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MARKET'S report  

Dealers report a fair amount of day-to-day business going through their hands, but only by a lack of willingness on the part of sellers.

Such offerings as come into the market can be put away very easily, it is reported. At the same time, however, buyers are still distressed to bid up for bonds in order to obtain their needs.

Consequently the market is moving along on a fairly even keel, with buyers willing to accept good grade bonds when they are available within a rather well-defined price and yield range.

That institutional investment interests are not concerned over the current situation in the money market is evidenced in saying, judging by the absence of any apparent nervousness on that score.

A few short years back, the situation which now prevails in excess reserves in the New York area, which well have caused considerable uneasiness and perhaps a bit of nervous strain.

But currently it is recognized that the present fall in such free reserves in recent months is a consequence of the Government's war financing, and not necessarily

(Continued on page 660)


Proposed Bill Would Ease SEC Rules On Security Issues

A bill will be introduced in the next two weeks by Representative Lyle Boren (Dem., Okla.), a member of the House Interstate Commerce Committee, intended to simplify and clarify Securities and Exchange procedure in the issuance of securities and to speed SEC regulatory machinery.

Mr. Boren will introduce the battle for revision of SEC operations led in the last session of Congress by Representative Wadsworth (Rep., N. Y.), and it is anticipated that a special subcommittee of the Interstate Commerce Committee will be appointed to study the matter. Mr. Wadsworth has already introduced a bill to restrain SEC power in municipal bond issues and stated that he planned to reintroduce the Wadsworth bill if Mr. Wadsworth himself did not present it again.

One of the most important things to be done is to eliminate duplication in the enormous amount of material which the SEC requires to be filed as part of registration statements before granting permission for issuance of securities and to reduce the expense involved in preparing data, and it is stipulated that:

"The Commission shall promptly reveiw registration statements and applicable rules and regulations so as to require in the prospectus only such information as it shall find material and necessary to enable the average investor to form a prudent judgment with respect to the security to which the prospectus relates, and in the supplementary statement only such additional information as is necessary to satisfy the requirements..."  

Under the terms of the bill, the seventh day after filing with the SEC rather than the 20th day, as at present, would be the effective date of a registration statement. Also, the time in which the SEC is authorized to refuse to permit a registration statement to become effective by instituting a proceeding would be reduced from 10 to five days. All transactions on national securities exchanges would be exempt from both the registration and prospectus provisions of the Securities Exchange Act. The SEC would also be given power to permit omission of information from particular registration statements.

The SEC has admitted that certain reforms should be made in procedure, but it has taken exception to the particular methods suggested in Congress, according to testimony taken in previous hearings.

Many of the proposed reforms resulted from the long series of contacts between the SEC and representatives of the securities business during 1940 and 1941.

Mr. Boren is also preparing a bill to define the SEC's powers with regard to proxies over which there has been considerable con-

"I have made this move in order to solve organizational problems which have come about because a successfully-operated construction is now the most pressing problem.

"It is my conviction that this change will bring harmony to WPB and end the jurisdictional questions which, if permitted to continue, could only hamper the war effort.

"Mr. Eberstadt, former New York investment banker, had been in charge of programs and schedules since last September and had developed the Controlled Materials Plan. In a statement concerning his resignation from the WPB, Mr. Eberstadt defended the control system and said "no desire other than to serve the war effort" and was therefore applying for active duty in the Navy, in which he works in the Field Artillery during the last World War. Mr. Nelson's statement follows:

"Eberstadt Leaves WPB Post:
Wilson Named Production Chief

Donald M. Nelson, Chairman of the War Production Board, with a view to placing centralized responsibility for all phases of war production in Charles E. Wilson, requested on Feb. 10 that Ferdinand Eberstadt relinquish his post as Vice-Chairman of the Board. Mr. Wilson becomes Executive Vice-President of the WPB.

In his announcement, Mr. Nelson said that his principal reason for the change was to place "a production man in full charge. Mr. Wilson was formerly President of the General Electric Corporation and is Chairman of the Board of the International Telephone and Telegraph Corporation.

Mr. Nelson further expressed his "conviction that this change will bring harmony to WPB and end the jurisdictional questions which, if permitted to continue, could only hamper the war effort."

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"It is my conviction that this change will bring harmony to WPB and end the jurisdictional questions which, if permitted to continue, could only hamper the war effort.

"Mr. Eberstadt has worked hard and diligently in setting up the Controlled Materials Plan, and I regret the circumstances which make it necessary for me to transfer his functions to another. However, Mr. Wilson is a production man, and our job to-day is primarily production job.

"Because our entire effort must now center about the production line, and because this involves the closest control over scheduling, it is essential that two things be true—first, that a production man be in full charge; second, that all related problems be within the jurisdiction of that production man.

"In the early days of this organization and its predecessors, we faced problems of a somewhat different nature. Even a few months ago, the problem of controlling materials flow was of major importance. It does not now lose any of its importance, but

(Continued on page 665)
The eighth annual conference of the Central States Group of the Investment Bankers Association of America will be held in Chicago on Thursday, February 19, 1943, according to an announcement by D. Dean McCormick of Keb-
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In the year 1939 roughly 8,400,000,000 linear yards of cotton fabrics were produced in this country—practically all for civilian use. That was a reasonably normal year for the textile industry.

Last year the output of cotton fabrics rose to 12,000,000,000 linear yards, half of which went to our Armed Forces and to our Allies. What remained for civilian use was approximately 2,480,000,000 linear yards short of normal peace-time requirements. Stated another way, the deficiency was so large that even continued growth in civilian output for the year was about 28%.

Domestic output this year will not exceed last year's production by any appreciable degree for the simple reason that 1942 volume reflects only about the maximum capacity of the industry to produce. Moreover, it is expected that 50% of this year's output will again be taken for military and lease-lend purposes. This all adds up to a substantial deferred demand for textile products in the post-war period—a demand which will become more acute the longer the war lasts.

The first World War, the domestic textile industry—then concentrated largely in the New England States—greatly increased its capacity to meet the wartime demand. Mills were shifted to the South to take advantage of the cheap labor advantages and transportation costs in that area. The return of peace found the industry too big for its markets.

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Record Output For Cotton Textiles

How the cotton textile industry works with the Navy, WPB, and other Government agencies is evident from the report and control to raise production levels to a new all-time high were viewed by W. B. Huggins, president of the Association of Cotton Textile Manufacturers, Inc., in his report delivered to the annual meeting of needle directors of the association at the meeting included Floyd H. Williams, Sr., of Atlanta Cotton Mills, John E. Whitaker of Hem- lina & Co., Inc., Frederick A. Wil- liams of Cannon Mills, Inc., and G. E. Huggins of Catlin Fairchild, Inc., in his report delivered to the annual meeting of needle directors of the association at the meeting included Floyd H. Williams, Sr., of Atlanta Cotton Mills, John E. Whitaker of Hem- lina & Co., Inc., Frederick A. Wil- liams of Cannon Mills, Inc., and G. E. Huggins of Catlin Fairchild, Inc., in his report delivered to the annual meeting of needle directors of the association at the meeting included Floyd H. Williams, Sr., of Atlanta Cotton Mills, John E. Whitaker of Hem- lina & Co., Inc., Frederick A. Wil- liams of Cannon Mills, Inc., and G. E. Huggins of Catlin Fairchild, Inc.

Textile expansion and its ef- fective synchronization with war needs is an old story," said Mr. Bell. "Long before Pearl Harbor, in the early days of the defense program, we began to prepare for the job of clothing and equipping our armed forces. By close co- operation with the War Department, General's Office, the Navy Supply Corps, and other Government agencies, plus our intelligent foresight, we have provided well-balanced and ample stocks of cotton woven materials which have made possible the execution of the unprecedented demand due to rapid and successive mobilization by the number of men under arms."

In a summary of outstanding accomplishments of the cotton textile industry during the year, Mr. Bell pointed out that pro- duction of cotton textiles was 10 times greater than in 1939, and

cotton duck five times greater, largely from conversion of other fabric. Deserted analyses show that the production of the Army increased from 20,000,000 square yards in 1940 to 15,000,000 in 1942, while burlington twill purchases rose from 30,000,000 to 50,000,000. Pointing out that 1943 will de- mand even more effort and in- genuity, Mr. Bell's report ex- hibited the hope that the industry will make the greatest effort of the impossible in this crucial year. Clearly the operation of the membership of the association with the WPB, Mr. Bell expressed the opinion that full since processing-tax days had so many executives engaged simultaneously in cooperative ef- fort." Similar cooperation was extended to OPA in providing fa- cilities and services required in the revised ceiling price schedules, which Mr. Bell character- ized as "with some exceptions, reasonable and fair." The report concluded:

"While our emphasis in this report has been on the full activ- ities and high achievement of the past year, it is clear that 1945 will demand even more effort and ingenuity. Foremost is the need for continued and ever more pro- duction to satisfy the war, lend- lease and civilian needs. A new appeal has just been issued by the WPB to every cotton mill for the maximum of effort to this end. We sincerely hope and believe that in this crucial year the industry will maintain its record of doing the impossible."

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Southern Textile Companies

Recent Assessed Values Placed Upon New York City Real Estate Indicates That Real Estate Bonds Are Still Selling Far Below Their True Intrinsic Values.

The wire investor who has heeded the admonition of not placing all his eggs in one basket, and who wishes to diversify his invest- ments, would do well to consider the addition of Real Estate Bonds to his security portfolio.

The value of a real estate bond may be determined by several factors. First of course the degree of security. Other factors may include yield angle, risk of default, and potential for appreciation of enhancement of price. Natu- rally, the earning power of the property securing the mortgage on which the bond is a part is an important consideration.

The writer believes that the ass- ured protection of the security property for the purpose of taxa- tion, is one yardstick that may be used in evaluating a bond. Some theorists may disagree with us on the ground that at a given time a bond might not be sold for the assessed value. This fact alone does not establish validity of the bond upon the building which the bond secures. If we are viewing the building, which includes land, and if we understand that the present day's "architects' fees must be considered as assured," that the property taken at the value of the tenancy the cost of commissions and ad- vertising to secure such tenancy and the cost of allowances neces- sary to maintain the tenancy.

Assessments placed by the City of New York, for instance, are not just taken at "face value". They are determined by trained real estate experts and their consideration to all of the above factors. An assessment placed upon his property, he writes in an application for a reduction of the as- sessment, is contestable. If the satisfaction he believes he is enti- tled to from the Tax Com- mission, he has the further right to appeal to the State Courts under a writ of certiorari to review the correct the final determination of that Court. We may, therefore, presume that when the general assessment has been de- cided upon, it represents pretty nearly the actual value of the prop- erty.

According to an article pub- lished in the New York Magazine and the Real Estate Board of New York, the State Board of Equalization in passing on the work of the

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Insur. Stock Looks Good

Capital stock of Standard Acciden- tual Insurance Co. offers attrac- tive possibilities, according to a memorandum issued by The First Boston Corporation, 100 Broad- way, N. Y. City. Copies of the memorandum and a report on the company may be had from First Boston Corporation upon request.

How To Make Securities Paid Income Tax

Filer, Schmidt & Co., 3 Pine Street, New York City, members of the New York Stock Exchange, have issued a folder entitled "How To Make Your Securities Pay Your Income Tax" which the folder may be had from Filer, Schmidt & Co., upon request.

NY Analysts To Meet

The New York Society of Secu- rity Analysts will meet on Feb. 19 at 56 Broad St., N.Y. City, at 12:30 p.m. Speaker at the meet- ing will be Dr. Harry Arthur Hopf, President of the Hopf In- stitute of Management and senior partner of H. A. Hopf & Co., man- agement engineers, who will dis- cuss the financial position of New Co.-Management—Practical Ad- ministration.

Ernst To Get Chicago Exchange Membership

CHICAGO, IIL—A membership in the Chicago Stock Ex- change has been presented to Howard M. Ernst, senior partner of Ernst & Co., 120 Broadway, N. Y. City, 212 South La Salle St., Chicago. Mr. Ernst is now serving as a Lieu- tenant Commander in the United States Navy.
Missouri-Kansas-Texas Bonds

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I firmly believe that a stock which sold at $2 a share a couple of weeks ago, now at say $5, is worth $5 and no more. If it goes to $10 it is worth $10. If it goes back to $2 it is worth $2. In short, I am sure that even with liberal interest payments there is absolutely no cash balance to allow the company, if it so desires, to enable one or more of the outstanding issues. Such action would be a violation of the remaining old rights of the company. In my opinion it is acts of this nature that result in the condition of a bonded trust.

With the District Court re¬

organized, the plan of issues for the Frisco last year was too liberal, but more of that later. It is important to note that all mortgage bonds should be held to an extent of at least 10 per cent of the mortgage bonds were assigned to the RFC. The amount involved is $500,000,000, and it is estimated that the treatment of the bonds of the RFC would be to make a wide difference as the aggregate of new mortgage bonds in the original ICC plan would be reduced to the amount of the mortgage bonds issued under the RFC. Under that plan the prior lien 4s were given $46 in new bonds, in lieu of $95 used, and the prior lien 4s therefore would only have $49 in interest paid, which is $5 less than the rate of 4% as a fixed charge. Thus the mortgage bondholders would receive more liberal treatment of the ICC plan than the RFC plan.

At the best the market is a mirror or a crystal ball that reflects and foresees events that will affect it. Some people are fortunate enough to be able to recognize some of the things the market is trying to reflect, or anticipate. Those need no guidance from this column.

Among the things that have an effect on markets is the world of commodity. Right now the majority opinion as expressed in market action seems to feel this world of tomorrow will be essentially the same as the one of yesterday. Perhaps they are right. But a sudden break¬

occur in the market and all is changed again. For the market-minded, the end of all philosophies in market action as the only yardstick to follow. And so long as this action continues good so long should stocks be held, or

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San Francisco Clearing House Elects Officers

At the 6th annual meeting of the San Francisco Clearing House 1942. Copies of the following officers were re-elected: President, C. K. McClain; Chairman, the Bank of California, N. A.; Vice-chairman, K. Lock¬

head, President, American Trust Co.; Secretary, R. R. Yates; Vice-Presidents, Mr. & Mrs. A. G. J. Kern, Vice-President, Cocker & Jones, London; B. Motherwell, President, Wells Fargo Bank & Union Trust Co.; W. T. Kells, President, Anglo California National Bank; T. G. McVey, of the San Francisco Clearing House is Russell W. Schumacher and the Assistant Manager is Edward H. Moxley.

The total clearing of the San Francisco Clearing House for the year 1942 was $3,388,975,907, an increase of $1,867,099, and the average daily clearings for 1942 totaled $57,053,952, compared with $51,613,307 in 1941, an increase of $5,439,646, an increase of $5,868,463.

Rio Bond Letter Available

LeRoy A. Strasburger & Co., on request, have copies of their February Railway Bond Letter available for inspection. It gives the present market for all main railroad issues, both for the month of December and also for the year. The above are available on request from Le¬

roy A. Strasburger & Co.
Bank and Insurance Stocks

This Week Insurance Stocks

By E. A. VAN DEUSEN

There are many reasons why the shares of leading fire insurance companies attract the attention of investors. Among these we mention: the fundamental nature of insurance, the wide diversification of risk, the excellent managerial record, the long history of dividend payments, the conservative dividend policy of leading companies, and the maturity of the business.

In a recent issue of Life's Insurance News a list is presented of 24 stock fire insurance companies which operate in the United States. Although the data span only the last one hundred years or more, the shares of 13 of these companies are widely held, actively traded, and are quoted in financial publications. It is not our purpose to study the history of these shares, their dividends, and earnings.

The oldest company in the group is the Insurance Company of North America, now in its 174th year; the youngest are Camden and Cincinnati companies, founded in 1841. Half the companies have been in existence for more than fifty years. The average age of the entire group is 137 years, the average length of uninter¬rup¬ted dividend payments is sixty years.

It will be noted that the unbroken dividend record is anything but uniform. Franklin leads the list with 211 years, or 84 years of age; runner up is North River with 160 years, or 87.6% of age. All but Tenants Insurance of New York, which paid no dividends for the first ten years, and is now New Brunswick which paid none in 1917.

It is of interest also to consider dividends in relation to earnings. The earnings of most fire insurance companies have been paid out as dividend income, and to a large extent in the business all underwriting profits and a fraction of investment income. As a result of this policy the companies have been enabled to build up a very strong capital fund and to broaden their earnings base in a very striking manner. In order to illustrate this, however, it is necessary to go back into ancient history, the tabulation presented below covers the period 1925 to 1941, both years inclusive. Figures for 1942 are not yet available.

<table>
<thead>
<tr>
<th>Company</th>
<th>Total Div.</th>
<th>Total Net</th>
<th>Div. to Total Net</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aetna</td>
<td>672,173</td>
<td>672,772</td>
<td>1.01</td>
</tr>
<tr>
<td>Casualty</td>
<td>173,989</td>
<td>175,772</td>
<td>1.01</td>
</tr>
<tr>
<td>Fire Association</td>
<td>16,984</td>
<td>17,624</td>
<td>1.00</td>
</tr>
<tr>
<td>Insurance</td>
<td>2,119</td>
<td>2,170</td>
<td>1.03</td>
</tr>
<tr>
<td>Fire</td>
<td>41,829</td>
<td>41,840</td>
<td>1.00</td>
</tr>
<tr>
<td>Hartford</td>
<td>12,811</td>
<td>12,871</td>
<td>1.01</td>
</tr>
<tr>
<td>Hartford Fire</td>
<td>12,811</td>
<td>12,871</td>
<td>1.01</td>
</tr>
<tr>
<td>New York Fire</td>
<td>12,176</td>
<td>12,249</td>
<td>1.00</td>
</tr>
<tr>
<td>Providence</td>
<td>3,855</td>
<td>3,915</td>
<td>1.00</td>
</tr>
<tr>
<td>Western</td>
<td>15,503</td>
<td>15,661</td>
<td>1.00</td>
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<tr>
<td>United States</td>
<td>12,909</td>
<td>13,069</td>
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<tr>
<td></td>
<td>1,080,990</td>
<td>1,092,224</td>
<td>1.00</td>
</tr>
</tbody>
</table>

An examination of the figures indicates that the trend is toward an increasing proportion of underwriting profits. In the first place it is seen that over the period the major portion of underwriting income is from underwriting profits. In the aggregate it totaled for the period 241 million dollars, and it is important to observe that each company is increasing the proportion of underwriting income, which will in turn have a favorable effect on the underwriting profits. (It must not be overestimated, however, that premium income is the chief source of investment funds.) Group, for group, dividends were earned during the 17-year period 12.5 times by net underwriting income. The companies have had a less profitable underwriting experience outside of underwriting income than one might expect. New York Fire, in the past ten years, have earned a net underwriting income, while the Security and Westchester show relative low profits in relation to investment income. On the other hand, the Hartford and United States Fire experienced a net underwriting profit in excess of 50% of net investment income, which is considerably better than average.

Coverage of dividends by combined net investment income and net underwriting profits for the group as a whole is 51% in 1941, which is a high of 2.0% for United States Fire and a low of 1.4% for Fire Insurance. It is now of interest to examine the response of this conservative dividend policy, whereby 42% of net operating profits are ploughed back into the business. The effect on capital funds, i.e., capital and surplus, is shown in the statement. On Dec. 31, 1925 total capital funds of the group amounted to $125,318,000; on Dec. 31, 1941 they aggregated $277,180,000; the increase in this year is approximately $300,000 per company. If the increase only reach $20,000,000 representing paid-in surplus and sur¬plus, the balance: meaning: to $172,712,000, represents mainly earned surplus ploughed back into the capital funds of the companies. It will be noted how closely this approximates the increase in dividends in excess of dividends. Another factor which contributes to the increase in market value of stocks and bonds on the respective dates. These increased capital funds have permitted the companies to reinvest in new business, portfolio and to write an increasing volume of policy. In 1925 the net investment income of the group aggregated $11,226,000, increasing to $11,729,000 in 1941, an increase of 4.5%. The net investment income of the major companies aggregated $12,440,000 in 1925 and $13,334,000 in 1941. Hartford, Fire, for some unknown reason, shows a decline in premium volumes in 1941, the decrease is from $61,649,000 in 1932 to $54,957,000 in 1941.

Since leading fire insurance companies are maintaining their reserve structure, and are today still ploughing back all surplus into the business, an increase of a portion of net investment income into earned surplus, then a large part of growth for an indefinite period would appear to be assured.

Bank, Fire & Casualty Stocks Attractive

The basic position of commercial fire and casualty companies is reaffirmed by the record of the year 1942, according to two advantageous outlooks. The basic outlook of the market in the face of a steady decline in average fire insurance premiums increased, the net loss ratio for the year 1942 and excess to $65 in 1941, a reduction of over 25%.

Since leading fire insurance companies are maintaining their reserve structure, and are today still ploughing back all surplus into the business, an increase of a portion of net investment income into earned surplus, then a large part of growth for an indefinite period would appear to be assured.

Southwestern Bonds Have Attractive Possibilities

According to a circular just issued by McLaughlin, Baird & Company, Members of the New York Stock Exchange, members of the New York Stock Exchange, including those of the Mexican Stock Exchange, the bonds of the companies may be had upon request from McLaughlin, Baird & Reuss.
The Securities Salesman's Corner

NO DAY'S WORK IS WASTED!

Selling securities is building your own business. It is a process of construction. The same rules apply to the building of a clientele as to the construction of any other worthwhile and lasting thing that is the outgrowth of creative effort. Build a house—days and weeks of labor go into the foundation, the side-walls, the roof, and all of the various parts of the house. At last it is finished. Each day's work adds a bit more to the completed structure that eventually will become a place suitable for people to live in.

You may say, what has this to do with selling securities or building your clientele? The answer is: that every day you set out to see a certain number of investors—some of them we possibly know and some we don't. We make our calls, we complete a sale, we write the contract. For what it's worth, our salesmen say today's effort standing alone is true that such days as these show very little in the way of actual return for the expenditure of energy noted.

But each day's work does not stand alone. One of the main results that is directly affected by a day's work is the outgrowth in clientele that is sure to materialize. It will insure the success of any salesman who applies it to his daily work. No day's work stands alone—day after day, do your best, and in your most conscientious efforts. Call on your clients and your prospects, meet them half way. With your good intentions, let them know you wish to sell. Be friendly, carry your head high—conscientiously strive to do your best each day, and the returns will come. There are certain things the actions and the things you say, prove to them that you are sincere and the law will assure your success. For this is the best old-fashioned "pop-talk" that we salesmen used to have to sit and listen to. We were taught in what way to "go out and do it," while they sat behind their desks and collected their oversized.

This may sound like a preaching story today to make him a success in his job. It is only because we ourselves are often reminded of how much we can profit from a review of our experiences. And we, of course, view this business that we concluded that this subject would be of interest to the members of this organization.

One day last week we started out to call on about a dozen people whom we had never met before. It was a kind of "try it on," as from an office list were not only "cold," but many had moved away. Four or five of the afternoon came and we had only called in on three or four. This was just about up enough to call it a day. Then we remembered that there was another man who had moved away during the past year. We did call and he was home. He was glad to see our blue nose and our frosty breath. He said he only had something to eat. We went home with a new customer and a good day's pocket. But it was all too little—just like the days All Together, That Sale and That New Account A Reality.

PERSONNEL ITEMS

If you contemplate making additions to your list of securities, please send in particulars to the Editor of the Financial Chronicle for publication in next week's issue.

(To the Financial Chronicle) Mr. C. Lins, formerly associated with George E. Mears, has joined the Commercial Trust Co., 455 E. Market St. Mr. Lins was formerly with E. B. Hagner.

(To the Financial Chronicle) Mr. J. C. Hogen, formerly with Sills, Truxell & Minton, Inc., 209 South La Salle St., Mr. Hogen has become associated with Allen B. Smith, 20 South La Salle St.

(To the Financial Chronicle) Mr. H. W. Hendrickson, formerly with A. C. Allyn & Co., and prior thereto with Good & Gill, has joined the Bank of Commerce.

(To the Financial Chronicle) Mr. J. C. Rencher, formerly with George E. Mears & Co., has become affiliated with H. W. Hendrickson, 570 Merchants National Building.

(To the Financial Chronicle) Mr. E. A. Clovis, formerly with Ralph G. Oldham & Co., has become affiliated with H. W. Hendrickson, 570 Merchants National Building.

(To the Financial Chronicle) Mr. J. W. Van Dyke, formerly with Old First Bank Building Mr. Van Dyke has joined the firm of Smith, Green & Co., 52 South Grand Avenue.

(To the Financial Chronicle) Mr. W. H. Hector, formerly with the firm of Armitage, Darrow & Co., 60 South Fourth Street.

(To the Financial Chronicle) Mr. W. H. Hector, formerly with Armitage, Darrow & Co., has joined the firm of Smith, Green & Co., 60 South Fourth Street.

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City of Chicago, Illinois

2% and 2½% Water Works System Revenue Certificates of Indebtedness

Due variously January 1, 1949 to 1965, inclusive

These Certificates, in the opinion of counsel, constitute valid and legally binding obligations of the City of Chicago, payable solely from revenues derived from the water works system of the City and are backed by the City covenants to maintain rates for water sufficient to pay the cost of maintenance and operation, of such project and to pay the principal and interest upon all outstanding certificates and bonds, and pledges that such rates shall not be reduced while any certificates or bonds remain unpaid.

Prices to yield 1.25% to 2.10%

These Certificates are offered subject to our receipt, Legally approved by Messrs. Chapman & Cutler, Chicago, whose opinion will be furnished upon delivery. The offering circular may be obtained in any State in which this announcement is circulated from only such of the undersigned as are registered dealers and are offering these securities in compliance with the securities laws in such State.

HALSEY, STUART & CO. INC. (INCORPORATED)

HARRIMAN RIPLEY & CO. SMITH, BARNEY & CO. THE FIRST BOSTON CORPORATION - BLAYN & CO. INC. (INCORPORATED)

LAZARD FRERES & CO.

PHELPS, FENN & CO.

HARRIS, HALL & COMPANY

STONE & WEBSTER AND BLODGETT (INCORPORATED)

R. W. PRESSPRICH & CO.

KIDDER, PEABODY & CO.

PAUL H. DAVIS & CO.

F. S. MOSELEY & CO.

ESTABROOK & CO.

B. J. VAN INGEN & CO. INC.

Paine, webber, jackson & curtis (INCORPORATED)

L. F. ROTHSCHILD & CO.

HEMPHILL, NOYES & CO.

EQUITABLE SECURITIES CORPORATION (INCORPORATED)

BACON, STEVENSON & CO.

OTIS & CO.

BRAUN, BOSWORTH & Co. ELDREDGE & CO. KEBBON, McCORMICK & CO. THE MILWAUKEE COMPANY (INCORPORATED)

ROWE & BESSLER & CO.

HAYDEN, MILLER AND COMPANY (INCORPORATED)

MARTIN, BURNS & CORBETT, INC.

MULANEY, ROSS & COMPANY (INCORPORATED)

HAYDEN, MILLER & COMPANY

MARTIN, BURNS & CORBETT, INC.

MULANEY, ROSS & COMPANY (INCORPORATED)

BACON, WHIPPLE & CO. A. WEBSTER DOUGHERTY & CO.

FARWELL, CHAPMAN & CO.

CHICAGO

CHICAGO

Municipal News & Notes

The statement made in this space last week regarding the prospects that further liquidation on the part of certain institutions would undoubtedly serve to offset in important degree the war-induced decline in new capital municipal borrowings appears to have been highly justified in light of developments in New York this week. These included the sale by the Prudential Life Insurance Co., Newark, of $13,301,000 Chicago, Ill., waterworks system certificates of indebtedness to a banking group for rediscounting and the disposal by the Williamsburg Savings Bank of Brooklyn of $3,900,000 bonds of early maturities, largely to local commercial banks.

The Chicago water certificates, bearing interest rates of 2%, 2½% and 3½%, were acquired by a syndicate headed by Halsey, Stuart & Co., Inc., and Blyth & Co. Inc. They mature serially from 1949 to 1960 inclusive, and were redeemed by the group at prices to yield 1.55% to 2.10%. The certificates are valid and legally binding obligations of the city, payable solely from revenues derived from the waterworks system.

The underlying group consisted of 35 investors, and in addition to the above-mentioned two principals of the group, the account included the following: Hayman, Ripley & Co., Inc., Smith, Barney & Co., First Boston Corp., Blair & Co., Inc., and Lazard Freres & Co.

The Chicago water certificates, incidentally, have always enjoyed a high credit rating, and this fact, together with the current strength of the municipal market, was clearly reflected in the strong demand which prevailed for the securities upon rediscounting.

Arizona Bill To Permit Local Utility Purchases

Enlargement of the scope of the present municipal revenue act to permit municipalities to purchase utility systems besides water projects is provided for in a bill introduced recently in the State Legislature. The new measure, which eliminates the existing prohibition against the issuance of bonds for waterworks acquisitions after March 1, 1943, under the new measure, the City of Tucson would be permitted to issue bonds for the purchase of any water utility in the state. The bonds would be issued to the City of Tucson by the Central Arizona Light & Power Co. Utility undertakings are defined in the new bill to mean "any one or combination of the following: electric light or power, water, sewer, gas, garbage or rubbish plant or system, the purchase or reoffered to the City of Tucson, or the purchase or sale of parts thereof, in whole or in part, its waterworks or'".

These may be within or without the corporate limits and may include construction, improvement, reconstruction, extension, operation, maintenance, and acquisition by gift, purchase or the exercise of the right of eminent domain or any utility undertaking, without the consent of the owner, and may be accomplished at a cost of not exceeding $2,000,000 from funds allocated to the City from the State primary fund.

New York State To Issue $12,000,000 Bonds

In connection with the recent announcement of a $3,175,000 refunding of the insurance of State bonds for less than their present value, the state Comptroller Frank C. Moore, who handled the announcement, stated that its enactment would result in a net saving of $1,250,000 in interest charges on a refunding of $12,000,000 bond issue.

New York City Housing Unit To Retire Original Bonds

Edmond B. Butler, Chairman, announced the Authority has called for payment of outstanding bonds which covered the cost of six low-rent public housing projects previously completed and occupied. The holders of the bonds were advised that funds for their redemption had been deposited with the First National Bank of Chicago, which was named as registrar of the bonds called for. The bonds are to be retired by a new issue of $12,000,000 series A refunding bonds sold to the public on Jan. 11, 1943, and $6,345,000 of series B bonds sold to the Federal Public Housing Authority.

Mr. Butler also stated: "This sale of $37,250,000 series A bonds to the banking public is the largest issue of housing issues ever sold by a single Housing Authority. It is a culmination of the continuous growth of confidence in the banking community in Housing Authority bonds. Under the U.S. Housing Act of 1937, which provides financial assistance for low-rent public housing projects, it was contemplated that 96% of the loan funds would come from the Federal Government and 16% from private financial sources."

"This refunding indicates that public housing and public housing authorities are so well accepted that they can retire their bonds selling to the public at a point where the competitive rate is below the rate which these refunding bonds, plus private mortgage bonds already paid off, will yield. This has resulted in the total loan originally issued to finance the six projects."

Vermont Would Refund Mun. Flood Bonds

Refunding of $125,000 of the fixed bonds of 1927 maturing in the fiscal year 1943-44 in order to provide additional funds for the amount of highway improvements is being considered in a bill now before the Legislature. Taxpayers of the town would mature in 1944, the year after the bond issue, to refund the money payments are completed.
Court, in a case involving efforts made at Coral Gables to have a substantial annexation area, more than declared outside of city limits, made the court order the annexing city to stop using police and fire fighters to absorb themselves of tax obligations. The ruling, it was reported, reversed an order of the court that granted the annexation. It blocked efforts made in Coral Gables to annex half the municipality south of Biscayne Bay. The annexation move was successful, City Attorney Edward L. (Ted) Seiple declared, the movement of the population would have been given a severe setback, one way or another, was his as¬surance.

Minnesota’s Highway Debt Reduction Continues

The Minnesota Highway Commission, it was announced, that the State trunk highway system’s bonded debt will be reduced to $25,220,000 by July 15, at which time $2,375,000 due in principal and interest charges on highway and refunding bonds will be met from the de¬posit of the 1942-1944 crop. Mr. Hoffman also said that the bond issue due on March 1, 1944, only $92,000 of the $2,000,000 due in July, is also being replaced by the bond issue due on March 1, 1943.

State Treasurer Julius A. Schnabl reported that $12,500,000 of the $16,000,000 of bonds not immediately re¬quired by the Highway Commission were sold in series “C” and paid the proceeds of $11,725,000 into the State treasury. The balance of the proceeds is being invested, with authority contained in a resolution enacted at the present session of the Legislature.

He said that while the notes which are due during the next six months, the State stood to gain $86,000 on the amount re¬mained invested. Interest on the notes for March, April, and May of the six-month period will total $56,600; he said while at the end of six months the bonds may have to be added to their current holdings of $190,000, the State will have gained $28,600. Should the same conditions hold for the balance of this year, a total of $250,000 in interest will accumulate.

Federal Tax Burden May Impact State Revenues

State income tax, revenues may be reduced as much as 62% by 1943 and 1944 by the huge Federal income tax collections called for by the Federal Revenue Act of 1942, the Federation of Tax Administrators reported. The Federation said that provision found in laws of 25 of the 48 states which allow a deduction of $1,000 per family, which permits a taxpayer to de¬duct Federal income tax payments in computing income for the State tax, is due.

If adopted this year will be the 23rd permitting deduction of Federal taxes paid in the preceding twelve years’ income. In the two other States, the taxpayer may deduct Federal income tax for 1942 on 1941 income at the lower rate that he paid his State tax. Wisconsin—has sought to provide the Federal FICA tax by allowing de¬duction of Federal income taxes only up to 6% of individual net income and 18% of net income of corporation.

The Federation pointed out that none of the 34 income tax States do not permit their general deduc¬tion rule requiring them to compute the State tax, though the Federal income tax is deductible in computing the State tax payment. The Federation warned that the deduction of Federal income tax payment may be reduced or may not be deductible at all in some cases. The effect on total State revenue would be slight, however, since the amount of money in Federal tax is much greater, the Federation said.

Income tax administrators in 13 States, under the effect of the Federal tax pro¬gram on collections of their State income tax, during the first half of 1943 and 1944, the Federation said. Seven of the 13 states allow deductions de¬duction of the Federal tax—predicted increases in their col¬lections of income tax to 24%, four anticipated 1943 collec¬tions of not over 10% at the previous level as 1942, whereas only two expected decreases. All said their 1944 income tax re¬ceipts would be lower than 1943, the Federation said. The Governor for his State is as fol¬lows:

<table>
<thead>
<tr>
<th>Revenues from corporate income</th>
<th>12% 24%</th>
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</thead>
<tbody>
<tr>
<td>Revenues from non-corporate incomes</td>
<td>... 6% 24%</td>
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</tbody>
</table>

The decline would be more se¬vere if the deductions of the contin¬uing increase in taxable income in Federal income tax collections. The Federation said the calendar year 1941 the national income was $94,500,000,000, a 22% increase as compared to the year in turn, was 13% higher than the previous peak year of 1928. Es¬timated place 1942 national in¬come at about $155,000,000,000, or a further increase of 21% over 1941. Based on this “war prosper¬ity” income tax collections of most plates rose spectacularly, the Federation stated that the increase in interest and income tax revenues increased $25,000,000 in California.

The Federation pointed out that the increase in Federal income tax collections was due to the effect of Federal income tax on contracts, liquidation of many non¬essential small manufacturing en¬terprises, investment of income in tax-exempt war saving bonds, and the absence of sales tax or excise tax on gasoline.

Major Sales

Scheduled

The outlook for future activity in the Federal income tax collections is considerably improved as a result of the stimulus the Federal Government has provided sale on March 2 of a group of local Housing Authority bond is¬sues aggregating $29,914,000. The market for instruments of this character is constantly expanding as was clearly demonstrated in the demand which attended the recent offering by the New York Housing Authority. In addition to the Housing Authority, offerings, the calendar also in¬cludes series BB and BB offerings of $500,000 or more.

<table>
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<th>February 23</th>
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<td>$2,635,000 Albany Country, N. Y.</td>
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<tr>
<td>March 2</td>
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<tr>
<td>$754,000 Nassau County, N. Y.</td>
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The Franklin Square National Bank of New York and the Second National Bank of Albany are co-ballots by Yellow Co., Inc.

Canadian Mfg. Rose

In December, January

Canadian manufacturing in¬creased slightly between De¬cember and January, according to S. W. Mead, General Manager of the Canadian Bank of Commerce, Toronto, Canada. Manufacturing increased slightly between De¬cember and January, a seasonal decline in the production of food stuffs being offset by an increase in the textile and clothing group and by a recovery in wood workers, fur¬ther wood-working fac¬tories being improved under Govern¬ment orders. There was little net change in the level of building in steel plants. There was, however, increased ac¬tivity in factories not so far af¬fected by a steel shortage.

"In accordance with our prac¬tice of periodically re-weighing the component parts of our index to conform with the trend of pro¬duction," Mr. Mead stated, "we have revised our index of indus¬trial activity back to August, 1942, the corresponding month, by month, for the remainder of the year, with the unrevised in¬dex now presented, July as of February 180, 1942; 202, 102, 203, 208 (103) and 203 (106). Our January index of industrial activity is 504 (197 equaled 100), as compared for 203 with December 1942, while the percentage of factory capacity utilized has risen from 126 (unrevised) to 128.

"Our wage payment index rose from 210 (revised) in November to 231 in December, all sections of the payroll registering in¬creases." A number of Canada's

Canadian Securities

This war is revolutionizing Canada in much the same way that the first World War revolutionized the United States. Some people might prefer to describe the changes now taking place as "industrializa¬tion"—but there's more to it than that. In the first place it makes a great deal of difference to a nation whether the capital with which it is equipped is "domestic" or foreign.

Canada's chemical industry has come of age; she has built the largest aluminum plant in the world; a broad new glass indus¬try has been developed; synth¬etic rubber and magnesium are being added to the list. With all this accomplishment, there has also been a consider¬able representation of Canada's external debt.

Here's a description of some of these external obligations. Canada today with a population of 11,725,000, or less than 9% as large as our own, is producing almost the whole of the steel $2,500,000 annually. Adjusted for the population differential, that would correspond to our $2,500,000 annual outflow of war materials for this local industry.

A large portion of Canada's

Canadian city issues will be described in this and subsequent stories. The basic point is that Canada's ability to issue city issues will be one of the major factors in her rearmament drive.

City of Seattle, Washington

Municipal Light and Power Revenue 3½% Bonds

Series LR-6

To be sold January 1, 1943. To mature schedule January 1, 1988 or sooner. Principal and semi-annual interest, July 1 and January 1, payable in lawful money of the United States of America at the said agency of the City of Seattle, Washington in the City of New York.

Coupon bonds of the denomination of $100 with the privilege of registration as to principal only or as to both principal and interest. Callable, a whole at 102 on July 1, 1946 or on any interest payment date thereafter at par and accrued interest in 60 days notice.

Description circles may be obtained from the underwriter.

Blair & Co., Inc.

John Noreen & Co.

Lee Higginson Corporation

B. V. Van Ingen & Co., Inc.

E. H. Rollins & Sons

Strasman, Harris & Company

A. C. Allyn and Company

Bacon, Stevenson & Co., Inc.

Baldwin & Main

Kehoe, Bernard & Co.

Weeden & Co.

Bosch & Company

C. F. Childs and Company

McDonald-Codee & Co.

The First Cleveland Corporation

Robert Hawkins & Co.

Stoll, Nichols & Co., Inc.

Drumheller, Elichmacher

Martin, Burns & Corbett, Inc.

Kalmak & Company

Allison-Williams Company

Crouse, Bennett, Smith & Co.

The Weil, Roth & Irving Co.

F. British Kennedy & Co.

February 15, 1943
Moffatt Re-elected Curf Exch. Chairman

Fred C. Moffatt, former President of the New York Curb Exchange, was re-elected Chairman of the Board of Governors on Feb. 28, 200 votes cast, one-void, in the annual election which was the thirty-ninth in the Exchange's history. James W. Sub Interstate, Chairman of the Public Relations Committee, was elected a Class A Governor for a term of three years. Four Class B Governors—members of member firms doing business with the public—were elected for a three-year term. Caspar C. deGersdorff of Harris, Upham & Co. and Benjamin B. McAlpin, Jr., of Laird & Co., Albert G. Redpath of Sutro & Co., and Herbert E. Baker of Whitney, Baker, Weeks & Harden. George Herrell of Harris, Upham & Co., who is a member of the Executive Committee on Exchange Supervision, was elected an Executive Committee member of the Gratitude Fund.

Of the 12 Governors elected, Messrs. Baird, Jones, Landon, and Wark have not previously served on the Board. Mestey, Wilcox, and Eiseman, who were elected to the Board last November, 1942, to fill the unexpired terms of Charles N. Phelps, Alphonse C. Weiss, and Herbert L. Wiener, who resigned at that time because of their increased activity in the war effort.

At the Board's inaugural meeting on Feb. 9, Edwin Ponner was re-elected Vice-Chairman of the Exchange for a term of one year. Three Class C Governors, John A. Ludlow, Andre H. Wiener, and Victor F. Ridder, members of the Board representing the public and not connected with the securities business, were re-elected for a term of three years.

Chairman Moffatt was designated by the Board as President-Emeritus, in which capacity he succeeds himself, having had that post since July 1, 1942 when John F. Van Rensselaer was elected President, resigning after serving for the entire war.

The Board also approved an application for committee status for the Officers, department heads and committees for the coming year. Charles E. McGowan was named Secretary and Director of the Department of Administration; Joseph R. Mayer, Assistant Treasurer; Frederick W. Eckstein, Director of Department of Outsecurities; and Morton L. Keenan, Director of the Department of Securities.

The four new Governors received assignments to committees on Transactions, on the Admissions Committee, General Committee on Securities, the Committee on Bond Transactions; H. Lawrence James, on the Committee on Transactions; and for the Admissions Committee.
FIRE INSURANCE IN THE WAR

As the guns of our fighting men blaze on the battle fronts from Africa to the South Seas, fire insurance continues to play a vital role on the home front.

Months before our entrance into the war, the "industry which protects other industries" had quietly and effectively thrown its inspection and engineering facilities into the task of helping to safeguard the industrial plants of the nation from sabotage and carelessness. Losses in manpower and essential materials which would have been equivalent to serious military reverses have thus been prevented; substantial savings to taxpayers likewise effected.

Further, the agents and brokers of the fire insurance industry are bulwarks of strength on the civilian front. Without thought of profit to themselves, agents, brokers and companies alike have shown, in handling millions of dollars of War Damage insurance, how an essential industry can be mobilized effectively to carry on a vital war function in cooperation with the government.

Moreover, insurance in all its phases is being maintained in our national life, thus strengthening civilian morale on a vital home front and permitting greater concentration on the war effort. Insurance dollars are going into U. S. Treasury Victory Loan Bonds and the securities of war industries, thus helping to buy guns, planes, tanks, ships.

Finally, we take deep pride in stating that 35% of the male employees of The Home Insurance Company are now with the armed forces.

** **

We submit herewith our annual statement. This year the figures are especially important, for they reflect a year of insurance in war time. Behind the dollars and cents lies a human story of even greater significance.

THE COMMERCIAL & FINANCIAL CHRONICLE

STATEMENT
December 31, 1942

ADMITTED ASSETS
Cash on hand or in banks and trust Companies $ 8,201,566.12
United States Government Bonds 13,278,538.30
All other Bonds and Stocks 71,514,522.76
First Mortgage Loans 383,078.32
Real Estate 3,578,015.95
Agents' Balances, less than 90 days due 7,666,305.78
Reinsurance
Recoverable on paid Losses 1,076,259.00
Other Admitted Assets 135,361.61
Total Admitted Assets 91,163,351.04

LIABILITIES
Reserve for Unearned Premiums $ 49,707,420.00
Reserve for losses 11,507,922.00
Reserve for Taxes 4,319,522.00
Reserve for Miscellaneous accounts 813,505.75
Funds Held under Reinsurance Treaties 59,015.65
Total Liabilities except Capital $ 66,119,113.36
Capital . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . 15,000,000.00
Surplus . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . 35,854,365.68
Surplus as regards Policyholders 70,854,365.68
Total . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . 111,903,411.04

Note: Banks carried at $ 3,115,281.68 unearned surplus and cash $ 30,000.00
in the above statement are deposited as required by law. All
securities have been valued in accordance with the requirements
of the National Association of Insurance Commissioners.

DIRECTIONS

LEWIS L. CLAYTON WILLIAM S. GAY CHARLES C. MILLER
WILLIAM L. DE ROBERT WILFRED KUNKEL
EDWIN V. BAXTER GORDON S. HENSCHEL
ROBERT COOLEY HERBERT P. HOWELL
FRANK E. PARKER GEORGE MACAY
CUT CARR HAROLD V. SMYTH HARVEY D. GIBSON
FRANK M. ADAMS

THE HOME
Insurance Company
NEW YORK

FIRE • AUTOMOBILE • MARINE INSURANCE

- THE HOME, THROUGH ITS AGENTS AND BROKERS, IS AMERICA'S LEADING INSURANCE PROTECTOR OF AMERICAN HOMES AND THE HOMES OF AMERICAN INDUSTRY
The monthly increases reported by New York State savings banks, totaling nearly $8,000,000 in new accounts and in dollar deposits, which began last July, continued this February. The latest announcement made Feb. 15 by the Department of Finance shows that the Association reports that the aggregate new accounts in New York State savings banks for January were close to $28,773,000; gain in dollar deposits for the month was $22,000,000. The amount of new account deposits amounted to $34,- 000,000, while the net increase in the number of accounts was 17,872 for the month.

Thus, in the last 6 months, it is noted in the announcement, the savings banks of New York State have sold $132,468,000 worth of War Bonds and Stamps and, at the same time, received $162,707,000 of new savings in their banks—a total of $35,140,000 to finance the war effort, to help stop inflation and to build for post-war prosperity.

The Savings Banks Association, in charge of the savings banks for records that no records are available as to the amount of War Bonds purchased and sold, the amount which was purchased and sent to the Federal Reserve banks, it was impossible to determine whether the amount of sales was $150,000 and $100,000 denominations. This assumption is based upon the fact that the total number of savings accounts increased from 1,137,596 at the close of six months ago to 6,019,656 at the end of January, an increase of 38%.

"The sport in War Bonds sales will be increased in both savings accounts and dollar deposits," the report continues, "the War Bond Office is increasing in strength and that more people are being used to speed victory work. The agitation of the movement is increasing with us to come up with even greater accomplishments to back up our fighters on the front line."

Money in Circulation

The Treasury Department of Washington has issued the customary monthly statement showing the increase in circulation after deducting the money returned for circulation by the Treasury and by Federal Reserve banks. The figures for this time are for Dec. 1942, and show that the largest increase in circulation was on Dec. 31 (including, of course, what was held in bank vaults by the Federal Reserve Banks). The Treasury (Reserve System) was $15,410,130, on Dec. 31, 1942, up from $8,520,142 on Nov. 30, 1941, and $11,100,071,131 on Dec. 31, 1941, and compared with $7,908,612,462 on Oct. 31, 1941, and $4,745,224 on Dec. 31, 1940. The increase of 579,394 on Dec. 31, 1941, was compared with $5,908,214,642 on Oct. 31, 1942. Just before the outbreak of the present war, on June 30, 1941, the total was $2,501,375,775.

FBI Arrests Eight in Sale Of Stolen Bonds

The Federal Bureau of Investigation arrested eight New Yorkers, including two lawyers, two prominent brokers and a former night-club owner, on charges of selling $5,000,000 of stolen stocks and bonds. All are charged with violation of the Smith-Connally act, which makes it a felony to purchase or sell any securities in the United States if the securities are acquired through fraud.

Those arrested were: Russell Jefferson and Sigmund Saxe, in New York; Robert W. Montgomery, George A. Fassett, H. E. Campell and Frank W. Miller, lawyers; Albert J. Conti, alias Al Howard; Matthew K. Weller, alias Walter Duncan; Joseph W. Grober, a British pro- fessional gambler, and Charles J. Turley, and Daniel Spencer of New York.

"Soldier of Service"

"The Voice with the Smile" has always been a part of the telephone business and we want to keep it that way. Even under the stress of war, the men and women of the Bell System are as anxious as ever to see that you get friendly, courteous service. And they are anxious, too, to give the best possible service, especially to those who need speed to win the war. You can help them by not using long-distance calls unless it is absolutely necessary. For all your patience and understanding so far, many thanks.
Home Insurance Co. of New York
Reports On 1942 Operating Results

The company in its 90th annual financial statement made public Feb. 16, reveals net profits written down by the year 1942 to $8,298,748 as compared with the previous year's $8,826,779. This decline is due to the establishment of a 

*paragraph cut*

Thomas's Markets Whyte Says—

(Continued from page 663)

wagon bringing military munitions to the gun emplacement.

Forests of either side often go away. The news of major victories or defeats can be expected to affect the trend of such a violence which must be guarded against.

For the practical market follower there is only one sure defense—stop. But like the Maginot Line it is a failure.

A price followed by too many people will almost certainly guarantee an opposite not only its breaking, but frequently open the gates to the seller at a point below reasonably expected. I am fully aware of these possibilities. Still the stop is a good method to follow.

The professional seldom uses actual stops. He has no need to have them in front and behind him at price where he will sell and frequently has a good idea whether such price will hold long before it is threatened. His method is impossible for the rank and file investor because he isn't the time or the skill to apply it. So many of this column will have to go along with not, not with mental, actual stops. What these stocks to which these stops apply can be determined in reading last week's columns. They are the same. And until they are broken the advice to hold positions continues in effect.

More next Thursday.

—Walter Whyte.

The views expressed in this article do not necessarily at any time coincide with those of the Commercial Financial Chronicle (represented as those of the author only).

International Paper Offers Interesting Situation

International Paper Co. offers attractive possibilities, according to a detailed memorandum issued by Jacques Croe & Co., 39 Broad-

*paragraph cut*
FOLLOWING is a list of issues whose registration statements have been declared effective. The dates 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 investment companies and other authorities which normally become effective in seven days. These dates, unless otherwise specified, are as of 4:30 P.M., eastern time on the day before the effective date.

OFFERINGS will be made before the day following.

TUESDAY, FEB. 22
COMMODORE APARTMENT HOTEL, INC., of New York, N.Y., has filed a registration statement with the SEC covering the sale of $600,000 common stock, at $10 per share. The stock is already included in the registration of 3,000,000 common shares of certain stockholders.

A.N. S. 11 and 11B, Chicago, Ill., has filed a registration statement with the SEC covering the sale of $50,000,000 in 2,000,000 shares of preferred stock, $100 per share. The stock is already included in the registration of approximately 2,000,000 shares of the company.

Central Business Park, Inc., of New York, N.Y., has filed a registration statement with the SEC covering the sale of $50,000,000 in 2,000,000 shares of preferred stock, $100 per share. The stock is already included in the registration of approximately 2,000,000 shares of the company.

Registration Statement No. 2-1909. Form S-1 (D-2).

SATURDAY, FEB. 27
CENTRAL STEEL & WIRE CO., Pitman, Pa., has filed a registration statement with the SEC covering the sale of $15,000,000 in 4,000,000 shares of common stock, $5 per share. The stock is already included in the registration of 4,000,000 shares of the company.

AMERICAN PALESTINE TRADING CORP., New York, N.Y., has filed a registration statement with the SEC covering the sale of 168,000 shares for $4 preferred, $100 par value, $5 per share. The common stock is already included in the registration of 168,000 shares of the company. The $4 preferred stock is not to be sold at the present time.

Bank of America, New York City.

The corporation was organized for the purpose of developing and operating oil properties in the Middle East and in its surrounding territories; to acquire, own, lease and carry on all operations of finance, insurance, real estate, trade, transportation and other businesses, governmental, and industrial and agricultural enterprises, owned and operated by the government of Palestine, exclusive of the corporation, organized Feb. 12, 1943, in New York.

Registration Statement No. 2-1900. Form S-1 (D-2).

LAKE FOREST PACKING CORP., of Lake Forest, Ill., has filed a registration statement with the SEC covering the sale of $500,000,000 in 20,000,000 shares of common stock, $25 per share. The stock is already included in the registration of 20,000,000 shares of the company. The common stock is not to be sold at the present time.

Bank of America, New York City.

Underwriting—Charles Feuer of Barrows, Inc., New York, N.Y., has been designated as underwriter for the common stock.

Registration Statement No. 2-1906. Forms 8-A (D-3).

APPEAL—AMERICAN PAPER & PULP ASSOCIATION.

1933, 10,000 shares of the common stock of the company, to be used for advertising and promotional purposes. Underwriting—Arthur S. Lasker, New York, N.Y., and 20 other members of the company.

Registration Statement No. 2-1903. Form S-1 (A-2).

SUNDAY, FEB. 28
PHILIP MORGAN & CO., L.I., Inc., of Rapids, N.Y., has filed a registration statement with the SEC covering the sale of $500,000,000 in 10,000,000 shares of common stock, $50 per share. The stock is already included in the registration of 10,000,000 shares of the company.

The company, a limited partnership, has been organized under the laws of New York. The company is engaged in the manufacture of pulp products and the sale of pulp products.

Registration Statement No. 2-1904. Form S-1 (D-2).

DEALER BRIEFS

Chicago, Ill.

Price scales on recent new municipal bond offerings are reported by the Securities and Exchange Commission as follows:

ILLINOIS

$50,000,000 in 10,000 shares of common stock, $50 per share. The stock is already included in the registration of 10,000 shares of the company.

Registration Statement No. 2-1902. Form S-1 (D-2).

REGISTRATION—Offering—Offering to be made in the amount of $50,000,000 in 10,000 shares of common stock, $50 per share. The stock is already included in the registration of 10,000 shares of the company.

Registration Statement No. 2-1905. Form S-1 (D-2).

Other issues listed on page 56.

More Secondary Offerings Than Special Offers

Shields Studies Show

The first two months of 1943 have seen an extraordinary number of special offerings of blocks of securities held by individuals, partnerships, and companies, and the number of such blocks held by the public has increased in the same period. The number of blocks held by individuals, partnerships, and companies has increased by about 5%, while the number of blocks held by the public has increased by about 30%.

The increase in the number of blocks held by the public is due to the increased number of offerings of blocks of securities held by individuals, partnerships, and companies. The number of blocks offered to the public has increased by about 30%, while the number of blocks offered to the public has increased by about 5%.

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Railroad Bonds For Institutional Investment

A Letter From A Widely Respected Senior Investment Executive of One of Our Leading Institutions

Since I am firmly convinced that the prices of many underlying railroad securities are not unduly high, and because of the combination of circumstances that are not adequately considered by the uninitiated, it is my belief that they will recover in due course.

As you understand, I am referring mostly to those bonds that feature a 5% or 6% interest rate, and are thus actively traded on the major markets.

However, there is another category of bonds that are not so actively traded, and yet can offer significant returns. These are the so-called "less liquid" or "less mainstream" railroad bonds.

I am convinced that for the reader who is familiar with the complexities of the railroad bond market, there is a substantial opportunity for profit in these securities.

In conclusion, I would like to encourage you to explore the opportunities in railroad bonds, as I believe they are undervalued and offer strong potential for future gains.

Suspension of SEC Proxy Regulations

To Be Studied at Congressional Hearings

Assurances that early consideration would be given by Congress to legislation suspending new SEC proxy rules was given by Chairman William H. Natcher of the Senate Foreign Commerce Committee, on Feb. 15, it is learned from sources close to the Washington "New York Journal of Commerce." It was stated in the account that the chairman, Mr. Lea, who indicated that "interest has been quite keen on the part of the investor community to present their views on the subject to a special subcommittee created for that purpose," had already announced that the hearings would be held soon in the subcommittee of the Senate Foreign Commerce Committee, chaired by Senator Charles A. Wampler (Rep., N.J.). The hearing will be for the purpose of seeking for suspension of the SEC rules to give more power to investor to vote on proposals of the "Journal of Commerce" also stated.

Under Mr. Wampler's bill introduced last Thursday, investors would have to retain power to withdraw its suspension of the SEC authority by a vote of shareholders.

"It is the belief of this group that the SEC has gone too far in its attempts to regulate the stock market," Mr. Lea said. "We believe that the SEC should be able to make decisions that are in the best interest of the investor community.

This atmosphere has precipitated the withdrawal of the SEC rule by a vote of shareholders, and the SEC has dissolved its authority to make decisions that are detrimental to the investor community.

In addition, the Securities and Exchange Commission (SEC) has been subject to severe criticism for its handling of the recent financial crisis. Many investors believe that the SEC has failed to protect them adequately, and that the Commission has acted in ways that are detrimental to the investor community.

In light of these concerns, Mr. Lea has introduced legislation that would give investors more power to vote on proposals of the SEC.

This bill has been well-received by the investor community, and it is hoped that it will be passed by Congress in the near future. It is my belief that this bill will ensure that the investor community is given the power to make decisions that are in their best interest.

Canadian Securities

(Continued from page 657)

John Hancock Ins. Co. Shows Great Progress

BOSTON, MASS.—Since former President John Hancock Mutual Life Insurance Co. was acquired by Metropolitan Life Insurance Co., the company has experienced a significant increase in its assets, with an increase of $121,550,284, or 5%, in the year 1950. The company is now one of the leading life insurance companies in the United States, and is widely regarded as a leader in the industry.

In addition, the company has been actively involved in a number of philanthropic endeavors, and has contributed a significant amount to charitable causes. The company is also well-known for its innovative investments, and has been at the forefront of new investment strategies.

This has allowed the company to grow and prosper, even during challenging times. The company has been able to Weather the storm, and has continued to grow and expand its operations.

In conclusion, John Hancock Ins. Co. has shown great progress in recent years. The company is now a leading life insurance company, and has been at the forefront of new investment strategies. The company is well-known for its innovative investments, and has contributed significantly to philanthropic causes.
Our Reporter On "Governments"  
BY S. F. PORTER

A few days ago, according to an authoritative report, one of the biggest insurance companies in the nation completed a liquidation order in excess of $600,000,000 in bonds in the course of a day. . . . For weeks, this order has been hanging over the market, being supplied bonds to any buyers who came along. . . . While the tax-exempts—rose as much as 43/42. . . .

They've been coming in from savings banks, which also have no need for the tax-exemption feature. . . . Selling has been coming in from the Federal Reserve in supply will fall off. This is due to the preparation of the Government bond market—excluding the tax-exempts—rose as much as 43/42. . . .

The upward movement of the tax-exemption feature has been held for many months by the advisability of shifting from exims at a premium into tax-exempt securities. . . .

The tax-exempts have been as strong or stronger than the rest of the market. . . . The tax-exempts have been as attractive or more so than the rest of the market. . . .

And yet, the tax-exempts have been as strong or stronger than the rest of the market. . . . The tax-exempts have been as attractive or more so than the rest of the market. . . .

The supply of tax-exempt bonds is limited. The supply of tax-exempt bonds is limited. The supply of tax-exempt bonds is limited.

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