Betty Bryant** of the velvety voice opens at the East Side **Mon Paree** tonight. . . Now that everybody knows about this good-will business as applied to Latin America, night club owners have thought up a new one—now this good-will is to apply to North Africa. A couple of weeks ago a fancy bar and grill, all done up in silks and satins to look like an American's idea of what a sheik's tent should look like, called itself the **Casbah** and opened its doors—or is it flaps—to a no doubt panting public. And tonight another one opens. The latest to cash in on Yankee activity in the North African desert calls itself the **Algiers** and is at **23 West 8th Street.** Will report to you about it at some later date (if it's still around). . . . You'd think, with rationing and everything, night clubs and restaurants would have their hands full just in keeping open without new ones rushing in. So another place is scheduled to start business tonight. This one calls itself **The Cafe Maxim (744 East 55th)** and already brags about its "famed" French chef, Jean Haquenen. Run by Max Hirsch, its show will consist of a couple of girl singers, Nancy Donovan and Ruth Winton. The latter, according to the publicity man, is "a thrush with a different style"—whatever that means. Others on the program will be Muriel Burton, pianist; Tommy Bruno, violinist, and dance music by Lou Martini and his band.

Tomorrow's Markets Walter Whyte Says—

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I might add that I'm not impressed with either the arguments or the action of the rails. On the contrary the plethora of good rail forecasts in the face of the poor rail market action is far from a bullish sign. To me it is something entirely different.

* * *

Now for the industrials.

This column has been on record for the last two weeks to the effect that enough resistance was ahead to stop any additional advance. This has been seen. Resistance to advance also leads to other things. One is dullness. The other is decline. The first we are now witnessing. The second is still a possibility. As much of the present market is so completely dominated by developments in Washington and news from the fighting fronts it would be presumptious to give a definite opinion. The market shows by its hesitant action that it too is in doubt of near term developments. So until it breaks out of its trading range, one way or another, the advice to keep stops in the securities held by you must still apply.

* * *

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.]

RAILROAD SECURITIES

Late in December an Interstate Commerce Commission examiner brought forth a reorganization plan for Chicago, Indianapolis & Louisville (The Monon) which, if upheld by the Commission as a whole, will add further substantial proof to earlier signs that that body is determined that war-induced traffic and earnings booms are not to color reorganization procedure. The Monon, controlled by Louisville & Nashville and Southern, had had a particularly poor depression record, with operating costs not even covered in three of the ten years 1932-1941, inclusive. In more recent years, however, there has been growing evidence of more generous traffic interchange allotments from the parent companies and by 1940 the deficit had been reduced to nominal proportions. In that year the old fixed charges were 93% earned.

In each of the past two years operations have been conducted profitably with old fixed charges covered 1.54 times in 1941 and estimated coverage of about 1.75 times in 1942. Despite this sharp recovery, in the course of which cash has been built up to more than three times present annual fixed charges, the newly proposed reorganization contemplates that interest on even the new First Mortgage shall be contingent on earnings. Fixed charges are to be held to $163,000 or a reduction of about 90% from the old level.

Contingent charges would be held to around $1,025,000, of which $371,289 would be represented by interest on the new 1st Mortgage 4¼s and $353,563 by interest on the 2nd Mortgage 4½s. Ranking behind the 1st Mortgage interest but before 2nd Mortgage requirements there would be a sinking fund of $50,000 for the 1st Mortgage, and a capital fund equivalent to the greater of 2% of gross or $200,000. Following 2nd Mortgage bond interest there would be a sinking fund of $50,000 a year for that issue.

Under the plan, unsecured claims and the old equities would be eliminated as having no value. Nevertheless, recognition was given to the importance of continuing control of the properties by the present parent companies, and the essential nature of interchange traffic from the parent roads if operation of the properties is to be continued. In the twelve years through 1941 more than 20% of Monon's total traffic came from these sources.

There would be two classes of common outstanding — 337,613 shares of $25 par value Class "A" and 248,785 shares of no par Class "B". The latter would carry voting control. All of the Class "B" stock would be placed in a Voting Trust and 50% would be allocated to Louisville & Nashville and Southern conditionally. The voting trustee would have the power to distribute this stock to the parent companies, conditioned on satisfactory traffic interchange agreements. The parent companies would have to increase their traffic contribution to the reorganized company as well as bending their best efforts to promoting the business and traffic of the Monon. Naturally, the whole success of the reorganized property, and the potential earning power of the new securities, will depend largely on the cooperation of Southern and Louisville & Nashville along these lines. Lacking such cooperation it is doubtful if even the new 1st Mortgage could show any real or consistent earning power under normal conditions.

Even with the support of the two parent companies it is doubtful if the new common stocks would show earning power except under extraordinary conditions such as we are now experiencing. It is likely that they would sell at no more than nominal prices. Until the efficacy of any new traffic agreements had been proven, the contingent interest mortgage bonds would also presumably sell to reflect the past dreary earnings history of the properties. Prices of perhaps 40 for the 1st 4¼s and 25 for the 2nd 4½s would appear liberal at this time, and under present market conditions. On the basis of such estimated values, the various Monon bonds are obviously lacking in speculative appeal while still so remote from possible consummation of reorganization.

The following tabulation shows the allocation of new securities to outstanding bonds:

	1st 4¼s	2nd 4½s	"A" Com.	"B" Com.
Refunding 6s, 1947	$532.00	$500.00	$538.00	
Refunding 5s, 1947	500.00	470.00	505.00	
Refunding 4s, 1947	468.00	440.00	472.00	
1st & Gen. 5s, 1966	47.12	20.66	22.16	16.5 shs.
1st & Gen. 6s, 1966	50.73	22.22	23.86	17.8 shs.
Indianapolis & Louis. 4s, 1956	468.00	440.00	472.00	

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; Jan. 6 price—40⅜.

In preparing the Index, Seaboard Airline Railway 1st 4s of 1950 have been substituted for Wabash Railway 2nd 5s of 1939.

First State Corp. Officer

TOLEDO, OHIO — William W. Newman has been elected secretary-auditor of the First State Corporation, Edison Building.

Bank and Insurance Stocks

This Week — Insurance Stocks

By H. A. LEGGETT

In general, it is expected that the new year will bring greatly accelerated military action on the part of the United States and greatly enlarged civilian regulation.

How will these developments affect the Insurance Industry? No one can answer that question categorically but, perhaps, a few generalizations can be made. First, and most important, the insurance business will not be subject to rationing. Neither the product which it sells nor the ingredients which go into such product are subject to priorities or shortages, except for the man-power problem which is common to all. The personnel situation may or may not become acute depending upon the degree to which our mobilization is carried and the severity used in determining which industries are to be regarded as "non-essential." For the most part, the responsible personnel of an insurance company consists of mature men with dependents and, due to their long years of specializing in one field, there would appear to be little need or point in transferring them to other work.

The loss, particularly in clerical help and agency representatives, has already been considerable. However, the clerical force of an insurance company usually runs predominantly to girls and women, even under ordinary conditions, and thus will be less affected than most other businesses. In the production end, furthermore, it is not so much a matter of "selling" insurance at present as of servicing the business which is automatically available. This means hard work and long hours for the field forces and home office staffs but, at least, the task is not an impossible one.

The insurance business, of course, will be indirectly concerned with rationing and shortages in some cases as individual customers are affected by these things. Therefore, the expense factor and replacement costs will be higher but, on the other hand, the very fact that such materials and property have become increasingly precious means that the owners exercise greater care in using and servicing them. As values rise, the moral hazard becomes very small indeed. This applies both to labor and equipment. For example, workers recover from injuries so much quicker under the impetus of a pay check that greatly exceeds the compensation insurance payable.

Insurance underwriters, of course, are prepared for a considerable increase in burglary and fidelity losses but the tendency of the Government and the courts to regard such acts as sabotage, punishable almost as treason, may discourage most of those who might ordinarily be tempted to take a chance.

The automobile situation is unquestionably the most important, the most difficult and the most unpredictable element with which the insurance business has to contend. Prior to this year, nearly one-third of the premium income in both the fire and casualty fields was directly or indirectly connected with automobiles. In 1942, premium income held at a high level and losses were abnormally low. Most insurance men do not think that they will be equally forunate from here on. Due to curtailed mileage, rates have already been reduced and, as a contribution to the war effort, companies have let down the bars in regard to "ride-sharing" plans. Obviously, the profit margin will be much lower on this business.

In the fire-marine field, the over-all earnings for 1942 were the poorest in many years due to the heavy ocean marine losses of last spring. This development will tend to obscure the excellent results from straight fire insurance and the improvement in the automobile underwriting. During the year ahead, the mere operation of the law of averages would appear to indicate that the fire and automobile business will be less profitable but there will be no repetition of the ocean marine losses. Therefore, the total net underwriting profit should be considerably better than in 1942.

In the casualty-surety field, no one could expect an improvement in earnings during 1943, barring miracles, because these companies have just been through the most profitable period in their history. Taxation alone should serve to place a "ceiling" on profits from this point but the normal probabilities would also appear to point to higher loss ratios in most lines. However, these companies have been fortunate in being able to get several years' good earnings "under the belt" before the full impact of war-time taxes hit them. As a result, they have greatly strengthened their financial position and, what is equally important, have refined and perfected their rate-making technique and have eliminated some of the more hazardous lines.

To summarize, it seems a fair assumption that the fire-marine business will show improvement this year as compared with 1942. It could scarcely be otherwise. Similarly, it is a fair guess that the casualty-surety business will be less profitable. This, too, could

(Continued on page 59)

Investment Trusts

CATCHING UP ON THE NEWS

Much space has been devoted in investment company literature during recent weeks to the prospects for 1943. The discussions are stimulating, wide in range and, we believe, generally constructive.

Under the heading, "How Long A War?" Hugh W. Long & Co.'s "New York Letter" analyzes the arguments of the two main schools of thought on this all-important subject. While adhering to the viewpoint that the war will last two years more and probably longer, this sponsor cites the recent nation-wide survey which disclosed that about one-third of our people think the war will be over within a year. The reasoning of the "short-war" group is set forth and compared with the arguments of those who believe that we still have a long way to go.

* * *

"On Looking Ahead" is the title of Abstracts in which Lord, Abbett sizes up the prospects for 1943. The bulletin is written from the viewpoint of the investor and, after discussing the broad military, political and economic trends in progress, it sums up as follows:

"Our national belt has been tightened—and will be hitched still tighter before we're through. But the effects of the change-over to a war economy can now be measured; all doubts as to the vitality of American industry have been dispelled; its critics and would-be masters stand confused.

"And over and above all hangs the irrefutable fact that wars cost money—this one more than all the other wars of history combined. Despite higher taxes and more rigid controls some additional degree of inflation is inevitable. As to "How much?" or "How soon?" we doubt that anyone really knows.

"But there is one prediction which these basic underlying trends permit us to make with some assurance — that selected equities will prove increasingly more comfortable (and more profitable) than cash during the remainder of the war and the post-war reconstruction period."

The last two issues of National Securities & Research Corp.'s "Investment Timing" have been devoted to various aspects of the new year's problems. A careful analysis of "Tax Law Prospects for 1943" forms the body of one bulletin with the outlook for each type of corporate and individual tax catalogued in a handy table. The second discussion is entitled "1943 Outlook for Business and Securities."

A feature of this bulletin is the itemized presentation of earnings outlook for major industries. Division is made between "war," "peace" and "straddle" industries with gradings of Above Average, Average and Below Average. Five "war" industries are placed in the Above Average group, while none of the "peace" industries are given that rating.

National Securities & Research Corp. has issued to dealers a plain but instructive booklet bearing the title, "Investment Management." This booklet shows the functional arrangement of that sponsor's Economic and Investment Department and gives a brief resume of the qualifications of its executive personnel.

* * *

A recent issue of "Brevits" draws the comparison, "Pre-War versus Wartime Dividends," in the following terms:

"For the year 1939, the 30 industrial stocks which comprise the Dow-Jones Industrial-Share Average paid a total of $95.60 in dividends (on a per share basis). For the year 1942 on the same basis, these 30 industrial stocks paid a total of $97.10 in dividends. This concrete fact rather conclusively belies the idea, which has inspired such selling in recent years, that taxes and government controls would sharply curtail or eliminate corporate profits in war time.

"But because in some degree the idea has been widely held, selling has caused prices to decline with the result that while the rate of dividend payments is up slightly, stock prices as measured by the Dow-Jones Average are down from around 150-155 in December, 1939, to around 113-116 at present.

"The improvement in dividend payments indicated in the Dow-Jones Average comparison is confirmed on a broader scale by a comparison of dividend payments in the years 1939 and 1942 by Massachusetts Investors Trust (over 100 individual stocks) and by Boston Fund (some 60 individual stocks) as shown in the tabulation below:

Dividend Payments, 1939 and 1942

	First 3 Quarters 1939	1942
Massachusetts Investors Trust	53¢	61¢
Boston Fund *	42¢	48¢

* Three quarters of fiscal year beginning Feb. 1.

The latest folder by Hare's, Ltd. is entitled, "The Outlook for New York City Bank Stocks." Featured in this folder are two tabulations, one showing the number of savings banks holding shares of each of the larger American banks, and the second listing the number of trust companies and state banks, having savings departments, holding stock of the 15 representative New York City banks.

Municipal News & Notes

A proposal that Congress require Federal Reserve Banks to take over some of the "obligations of States and local subdivisions now confronted with decreased revenues" was made Jan. 3 by Chairman Patman (Dem., Texas) of the special House Committee on Small Business. Mr. Patman was quoted in Washington press reports as saying that States owed approximately $3,500,000,000 in outstanding obligations; counties, $2,600,000,000; cities, $10,000,000,000; school districts, $2,000,000,000, and other civil divisions, $2,000,000,000.

Mr. Patman said he was preparing for introduction soon a measure which would require Federal Reserve Banks to accept those obligations that became delinquent and pay for them at par and accrued interest, or at the fair market price or at some date prior to Pearl Harbor, whichever is the lowest.

Federal Reserve banks, according to report, would be required to hold these obligations until the war is over and for at least a definite period thereafter. The interest charge could not be in excess of one-eighth of 1% a year.

In a statement, he said that he was considering also a move to release revenue raised through the Federal gasoline tax to States and political subdivisions.

"Most political subdivisions have been affected by the war because of their reliance upon sales taxes and local gasoline taxes," he commented.

Patman estimated that 31% of the revenues of a State comes from sales taxes on motor fuel and general sales and another 15% from business and motor vehicle permits and licenses, both of which are seriously threatened by wartime conditions.

North Bergen, N. J., Has Surplus After Paying All Charges

A booklet containing pertinent facts concerning the progress of the Township of North Bergen, N. J., since its bonded indebtedness was refunded on May 15, 1941, has been prepared by Campbell, Phelps & Co., Inc., New York City.

"The present administration of the Township of North Bergen," says the booklet, "is imbued with the idea of conducting the affairs of the township along business lines; that is, it proposes to put into actual practice the most modern and efficient methods of procedure for running the municipal government that could possibly apply to any modern business.

"With this idea in view and after four years of preparation, the Township Commission proceeded to straighten out its financial entanglements by refunding its bonded indebtedness as of May 15, 1941. Serial bonds in the amount of $14,988,000 were issued, bearing interest at the rate of 3¾% per annum. These bonds matured from 1942 to 1967, inclusive, the last seven maturities (from 1961 to 1967, inclusive) amounting to $5,534,000, being made callable. The approving opinion of Hawkins, Delafield & Longfellow, New York bond attorneys, accompanies the bonds.

"The township is operating under the cash basis provision of the Budget Act, holds all inclusive tax sales annually, and is continuing its policy of foreclosing promptly on delinquent properties. As evidence of its business policy of conducting the affairs of the municipality properly, the Commission will close the year 1942 with all bills paid; all principal and interest on its bonded debt paid; all State and county taxes paid; and, in addition, will have a sizable cash surplus to carry over into the next year."

Offering of $516,000 Township 3¾% refunding bonds (non-callable) dated May 15, 1941, is being made by a banking group composed of Campbell, Phelps & Co., Inc.; Bioren & Co.; Paine, Webber, Jackson & Curtis; Fox, Reusch & Co.; Weil, Roth & Irving Co.; Suplee, Yeatman & Co.; McDougal & Condon, Inc., and Commerce Union Bank, Nashville. The bonds mature Dec. 1, 1950 to 1956, inclusive, and are priced to yield from 3.20% to 3.50%, according to maturity.

Tennessee Has $7,700,000 Debt Retirement Cushion

The Funding Board of the State of Tennessee, for the 11th consecutive month, has deposited in the State's sinking fund $700,000 per month more than the deposit required under the Debt Retirement Act, making a total "cushion" accumulation of $7,700,000 against possible shrinkages in the State gasoline tax and bridge tolls (the two revenues which bear most of the burden of nurturing Tennessee debt retirement program) under rationing of gasoline, according to a statement released at Nashville on Dec. 30 by Tennessee Taxpayers Association, 10-year-old fact-finding and recommendatory agency maintained by the citizenship of this State.

The Tennessee Taxpayers Association, quoting State authorities in the Tennessee Department of Finance and Taxation, adds that there is every indication that the Funding Board will make the $700,000 cushion deposit at the end of December, collections of gasoline tax and bridge tolls on Dec. 22 already assuring collections sufficient to permit the usual excess deposit.

Tennessee, while not included in the 17 States on or near the Eastern Seaboard in which gasoline has been rationed since July, nevertheless has had widespread voluntary rationing of gasoline, gasoline tax collections for the five months ended on Nov. 30 showing a decline of 11.2% below collections for the same five months in 1941. Yet the provident action of the State Funding Board now puts Tennessee in a position where it can see gasoline tax and bridge toll collections decline to 42% of last year's yield before any notable use would have to be made of the other State revenues pledged to debt retirement.

North Carolina May Invest In Own Bonds

The State of North Carolina plans to invest $20,000,000 of the expected general fund surplus of approximately $30,000,000 for fiscal year ending June 30, 1943, in its own bonds and United States Government obligations, according to a statement made Dec. 30 by State Treasurer Charles M. Johnson. Recommendation that such portion of the surplus be transformed into a post-war reserve fund has been urged by Mr. Johnson and Governor Broughton. The subject is scheduled to be considered by the General Assembly which is now in session.

The State, according to Mr. Johnson, is in the best financial condition of its history and is operating on a strictly cash basis. The gross bonded debt was reduced during the past year from $138,161,500 to $130,311,500. Sinking fund holdings increased from $19,362,281 to $20,472,499, the net State debt as of Dec. 31, 1942, of $109,839,000, reflecting a decline of $8,960,217.

"After the war is over, if not before," the Treasurer noted, "we may expect an economic and social problem of nation-wide scope—and we should begin now to meet this crisis when it comes." "By setitng up the contemplated post-war reserve fund," he added, "we will be able to carry on the normal functions of government, even though our revenues may sharply decline."

The State Treasurer also declared that he has recommended that legislation be enacted allowing local government units in the State to set up post-war reserves cushions by investing their year-end surpluses either in their own bonds or Federal instruments. They are required under existing laws to use surpluses for the reduction of taxes in the ensuing year. Although acknowledging that such procedure is good business in normal times, the Treasurer pointed out that at present practically all of the local units have much greater surpluses than they normally have and, for that reason, he has recommended that the law governing the use of these surpluses be amended.

Unless this is done, he said, local taxes will be reduced materially in most cases next year, but will certainly have to be raised the following year and further increased when war-induced restrictions on local capital expenditures are eliminated and at a time when the taxpayers will be less able to pay. Existing surpluses, he noted, resulted from the ability of local units to effect greater collections of delinquent taxes than at any time in the past few years and through curtailment of capital expenditures because of material shortages, although provision for such outlays had been made in budgets.

As regards the trend of local government indebtedness, the State Treasurer pointed out that this figure has shown continuous reduction and said that the total of local bonded debt on June 30, 1932, was $362,000,000. Despite the creation of $39,000,000 of new debt in the past 10 years, the aggregate amount outstanding on June 30, 1942, was $290,000,000, a net reduction in the decade of $72,000,000. On June 30, 1940, the total was $306,000,000, reflecting a net reduction in the last biennium of $16,000,000.

Ogle County, Ill., Reports Nearly 100% Tax Collections

The Treasurer of Ogle County, Ill., collected 99.4% of the county's 1942 real estate and personal property tax bill. This was described by the Municipal Finance Officers Association as a record "as nearly perfect as anyone is likely to get." All but $1,726 of a total tax bill of $1,094,527 was collected by Dec. 5, the end of the county's fiscal year. All that remains uncollected for the fiscal year is $55 in taxes on land, $396 on lots and $1,275 on personal property. The Treasurer used all legal means to force collections and in some instances had to "get tough" with many tax delinquents to set the record.

Major Sales Scheduled

January 16

$983,000 Orleans Levee District, La.

Proposed sale in December, 1941, was canceled because of poor market conditions. Previously, an award was made to R. W. Pressprich & Co., New York.

January 19

$500,000 Nashville, Tenn.

Previous award to Lazard Freres & Co. and associates, with Harriman Ripley account making the second high bid.

January 26

$7,900,000 Seattle, Wash.

John Nuveen & Co., account awarded previous loan, with Blair & Co., Inc., syndicate making next best bid.

February 1

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

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

Walter Marvin With Whitney, Goadby Co.

H. N. Whitney, Goadby & Co., 49 Wall Street, New York City, members of the New York Stock and Curb Exchanges, announce that Walter S. Marvin has become associated with the firm. Mr. Marvin was a former partner in the firm of Foster, Marvin & Co.

T. J. Knapp Partner In Montgomery Scott

Montgomery, Scott & Co. announce that Theodore J. Knapp, a member of the New York Stock Exchange, has been admitted to general partnership in their firm, as of Jan. 2, 1943.

Stritmater Pres. Of Dodge Securities Cp.

CLEVELAND, OHIO—J. M. Stritmater and R. S. Sheldon were elected President and Vice-President, respectively, of Dodge Securities Corporation, Terminal Tower.

HOW DID WE GET THIS WAY?

(Continued from first page)

When wasteful spending is disguised as a humanitarian program, hypocrisy is at its zenith. Idealists cannot use the mundane weapons of ward politicians without assuming their limp morality.

The campaign policy—"spend and spend and spend; and elect and elect and elect," and the renaissance of an older slogan, "unto the victors belongs the spoils," are possible only to those whose moral sense has been stunted and whose ego is so great that they believe that only with their guidance can mankind survive. They indicate a continuous attrition of ethical values.

These people, who simper like dandies in the distortioned mirror of their self-esteem, have illusions of personal omnipotence resulting from the hypertropy of self and which, developing into megalomania, gives them infinite confidence in their ability to unravel involved complexities without realizing the temerity of their undertaking. There is no arithmetic for measuring vanity; no moral brakes on self-aggrandizement.

Campaign oratory is the requiem of democracy. It is the most poisonous form of gas. Repudiated pledges and platforms are inimical to a republic. Apostates to truth, ignorant of their limitations, make a mockery of government. A mobocrat is not even as useful as an economic royalist.

As long as a nation does not lose faith in itself, and maintains its integrity by insisting upon the integrity of its servants—and no man in government is any more than a servant—it can remodel its institutions without danger. When it gives way to arid sentimentalism, hypocrisy, banalities, radicalism and mysticism; makes a fetish out of words and a symphony out of economic gibberish; accepts theories which cannot prove themselves in terms of reason or becomes infatuated with alien idealogies, suitable, perhaps, for other cultures, it retrogrades into an era of insecurity and decay and can only with great difficulty extricate itself from the morass of intrigue which is the concomitant of excessive political power.

The paradox of want amidst plenty is a phenomenon which continually baffles self-anointed reformers, who always neglect the essential preliminary of reforming themselves. They are invariably high priests of the worship of the voice with blatant neophytes who accept verbosity, a form of intellectual disguise, for wisdom. The logical explanation is beyond their understanding; they mistake the anomaly for the rule. They take coincidences as causes and build doctrines upon false inferences; doctrines which cannot be true, for they are absolute in their scope, while human affairs are conditional and relative; doctrines whose authenticity they endeavor to demonstrate by garrulity. They construct parties upon class interests; confuse dogmas with principles and attempt to baffle inquiry with the legerdemain of their peculiar idioms and their verbal hieroglyphics. They reason, if reasoning is possible to men who are intellectually incoherent and who think not by perceptions but by acoustics, as follows:

1. Capitalism has increased the total wealth or the facilities for producing goods.
2. Misery exists in the midst of plenty.
3. The system which produces the plenty is, therefore, responsible for the misery.
4. It must be destroyed so that misery can be eliminated.

What they are unable to understand is:

1. Capitalism has made it possible for more men to live; to live longer and to live better, although all men have not contributed equally to the

process. It alone is capable of producing an integrated economy by which to metabolize the social body.
2. The percentage of superior or talented men has not increased in proportion to the increase in population. The mediocre tend to reproduce themselves in proportion to their mediocrity, hence the derivation of the word "proleteriat" from the Latin.
3. In an industrial economy where the rewards of energy, enterprise, judgment and sagacity are the greatest, the penalties for folly, weakness, error and vice are the most severe.
4. The living phenomena of society must be interpreted in relation to facts. Matters of fact must take dominance over matters of feeling. Competition is a condition of existence. It is a method by which human values are elutriated.
5. Misery is largely the result of human ignorance. Most other reasons are myths which men invent to console themselves for failure.
6. Ignorance is a relative term, definable only in relation to total knowledge. Individual knowledge has not increased in proportion to total knowledge. Most men are afflicted with chronic mental anorexia. Literacy is not a test of intelligence nor loquacity a measure of wisdom. The imitative is a universal human attribute.
7. The ability to absorb knowledge has not increased in proportion to its totality or the facilities for its distribution. Intellectual development is not coextensive with life.
8. Economic conditions can, to a certain extent, be affected by social conditions, but in the long run social conditions are the result of economic and biological imperatives which are seldom fashioned in the image of man's hopes.
9. Social phenomena present themselves in complicated combinations. They are generally far removed from their causes. For this reason the diagnosis of social ills is far more difficult and onerous than is realized. A superficial view of any human event suggests causes which are not fundamental.
10. The ultimate solution, if there is one, of the problem of the "more abundant life" is primarily one for the biologist; secondarily for the economist and sociologist and utterly beyond the capacity of the politician, the welfare worker, and the social engineer, of whom it is always wise to suspect hyperbole in the recital of their qualifications.

Bank & Insurance Stocks

(Continued from page 54)

scarcely be otherwise. Despite these trends, profit margins in the latter field should continue to be higher than in the former. As to the investment situation, the fire companies run more to common stocks as a general rule while the casualty companies, due to the nature of their business, are obliged to adhere to a more conservative investment policy.

In any event, the outlook for the insurance business is by no means discouraging and may actually be bright, at least in comparison with those industries which will be severely curtailed or forced to suspend operations during the more concentrated phases of the war effort.

Pulis, Dowling Co., Curb Members, Formed

C. D. Pulis, R. E. Dowling, V. Alexander, R. E. Ewart, and L. C. Pulis announce the formation of Pulis, Dowling & Co., Members New York Curb Exchange. The firm will maintain offices at 25 Broad Street, New York City. Messrs. C. D. Pulis, Dowling and Alexander are general partners, while Messrs. Ewart and L. C. Pulis are limited partners.

Henry R. Schmitt, for many years with J. F. Reilly & Co., is now associated with Pulis, Dowling & Co. in charge of their trading department, and Stanley S. Moon, formerly with the Prudence Bonds Corporation and more recently with Sulzbacher, Granger & Co., has become associated with the firm as retail sales manager.

Laser Admits Hancock

SHELBY, OHIO — W. S. Hancock has been admitted to partnership with C. J. Laser, 53 West Main Street, and the firm is now doing business under the name of Laser and Hancock. Mr. Hancock has been associated with Mr. Laser for some time.

Ferris & Company Is Formed In Dallas

DALLAS, TEX.—John D. Ferris has formed Ferris & Company with offices in the First National Bank Building to act as dealers in stocks, bonds and oil royalties. Mr. Ferris was formerly manager of the corporate trading department of Garrett and Company, Inc.

Robbie Opens Firm In NY

Herman H. Robbie has formed the Financial Securities Trading Company with offices at 165 Broadway, New York City, to specialize in securities of finance companies and small loan securities. Mr. Robbie was formerly a partner in the dissolved firm of John J. Richardson & Co.

Chgo. Exchange Approves Application Of Jos. Hirsch

CHICAGO, ILL.—The Executive Committee of The Chicago Stock Exchange has approved the membership application of Joseph W. Hirsch, of Kebbon, McCormick & Co.

Three Chicago Men Become Blyth V.-Ps.

CHICAGO, ILL.—Alfred S. Wiltberger, Hiram H. Belding, Jr., and Robert B. McDowell, for many years associated with the Chicago office of Blyth & Co., Inc., 135 South La Salle Street, have been elected vice-presidents of the firm. Mr. Wiltberger, who has been in charge of the Syndicate Department in Chicago, was recently appointed resident manager.

Walter Scott Joins Lord, Abbett & Co.

Lord, Abbett & Co., Inc., 63 Wall Street, New York City, announce that Walter R. Scott, formerly with Hayden, Stone & Co., has become associated with them as Eastern wholesale representative.

Sellman Boston Manager For Spencer Trask & Co.

BOSTON, MASS. — Spencer Trask & Co., members of the New York and Boston Stock Exchanges, have announced the appointment of Frank H. Sellman as resident manager of their office, 50 Congress Street. Mr. Sellman has been acting manager and has been a member of the sales staff since 1924.

The Securities Salesman's Corner

ORGANIZATION, SOUND PLANNING; THE FOUNDATION FOR SUCCESS IN 1943

On all sides of us today, everyone is talking about planning. Planning for a better world, for winning the war, for creating jobs, and even for "Utopia." The opinion of this column is that fortunately in most instances the planning thus talked of consists of nothing much more than **talk** and that's about as far as it will go.

There is another kind of planning, however, that every sales organization and salesman can get his "teeth into." That kind of planning deals with conducting our own business in an orderly, constructive manner. It means, having a plan to do business. Not only to do business, but to fit constructive **"sales ideas"** into present conditions, so that the maximum rewards for our efforts can be attained.

If we were laying the plans for the year ahead for a sales organization in the securities business, here are a few things we would do—right off!

Call each salesman in to our desk and ask him point blank if he feels like putting all his time and effort into his job for the coming year. Ask him if he felt satisfied with the business and if he was willing to lay aside every other task but his job (in business hours) for the coming year. Men who were dissatisfied, part time desk warmers, chronic grumblers and those who were indifferent toward the securities business we'd politely advise to get a defense job. The country needs man power, it shouldn't be wasted. We'd rather have two good producers, even one, in our organization in 1943 than two dozen so-and-sos.

Next, we would plan our advertising and sales efforts to "get at our market." We'd base these plans on a survey of our market. If we were a municipal house, a firm specializing in rails, utilities or what have you, we'd check every available source of leads that looked promising **and then work out some sales ideas that would lift us out of the crowd.** A new approach to old problems, a new twist to answer investors' problems, a new service to help get business, a follow up plan to check leads and see that our sales force got the best 100% backing that we could give them—these and all the other creative, workable, hard hitting, sensible, sales plans that we could devise, we would set up as a **work table** for 1943.

Then we would turn the good old fashioned "power of work" upon these plans and by the best method of all, the application of will power, determination, and the proper use of constructive energy, we would **go to work.** We would work at selling securities, for a profit to our self and as a benefit to our country, as well as our customers and as a practical example of how to make the world a better place to live in.

Here's to your good luck, and good business in 1943.

Our Reporter's Report

(Continued from first page)

Government as a whole, but not in part, upon at least 45 days notice, at 104 on or prior to Jan. 15, 1946. Thereafter, to and including Jan. 15, 1949, the redemption price is 103 and to and including Jan. 15, 1951 it is 102, and thence to maturity at par with accrued interest in all cases.

The 15-year 3s, maturing in 1958 may be redeemed at the option of the issuer, as a whole, or in part, by lot at any time on 45 days notice at 104 until 1946, thereafter to Jan. 15, 1949 at 103; then until Jan. 15, 1952 at 102; until Jan. 15, 1955 at 101 and thereafter to maturity at par, also with accrued interest in all instances.

Dullness Still the Rule

The investment fraternity was not disposed to look for much in the way of revival in buyer interest during the current week, and it was indicated that the period would be quite as devoid of real activity as the holiday period.

Institutional interests, which constitute the bulk of the market these days, are not inclined to rush the reopening of their books, it was pointed out.

Such buyers, it was contended, usually like to spend the opening week of the new year in rechecking portfolios with a view to catching any possible oversights in previous inventory taking.

And, of course, with things as they are the interest of the rank and file of small public investors runs pretty much to war bonds of the Government.

Distributing the Burden

New York State's retiring Superintendent of Banks, Jackson S. Hutto, pointing to the need for "spreading the distribution of new Treasury securities more evenly throughout the country," cited some interesting data on the position of State banks. He noted, too, the change in the flow of funds growing out of war activities.

These institutions, he showed, have made loans in the amount of $1,144,000,000 to finance war industry in the year ended Oct. 31 last, sold $723,000,000 of war bonds and $3,290,000,000 of other types of Treasury obligations and since June 30, 1939 had added $3,317,000,000 of governments to their own accounts, more than doubling such holdings.

He showed that such banks, in the year ended Sept. 30 last, had added $1,673,000,000 of governments, even when deposits rose only $219,000,000 and cash accounts were declining $1,338,000,000.

Alfred Baker Admits Henderson And Wise

CHICAGO, ILL. — Alfred L. Baker & Co., 111 South La Salle Street, members of the New York and Chicago Stock Exchanges, announce that Thomas Henderson and John P. Wise, employees of the firm since 1916 and 1910 respectively, have been admitted to partnership.

Walter W. Crawford, a partner since 1928, is withdrawing from the firm "for the duration" to accept a position with a war production industry.

Calendar of New Security Flotations

OFFERINGS

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

Offered by Kalman & Co., Inc., at average price of 102.1073% and interest.

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, JAN. 7

SHERIDAN BELMONT HOTEL CO.

G. W. Rosseter and others as trustees under a voting trust have filed a registration statement with the SEC for voting trust certificates for 6,813 shares of common stock, no par value of Sheridan-Belmont Hotel Co.

Address—Address of trustees, Securities Service Corp., 310 South Michigan Ave., Chicago. Address of hotel, southwest corner of Sheridan Road and Belmont Ave., Chicago.

Business—Owns and operates an apartment hotel building.

Underwriting—No underwriting.

Offering—Registration of 6,813 certificates is on the assumption that all of the present holders of participating certificates will agree to the extension of the present trust agreement. If less than all of the holders of participating certificates consent, the trust agreement will apply only to those who do consent.

Purpose—For extension of voting trust agreement. The securities are presently subject to a trust agreement which expires April 1, 1943. It is proposed to extend the agreement to April 1, 1953.

Registration Statement No. 2-5074. Form F-1 (12-19-42).

SATURDAY, JAN. 9

GROUP SECURITIES, INC.

Group Securities, Inc., has filed a registration statement with SEC for 3,000,000 shares of capital stock of the par value of 1 cent per share. For registration purposes the aggregate amount of the proposed offering is placed at $21,900,000

Address—No. 1 Exchange Place, Jersey City, N. J.

Business—Investment trust.

Underwriting—Distributors Group, Inc., is named principal underwriter.

Offering—It is proposed to offer the 3,000,000 shares at prices based on fluctuating market prices and shares will be issued in the class or classes as selected by investors, such classes covering 20 different types of industry.

Proceeds—For investment.

Registration Statement No. 2-5075. Form A-1. (12-21-42)

SUNDAY, JAN. 10

GOVERNMENT OF THE DOMINION OF CANADA

Government of the Dominion of Canada has filed a registration statement with the SEC for $90,000,000 of bonds, consisting of $30,000,000 5-year 2½% bonds, due Jan. 15, 1948; $30,000,000 10-year 3% bonds, due Jan. 15, 1953, and $30,000,000 15-year 3% bonds, due Jan. 15, 1958. All bonds are dated Jan. 15, 1943.

Offering—The offering price to the public will be supplied by amendment. The underwriters propose to offer the $90,000,000 face amount of bonds in part directly to the public at the public offering prices and accrued interest and the balance to dealers at the public offering price and accrued interest less a concession the amount of which will be supplied by amendment.

Proceeds—The proceeds to be received by the Government from the sale of the bonds, together with funds from the Treasury, are to be applied to the redemption of $100,000,000 face amount of the Dominion's 30-year 5% bonds dated May 1, 1922, due May 1, 1952. These bonds will be called for redemption on or about March 15, 1943, at the principal amount thereof together with accrued interest to date of redemption. Such accrued interest will be paid from funds held by the Treasury of the Dominion.

In the prospectus all amounts are expressed in Canadian dollars unless otherwise specified, conversion of pounds sterling into Canadian dollars being made at the rate of one pound equals $4.86⅔ and of U. S. dollars into Canadian dollars at $1 U. S. equals $1 Canadian. The bonds are to be direct obligations of the Government of the Dominion of Canada, and are to be issued under "The Loan Act, 1942." Principal and interest will be payable at the agency of the Bank of Montreal in New York, in such coin or currency of the United States as at the time of payment is legal tender for public and private debts. The principal of and interest on these bonds will be free from deduction for all present and future taxes imposed by the Government, except when the bonds or coupons, as the case may be, are beneficially owned by any person residing in or ordinarily a resident of the Dominion of Canada.

The bonds are not to be secured and no sinking fund is to be provided for the amortization or retirement thereof. Dominion will make application to list bonds on the New York Stock Exchange.

Underwriters—The names of the underwriters, with the principal amount underwritten, the amount being the same for each of the three issues, are as follows:

Morgan, Stanley & Co., $1,675,000; A. C. Allyn & Co., Inc., $150,000; Almstedt Brothers, $35,000; A. E. Ames & Co., Inc., $900,000; F. B. Ashplant & Co., $250,000; Auchincloss, Parker & Redpath, $50,000; Bacon, Whipple & Co., $125,000; Baker, Watts & Co., $75,000; Baker, Weeks & Harden, $50,000; Bear, Stearns & Co., $50,000; A. G. Becker & Co., Inc., $150,000; Biddle, Whelen & Co., $35,000; Blair & Co., Inc., $200,000; Blair, Bonner & Co., $125,000; Blyth & Co., Inc., $900,000; Bodell & Co., Inc., $50,000; Boettcher & Co., $35,000; Bosworth, Chanute, Loughridge & Co., $35,000; Alex. Brown & Sons, $150,000; Burns, Potter & Co., $35,000; Butcher & Sherrerd, $35,000; Central Republic Co. (Inc.), $150,000; E. W. Clark & Co., $125,000; Clark, Dodge & Co., $300,000; Coffin & Burr, Inc., $125,000; Curtiss, House & Co., $35,000; J. M. Dain & Co., $35,000; Paul H. Davis & Co., $35,000; R. L. Day & Co., $75,000; Dick-Merle-Smith, $125,000.

Dillon, Read & Co., $1,400,000; Dominick & Dominick, $300,000; Dominion Securities Corp., $900,000; Drexel & Co., $500,000; Francis I. du Pont & Co., $50,000; Eastman, Dillon & Co., $300,000; Elkins, Morris & Co., $50,000; Equitable Securities Corp., $100,000; Estabrook & Co., $250,000; Fahey, Clark & Co., $35,000; Farwell, Chapman & Co., $35,000; Ferris & Hardgrove, $35,000; Field, Richards & Co., $35,000.

First Boston Corp., $1,400,000; First of Michigan Corp., $100,000; Folger, Nolan & Co., $50,000; Robert Garrett & Sons, $35,000; Glore, Forgan & Co., $300,000; Goldman, Sachs & Co., $500,000; Graham, Parsons & Co., $125,000; Green, Ellis & Anderson, $50,000; Hallgarten & Co., $175,000.

Harriman Ripley & Co., Inc., $1,200,000; Harris, Hall & Co. (Inc.), $250,000; Hawley, Shepard & Co., $50,000; Hayden, Miller & Co., $125,000; Hayden, Stone & Co., $200,000; Hemphill, Noyes & Co., $300,000; J. J. B. Hilliard & Son, $50,000; Hornblower & Weeks, $300,000; W. E. Hutton & Co., $300,000; Illinois Co. of Chicago, $125,000; Janney & Co., $35,000; Kalman & Co., Inc., $50,000; Kean, Taylor & Co., $75,000; Kebbon, McCormick & Co., $75,000; A. M. Kidder & Co., $50,000; Kidder, Peabody & Co., $800,000; Kirkpatrick-Pettis Co., $35,000.

Kuhn, Loeb & Co., $1,400,000; Laird, Bissell & Meeds, $50,000; W. C. Langley & Co., $125,000; Lazard Freres & Co., $500,000; Lee Higginson Corp., $500,000; Carl M. Loeb, Rhoades & Co., $75,000; Mackubin, Legg & Co., $35,000; Laurence M. Marks & Co., $150,000; Mason-Hagan, Inc., $35,000; A. E. Masten & Co., $50,000; McDonald-Coolidge & Co., $100,000; McLeod, Young, Weir, Inc., $400,000; McMaster, Hutchinson & Co., $35,000.

Mellon Securities Corp., $800,000; Merrill Lynch, Pierce, Fenner & Beane, $250,000; Merrill, Turben & Co., $50,000; Milwaukee Co., $50,000; Moore, Leonard & Lynch, $75,000; F. S. Moseley & Co., $300,000; Maynard H. Murch & Co., $35,000; W. H. Newbold's Son & Co., $75,000; Newton, Abbe & Co., $50,000; Ohio Co., $50,000; Paine, Webber, Jackson & Curtis, $300,000; Parrish & Co., $35,000; Arthur Perry & Co., Inc., $75,000; Phelps, Fenn & Co., $100,000; Piper, Jaffray & Hopwood, $35,000.

R. W. Pressprich & Co., $175,000; Putnam & Co., $50,000; Reynolds & Co., $75,000; Riter & Co., $125,000; E. H. Rollins & Sons, Inc., $300,000; L. F. Rothschild & Co., $150,000; Salomon Bros. & Hutzler, $300,000; Gordon Saunder Co., $100,000; Schoellkopf, Hutton & Pomeroy, Inc., $100,000; Schwabacher & Co., $50,000; Scott & Stringfellow, $50,000; Chas. W. Scranton & Co., $50,000; Shields & Co., $250,000; Singer, Deane & Scribner, $75,000.

Smith, Barney & Co., $1,200,000; Starkweather & Co., $100,000; Stein Bros & Boyce, $50,000; Stern Bros. & Co., $75,000; Stillman, Maynard & Co., $75,000; Stone & Webster and Blodget, Inc., $300,000; Stroud & Co., Inc., $50,000; Swiss American Corp., $75,000; Spencer Trask & Co., $200,000; Tucker, Anthony & Co., $250,000.

Union Securities Corp., $500,000; G. H. Walker & Co., $100,000; Watling, Lerchen & Co., $35,000; Weeden & Co., $35,000; Wells-Dickey Co., $100,000; Wertheim & Co., $100,000; White, Weld & Co., $500,000; Whiting, Weeks & Stubbs, Inc., $125,000; Wisconsin Co., $300,000; Dean Witter & Co., $200,000; Wood, Gundy & Co., Inc., $900,000; Wood, Struthers & Co., $250,000; Yarnall & Co., $35,000.

Registration Statement No. 2-5081. Form schedule B. (1-4-43)

TUESDAY, JAN. 12

PUBLIC SERVICE CO. OF NEW HAMPSHIRE

Public Service Co. of New Hampshire has filed a registration statement with the SEC for $22,000,000 first and general mortgage bonds, series A 3¼% to be dated Jan. 1, 1943, maturing Jan. 1, 1973.

Address—1087 Elm St., Manchester, N. H.

Business—Company is engaged principally in the generation of electric energy and its transmission, distribution and sale to about 78,300 domestic, commercial, industrial, agricultural and municipal customers in New Hampshire and Vermont. It also manufactures and distributes gas.

Underwriting—To be supplied by post-effective amendment.

Offering—Company proposes to sell the bonds at competitive bidding pursuant to the rules of the Commission. Contemporaneously with the issuance of the bonds, company will issue and sell 3,284 shares of its common stock, no par value, to New England Public Service Co., parent of the company, at a price of $60 per share flat or $197,040, and will issue and sell $2,500,000 face amount of its unsecured notes at private sale to financial institutions.

Proceeds—The aggregate net proceeds of said bonds, notes and common stock will be used to pay principal, premium and 30 days' interest in the redemption of all of the company's first mortgage bonds aggregating $18,929,000 face amount, to pay off bank loans totaling $1,000,000, to purchase from Twin State Gas & Electric Co. the utility properties and other assets of its New Hampshire division $4,281,897, to purchase certain assets from New England Public Service Co. $197,080 and other corporate purposes. All companies are subsidiaries of NEPSCO and transactions are the second step in the proposed simplification of NEPSCO. First step was the recently consummated merger of Cumberland County Power & Light Co. with Central Maine Power Co. Third step contemplates the acquisition by Central Vermont Public Service Co., also a subsidiary of NEPSCO, of the remainder of the assets of Twin State located in Vermont by merger.

Registration Statement No. 2-5076. Form A-2. (12-24-42)

SATURDAY, JAN. 16

PUGET SOUND POWER & LIGHT CO.

Puget Sound Power & Light Co. has filed a registration statement with the SEC for $52,000,000 first mortgage bonds series due Dec. 1, 1972, and $8,000,000 debentures due Dec. 1, 1951. The interest rates will be supplied by amendment.

Address—860 Stuart Building, Seattle, Wash.

Business—Applicant's properties consist, generally speaking, of electric, gas, steam heat and telephone utility properties located in the central and western portions of the State of Washington. It is engaged principally in the business of generating, transmitting, distributing and selling electric energy in all or parts of 19 counties in the western and central portions of the State of Washington, comprising approximately 4,500 square miles.

Underwriting—Names of underwriters will be supplied by post-effective amendment. The company proposes to sell both the bonds and debentures at competitive bidding. The invitation for bids will provide that each bid covering the bonds shall specify the coupon rate (which shall be a multiple of ¼%) and the price to be paid to the company for the bonds; and each bid covering the debentures shall specify the coupon rate (which shall be a multiple of ⅛%) and the price to be paid to the company.

Offering—The offering price to the public will be supplied by post-effective amendment.

Proceeds—Net proceeds from the sale of the new bonds and the new debentures, together with general funds of the company, are to be used for: Redemption of the old bonds, series A, in the face amount of $36,039,500 at 101½%, or $36,580,093; redemption of the old bonds, series C, in face amount of $8,850,000 at 102%, or $9,027,000, and redemption of old bonds, series D, in face amount of $13,995,000 at 102%, or $14,274,900, or grand total of $59,881,993. There is pending before the SEC an application under Section 11 (e) of the Public Utility Holding Company Act of 1935, by Engineers Public Service Co.—parent company—to which Puget joined as a party, for the approval of a plan for recapitalization of Puget. This plan, if approved, would reduce the percentage of voting power of Puget owned by Engineers from 77.4% to 1.8%. Engineers has been ordered by the Commission to dispose of its entire interest in the company. Engineers has advised Puget that it intends to comply with this order as soon as it can do so.

Registration Statement No. 2-5077. Form A-2. (12-28-42).

SUNDAY, JAN. 17

DEERFIELD PACKING CORP.

Deerfield Packing Corp. has filed a registration statement with the SEC for $1,250,000 5% sinking fund debentures due Dec. 1, 1954, and 47,215 shares of common stock, without par value. Of the stock registered, 35,715 shares will be reserved for issuance upon exercise of conversion rights with respect to the debentures, and the remaining 11,500 shares will be offered for sale. Company states that it is possible that due to future adjustments in the conversion price, not now anticipated, more than 35,715 shares will be required for issuance upon exercise of conversion rights, and it is intended that present statement shall cover, such additional shares, of any, as may be required for issuance upon exercise of the conversion rights.

Address—Bridgeton, N. J.

Business—Company is engaged primarily in the manufacture of quick-frozen vegetables. The major portion of its frozen products is quick-frozen by the Birdseye process, but the company has developed and uses other processes for quick-freezing for customers who require large packages of frozen vegetables or loose frozen commodities.

Offering—Offering price to the public of the debentures and shares of common stock will be furnished by amendment.

Underwriting—E. H. Rollins & Sons, Inc., is principal underwriter for the debentures with others to be named by amendment. E. H. Rollins & Sons, Inc., is named underwriter for the common stock.

Proceeds—About $487,000 of the net proceeds from the sale of the debentures and common stock are to be used to discharge the balance of $480,000 due on a bank loan in the amount of $600,000, together with accrued interest and premium thereon. Balance are to be added to the company's general funds.

Registration Statement No. 2-5078. Form A-2. (12-29-42)

PINEHURST, INC.

Pinehurst, Inc., has filed a registration statement with the SEC for $250,000 first mortgage 5% bonds, due May 1, 1953.

Address—Pinehurst, N. C.

Business—Operation of a winter resort.

Offering—Pinehurst, Inc., is offering to the holders of its 6% first mortgage gold bonds due May 1, 1943, the opportunity to exchange their bonds, plus accrued interest, for first mortgage 5% bonds now registered. Exchange basis is for a like principal amount of the bonds to be offered, with adjustment in cash for accrued interest. The plan will become operative when and if, prior to May 1, 1943, holders of substantially all of the bonds of the company due May 1, 1943, shall have filed agreements, but the company reserves the right in its discretion to declare the plan operative prior to May 1, 1943, upon receipt of agreements which it may deem acceptable to it. Company reserves the right to offer for sale for cash at not less than 100% of face amount, plus accrued interest, such portion of the bonds to be offered under registration statement as may not be accepted by the holders of the old bonds. At May 31, 1942, there were $236,000 of old bonds outstanding.

Underwriting—Company has not entered into any agreement providing a first commitment for the purchase of the first mortgage 5% bonds. It will, however, enter into an agreement with Mackubin, Legg & Co., Baltimore, who may be underwriters whereby the underwriters who have aided in preparing the exchange offer and plan will use their best efforts in obtaining agreements of exchange, including the obtaining of services of other dealers, for which they will be compensated.

Proceeds—To redeem old 6% first mortgage bonds and for general funds.

Registration Statement No. 2-5079. Form A-2. (12-29-42)

NORTHWEST PUBLICATIONS, INC.

Northwest Publications, Inc., has filed a registration statement with SEC for $382,500 5½% subordinated debentures, due Dec. 1, 1957.

Address—55-63 East Fourth St., St. Paul, Minn.

Business—Engaged in the publication of newspapers in the cities of St. Paul and Duluth, Minn.

Offering—Under the plan of recapitalization the corporation offers a 5½% debenture in the face amount of $100 for each share of its 3,825 outstanding shares of first preferred stock together with all rights to dividends accruing thereon after Dec. 1, 1942. Under the plan of recapitalization, the holders of first preferred may deposit their exchange agreements prior to March 15, 1943, or such later date as may be determined by the corporation, but not beyond May 15, 1943. The plan shall become effective automatically, when holders of 80% of face amount of first preferred deposit their exchange agreements, or by declaration by the corporation, at its option, upon receipt of exchange agreements covering less than such 80%.

Underwriting—The corporation has not entered into any agreement providing a firm commitment for the purchase of subordinated debentures. It has entered into an agreement with Kalman & Co., Inc., Wells-Dickey Co. and Harold E. Wood & Co. to act as dealer-managers. They are to use their best efforts for a period of 60 days following the effective date of the registration statement to effectuate exchange of the securities registered for the corporation's outstanding first preferred stock.

Proceeds—Plan of recapitalization.

Registration Statement No. 2-5080. Form A-2. (12-29-42)

DEALER BRIEFS

Philadelphia, Pa.

We used to sit around and damn the administration—now we get out and hustle for business. We find the latter course pays better dividends. Customers are willing to buy securities that give them a hedge against possible inflation.—*G. H. Williams, Kennedy & Co.*

Walter Sullivan With Carl M. Loeb, Rhoades

Walter E. Sullivan, formerly manager of the investment department of Elder & Company, has become associated with Carl M. Loeb, Rhoades & Co., 61 Broadway, New York City, members of the New York Stock Exchange and other leading exchanges.

No Common Sense Ration

Putnam & Co., 6 Central Row, Hartford, Conn., members of the New York Stock Exchange, have issued the firm's January Bulletin entitled "There's No Rationing of Common Sense," in which Mr. Putnam makes a suggestion of importance at the present time to all holders of securities. Copies of the Bulletin may be had from Putnam & Co., upon request.

To Be NYSE Members

With the acquisition of a New York Stock Exchange membership by Milton R. Katzenberg, from Harold Fitzgerald, Jacob Stern & Sons, 100 Gold Street, New York City, will become members of the Exchange. Partners of the firm, which deals in hides and leather, are: Milton R. Katzenberg, Lucien Katzenberg, Lucien Katzenberg, Jr., and William R. Katzenberg.

McLaughlin, Baird & Reuss Opens In NY

Announcement is made of the formation of the firm of McLaughlin, Baird & Reuss, members of the New York Stock Exchange, to transact a bond brokerage business specializing in railroad securities, with offices at 1 Wall Street, New York. The new firm consists of John F. McLaughlin, for the past 20 years with A. M. Kidder & Co.; Harold S. Baird, Exchange member, Gordon H. Ullrich, W. Wendell Reuss, specialist on railroad reorganization bonds, and Frank J. Brady, all formerly with Townsend, Graff & Co., and Alvin J. Delaire, formerly of W. S. Sagar & Co.

Formation of the firm was previously reported in the "Financial Chronicle" of Dec. 24, 1942.

Woodward To Manage Pyne-Kendall Branch

Pyne, Kendall & Hollister-Reynolds, Fish & Co., announce that Richard H. Woodward, Jr., is now associated with them as manager of their branch office at 522 Fifth Avenue.

After receiving an honorable discharge from the United States Navy as a lieutenant (j. g.) in August, 1919, Mr. Woodward joined Merrill, Lynch & Co. as a security salesman. He later became manager of the firm's uptown office and subsequently was admitted to general partnership. From Feb. 1, 1930, to May 1, 1938, he was resident partner of the uptown office of E. A. Pierce & Co. Mr. Woodward joined Fuller, Rodney & Co. in September, 1940, and remained with them and their successor firm, Merrill Lynch, Pierce, Fenner & Beane until Jan. 4, 1942.

Adams & Peck Admits Calvin Dale As Partner

Adams & Peck announce that E. Stuart Peck who has been a general partner of the firm has become a limited partner. The firm also announces that Calvin D. Dale, who has been associated with them for many years in charge of the stock department, has been admitted as a partner.

Howard & Robt. Snyder With John P. Witt Co.

CLEVELAND, OHIO—Robert W. Snyder, member of the Cleveland Stock Exchange, and Howard E. Snyder have become associated with John P. Witt & Co., Union Commerce Building, Cleveland Exchange firm. Both were formerly partners in the recently dissolved firm of W. S. Snyder & Co.

B'way Motors Bldg. Corp. Currently Attractive

The First Leasehold Fixed and Cumulative Income 4-6s due Feb. 1, 1948, of the Broadway Motors Building Corporation (General Motors Building) offer attractive possibilities according to a memorandum just issued by Seligman, Lubetkin & Co., Inc., 30 Broad Street, New York City. Copies of the memorandum describing the situation in detail may be had upon request from Seligman, Lubetkin & Co.

W. T. Childs Urged As Baltimore Comptroller

BALTIMORE, MD.—William T. Childs, Sr., partner in Stein Bros. & Boyce, Baltimore investment banking firm, is being considered for the post of City Comptroller on the Democratic ticket in the spring election.

The post became vacant some weeks ago upon the death of R. Walter Graham who was then serving his fifth consecutive term. Filling this place on the ticket is regarded as an extremely difficult task since it is considered difficult to find available a candidate with the experience and competence that Mr. Graham brought to the office.

Mr. Childs served the City for six years as Deputy Comptroller, his work dealing largely with municipal, fiscal and accounting problems. James F. Thrift, then Comptroller, instituted a budget system, created a purchasing department and established an insurance fund. It was Mr. Childs' duty to work out the details of the plans and supervise their successful carrying out. Mr. Childs resigned his city post after six years and entered the banking business. For the past sixteen years he has been a partner in Stein Bros. & Boyce.

G. Caplan & A. Feuer With J. R. Williston

J. R. Williston & Co., members New York Stock Exchange, announce that they have opened a branch office at 1 East 57th Street, New York City, under the management of Paul Forester.

The same firm also announces the establishment of a public utility department at their main office, 115 Broadway, New York, under the direction of Gabriel Caplan, formerly of Hettleman & Co. A. J. Feuer, formerly with Ernst & Co., will be associated with Mr. Caplan in this department.

Opening of J. R. Williston & Co.'s up-town branch was reported in the "Financial Chronicle" of Dec. 31, 1942.

Technicolor Looks Good

The outlook for Technicolor, Inc., as a specialty speculation is unusually attractive at the present time, according to a memorandum issued by E. F. Hutton & Company, 61 Broadway, New York City, members of the New York Stock Exchange and other leading national exchanges. Copies of this interesting memorandum may be had from the firm upon request.

Our Reporter On "Governments"

(Continued from first page)

The old "on tap" 2½s of 1967/62 are selling around 100 11/32. . . . They're available only in registered form until May 5, 1952. . . .

Commercial banks are barred from holding either issue of 2½s. . . . Savings banks and others can buy whatever amounts they wish. . . .

Look at that differential. . . . Study it, particularly if your portfolio is in the non-banking classification. . . . The difference is ¼ point. . . . The premium favors the longer-term bond. . . .

The only disadvantage of the old 2½s is the fact that they are only registered bonds. . . .

Is the escape from registration worth nearly ¼ point—say, to an insurance company or savings bank or large corporation not interested in in-and-out trading? . . . Is the higher price justified on an issue due in 1968 instead of 1967, callable in 1963 instead of in 1962? . . .

Figure it out for yourself, guiding yourself by your own requirements. . . . But, objectively speaking, the answer is no—it's not worth ¼ point. . . .

Either the old 2½s must rise a bit or the new 2½s must slide back to fall in line. . . . Registration isn't that much of a drawback to too many investors once they notice the odd differential (caused by concentration on the December basket, the popularity of the issue, the dominance of coupon holders). . . .

Savings bank managers, particularly, may be interested in this switch for a better price position. . . .

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.

NEW YORK, N. Y.—**Charles M. Litzel**, formerly with Estabrook & Co., has become associated with **Hardy & Co.**, 30 Broad Street.

NEW YORK, N. Y.—**Milton Traubner** has been appointed associate manager of the 2291 Broadway branch office of **Hirsch, Lilienthal & Co.**

(Special to The Financial Chronicle)

CHICAGO, ILL.—**Fred B. McCoy** has become affiliated with **F. S. Moseley & Co.**, Field Building. Mr. McCoy was formerly with Shearson, Hammill & Co. and prior thereto for many years with Winthrop, Mitchell & Co.

(Special to The Financial Chronicle)

CLEVELAND, OHIO—**William E. Baker** has become associated with **M. A. Cayne & Co.**, Fidelity Building. Mr. Baker was previously with Borton & Borton, Inc., P. E. Kline, Inc., and Jackson & Curtis.

Jos. King Exec. V.-P. Of Union Securities

Union Securities Corporation, 65 Broadway, New York City, has announced the election of Joseph H. King, as Executive Vice-President. Mr. King has been an officer of Union Securities Corporation since its formation in 1938 by Tri-Continental Corporation and Selected Industries Incorporated. He is a governor of the Bond Club of New York. Prior to the creation of Union Securities Corporation Mr. King was head of the bond department of J. & W. Seligman & Co. He had previously, after attending Columbia University, been with Peabody, Smith & Co., and the Guardian Detroit Company.

Auerbach, Pollak Co. Admits O. V. Hedberg

O. Viking Hedberg, member of the New York Stock Exchange, became a partner in Auerbach, Pollak & Richardson, New York Exchange member firm, 30 Broad Street, New York City, on Jan. 1st.

John Hone Auerbach withdrew from partnership in the firm on Dec. 31st, on which date the privilege of Walter G. Pollak to act as alternate for him on the floor of the Exchange was withdrawn.

J. O. Barnes, Others Join Crouter Bodine

PHILADELPHIA, PA.—Crouter Bodine & Gill, Packard Building, members of the New York and Philadelphia Stock Exchanges, announce the association with them of Joseph O. Barnes, Eli Kindig, Jr., Charles E. Pancoast, 2nd, and Clarence S. Mansfield. Mr. Barnes was formerly a partner in Barnes & Price.

Roy Hawk In Athens

ATHENS, OHIO—Roy E. Hawk is engaging in a general securities business from offices in the Cline Building. Mr. Hawk was formerly local manager for George T. Lennon & Co. of Columbus.