Final Edition

ESTABLISHED OVER 100 YEARS

In 3 Sections—Section 1

Sec 3 = Index Oct.-Dec. 1942

The Commercial and FINANCIAL CHRONICLE

Reg. U. S. Pat. Office

Volume 157 Number 4154 New York, N. Y., Thursday, February 25, 1943 Price 60 Cents a Copy

SEC Issues Interpretation Of New Rules Relating To Proxies

The Securities and Exchange Commission made public last week excerpts from letters of Baldwin B. Bane, Director of the Corporation Finance Division, to officers of corporations who had asked for interpretation of certain provisions of the amended rules in Regulation X-14 relating to the solicitation of proxies.

The first excerpt refers to paragraph (H) of item 5 of Schedule 14A which reads as follows:

"Describe briefly any interest, direct or indirect, of each person who has acted as a director of the issuer during the past year and each person nominated for election as a director and any associates of such director or nominee in any transaction during the past year or in any proposed transaction to which the issuer or any subsidiary was or is to be a party. No reference need be made to immaterial and insignificant transactions. If the interest was or is to be in the purchase or sale, other than in the ordinary course of business, of property by the issuer or a subsidiary, include a statement of the cost of the property to the issuer or subsidiary and a statement of the cost to the purchaser or vendor."

The definition of the term "associate" in Rule X-14A-9, which is referred to in the Director's letter, reads as follows:

"The term 'associate,' used to indicate a relationship with any persons, means (1) any corporation or organization (other than the issuer or a majority-owned subsidiary of the issuer) of which such person is an officer or partner or is, directly or indirectly, the beneficial owner of 10% or more of any class of equity securities, (2) any trust or other estate in which such person has a substantial beneficial interest or as to which such person serves as trustee or in a similar fiduciary capacity, and (3) any relative or spouse of such person having the same home as such person."

The Director's comment on this item follows:

"In general, the following principles should be observed in preparing the information called for by paragraph (H) of item 5.

"The word 'interest' means a material interest. In determining the materiality of a person's interest, the scope of the definition of the word 'associate' in Rule X-14A-9 may be considered as indicating the type of interest in respect of which information should be furnished. For example, the fact that a director of the issuer is also a director of another company is not enough of itself to establish the materiality of his interest in transactions between the two companies. On the other hand, if the director of the issuer were an officer or holder of 10% or more of the stock of the other company, his interest in transactions between the two companies should be disclosed unless the transactions were immaterial and insignificant.

"Your letter sets out a list of transactions between your company and other companies or

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Large Volume Of Savings Presents Definite Threat Of Inflation Declares SEC Report

The Securities and Exchange Commission made public on Feb. 24 its quarterly analysis of the volume and composition of saving by individuals in the United States covering the fourth quarter of 1942.* This survey shows that the public continued to hold an extremely large part of its increased income in cash on hand and in checking accounts.

The more important results of the analysis said the Commission may be summarized as follows:

"1. People in this country saved more in the fourth quarter of 1942 than ever before. The data indicate that the ratio of liquid saving (i.e., saving exclusive of purchases of durable goods) to income after taxes remained at the same high point reached in the third quarter of the year though a seasonal decline might normally have been expected.

"2. The great volume of saving in this quarter, however, was due in large part to the very substantial increase in peoples' cash holdings and deposits in checking accounts, amounting to $4,600,000,000, almost $1,000,000,000 higher than in the preceding quarter.† Saving in this form again constituted the largest component of individuals' saving. The ratio of saving in currency and demand deposits to income (after taxes) reached the highest point on record. Thus data for the fourth quarter indicate a continuation of the propensity of individuals in recent months to put increasingly greater proportions of their income into currency and demand deposits.

"3. Individuals purchased $3,300,000,000 of U. S. Government bonds (including $2,300,000,000 of War Savings Bonds) in the fourth quarter, an increase of $500,000,000 over the third quarter.

"4. Debts of individuals other than mortgages were again reduced considerably, but such repayment was much smaller than in prior quarters."

Further details were given by the SEC as follows:

"Individuals' liquid saving was $10,100,000,000 in the fourth quarter, compared with $9,100,000,000 in the third quarter. For the four quarters of 1942, liquid saving totalled $28,900,000,000, an all-time high. The increase in liquid saving during the fourth quarter reflects the higher level of income in the hands of individuals after payment of taxes. As in other recent quarters, the volume of liquid saving is substantially higher than might be expected on the basis of the past relationships between such saving and income alone. This seems to be due in part, as in prior quarters, to rationing and growing scarcities of consumers' goods and to restrictions on the granting of credit for the purchase of such goods.

"The most significant feature of the pattern of saving during the fourth quarter of 1942 was the unprecedented growth in individuals' currency and demand deposits. Individuals added about $1,500,000,000 to their cash on hand and $3,100,000,000 to their checking accounts, contrasted with $1,100,000,000 and $2,500,000,000, respectively, in the third quarter. For the year as a whole, saving in these two forms totalled $10,300,000,000. The rate of accumulation of such funds during the last half of the year seemed to be considerably greater than could be explained on the basis of the relationship of past accumulations to income (after taxes). Part of this growth in currency and demand deposits undoubtedly represents provision for future payment of currently accruing taxes.‡ An-

(Continued on page 752)

*In this analysis individuals' saving includes unincorporated business' saving.

†These figures include the cash and deposits of unincorporated business as well as of consumers. Probably the two most important groups included in unincorporated business are agriculture and trade. It should be noted that part of the above increase in cash and deposits reflects a liquidation of inventories of unincorporated trade (net of retirement of notes payable). However, although the amount of this increase is not known, it is believed to have been substantially less than $500,000,000 in the fourth quarter, when it was at its highest for the period covered.

‡Cash accumulations in 1943 will be more than sufficient to take care of tax payments. Even after payment of taxes it is believed that in the absence of new developments individuals' saving in cash on hand and in banks for 1943 will be much larger than in 1942.

Special Editorial Material Featuring California Savings and Loan Associations Starts on Page 746

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Hodson Co. Celebrates Fiftieth Anniversary; Affirms Faith In Maintenance Of Profit System

Affirming faith in the maintenance of the "Profit System" in our way of life and in the inevitable recovery and future of investment banking, Hodson & Company, Inc., are celebrating the 50th anniversary of their business, founded in 1893 by the late Colonel Hodson who had the vision to foresee the great expansion of the Financial Field and its possibilities for stable and profitable investment. The Hodson organization became important in the development of the Financial Field, beginning a long specialization that continues to this day. For the first twenty years Hodson was associated in the organizing, establishing and financing of more than 50 national banks, State banks and trust companies.


Charles H. Dowd

In 1914 activities were directed to the personal finance business with the organization of one of the pioneer enterprises in that field. Many sizable and successful corporations in finance and allied fields have been supplied capital through Hodson since that time. These include Beneficial Loan Society, Collateral Bankers, Inc., Beneficial Industrial Loan Corporation, Bankers National Life Insurance Company, Bankers National Investing Corporation, Empire Capital Corporation and American Business Credit Corporation.

Charles H. Dowd, President, points out that the House of Hodson is unique in that it has maintained a three-fold policy of First: Concentrating in the field of "Money Companies" in which it has accumulated a vast fund of practical and extremely valuable knowledge; Second: Rewarding investors adequately; Third: Distributing through a specialized organization of independent dealers who are intimately acquainted with Hodson securities.

The soundness of this policy is proven by the record of the Hodson financed companies enumerated, which have distributed in interest, dividends and profit-sharing more than $70,000,000 during the last 30 years through good times and bad. Nearly all made uninterrupted quarterly payments through the recent depression.

Mr. Dowd also emphasized that the success of the House of Hodson in distributing securities aggregating many millions of dollars had been mainly attributable to the loyalty of a large "family" of dealers, a number of whom have sold Hodson securities for more than twenty years and many others for more than ten years. Hodson dealers, he said, were not the large houses throughout the country but dealers in smaller cities and towns, who enjoy the full confidence and respect of their fellow citizens. The House of Hodson continues in the financial field, Mr. Dowd explained, because their extensive experience demonstrates there are less serious problems in that field than in any other, and good management has shown earnings even during uncertain times.

Strong Position For Home Mutual Deposit Loan Co. of San Fran.

Home Mutual Deposit-Loan Co. of San Francisco reflected in its 114th semi-annual financial statement, as of Dec. 31, 1942, "the strongest, most favorable position in the company's 57-year history," according to Milo R. Robbins, President.

Despite war conditions, the statement revealed, substantial gains were made over the previous year in total assets; cash and Government securities; reserves and surplus, and savers' and investors' accounts.

Since its founding in 1885, and through three previous wars and five major depressions, as well as the San Francisco holocaust of 1906, Home Mutual, its President reports, has unfailingly maintained an interest rate of at least 3% per annum on savings and investment funds.

Stromberg-Carlson And Federal Screw Attractive

The current situation in Stromberg-Carlson and Federal Screw Works offers attractive possibilities, according to memoranda issued by Herzog & Co., 170 Broadway, New York City, from whom copies may be obtained upon request.

Chester de Willers Forming Own Company

Chester E. de Willers has resigned as Vice-President of Schoonover, de Willers & Co., and will shortly engage in a general securities business as C. E. de Willers & Co. Offices of the new firm will be located at 120 Broadway, N. Y. City.


Chester E. deWillers

Before forming Schoonover, de Willers & Co., Mr. de Willers for many years associated with Charles King & Co., specializing in industrial bonds and stocks and reorganization securities.

Mr. de Willers has been very active in the Security Traders Association of New York since its inception and in the National Security Traders Association, and has served as an officer of both associations.

L. B. Henry Opens Investment Firm

DALLAS, TEXAS—Louis B. Henry has opened offices in the Kirby Building under the firm name of Louis B. Henry, Investments, to act as dealer in municipal securities specializing in Texas municipal bonds and warrants. Associated with Mr. Henry in charge of the buying department will be Hugh Bass.

Mr. Henry was formerly Vice-President and Manager of the sales department of Moss, Moore & Cecil, Inc., which will be inactive for the duration of the war. Mr. Bass was formerly Manager of the sales and trading departments of the local office of The Dunne-Israel Investment Co.

Service Stars Added

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

Lt. (SG) Hodge Davidson, U. S. N. Treasure Island, Calif., (formerly of Schwabacher & Co.); Capt. Arthur Dolan, Jr., U. S. A., HQ 9th Corps, Fort Douglas, Salt Lake City, Utah (formerly of F. M. Brown & Co.); 2nd Lieut. John Egan, U. S. A., 82nd Fighter Group, APO No. 525 New York (formerly of Dean Witter & Co.); Lt. (JG) Chester Glass, Jr., U. S. N., Fort Lauderdale, Fla. (formerly of Bankamerica Co.); Maj. Donald Graham, Jr., U. S. A., Command-General School, Ft. Leavenworth, Kan. (formerly of First of Boston Corp.); 1st Lt. Gareth Kellam, A. A. F. A. F. S., La Junta, Colo. (formerly of Weeden & Co.); 2nd Lt. Thomas Petersen, Jr., U. S. A., 501st S. A. W. R., Drew Field, Tampa, Fla. (formerly of Davis, Skaggs & Co.).

Twin Cities Traders Annual Dinner Today

MINNEAPOLIS, MINN.—Twin Cities Bond Traders Club is holding its annual mid-winter dinner today (Feb. 25) from 4:00 p.m. on at the Dyckman Hotel in Minneapolis.

Through an error it was indicated in our issue of Feb. 18 that the Traders' dinner would be held last Thursday.

Members of the Entertainment Committee are: J. E. Masek, Chas. E. Fuller Co., Minneapolis, Chairman; C. J. Rieger, Jamieson & Co., Minneapolis, and Paul Matsche, Paine, Webber, Jackson & Curtis, St. Paul.

Missouri-Kansas-Texas Rail Issues Look Good

McLaughlin, Baird & Reuss, 1 Wall Street, New York City, members of the New York Stock Exchange, have just issued a most interesting circular on Missouri, Kansas & Texas RR. Co. discussing the background of the road, present situation and outlook for the future. Issues of this carrier offer interesting possibilities, according to the circular, particularly the first 4s of 1990, and as an attractive speculation the prior lien 4s and 5s due 1962 and 4½s due 1978. Copies of the circular, discussing the situation in detail, may be had from McLaughlin, Baird & Reuss upon request.

Fla. Situation Looks Good

The outlook for Florida is most optimistic both now and in the post-war period, according to an interesting circular prepared by William T. Brown, manager of the Southern Municipal Department of Allen & Co., 30 Broad Street, New York City. Copies of this circular may be had upon request from Allen & Co.

Wilson Co-Manager Of Goodbody In Hartford

Goodbody & Co., members New York Stock Exchange, have appointed Clifton W. Wilson to serve as Co-manager with C. Morgan Aldrich of their Hartford, Conn., branch office, 75 Pearl Street.

COMMERCIAL and FINANCIAL CHRONICLE
Reg. U. S. Patent Office
William B. Dana Company
Publishers
25 Spruce Street, New York
BEekman 3-3341
Herbert D. Seibert,
Editor and Publisher
William Dana Seibert, *President*
William D. Riggs, *Business Manager*
Thursday, February 25, 1943

Published twice a week [every Thursday (general news and advertising issue) with a statistical issue on Monday]

Other Offices: Chicago—In charge of Fred H. Gray, Western Representative, Field Building (Telephone State 0613). London—Edwards & Smith, 1 Drapers' Gardens, London, E.C.

Reentered as second-class matter February 25, 1942, at the post office at New York, N. Y., under the Act of March 3, 1879.

Subscriptions in United States and Posessions, $26.00 per year; in Dominion of Canada, $27.50 per year; South and Central America, Spain, Mexico and Cuba, $29.50 per year; Great Britain, Continental Europe (except Spain), Asia, Australia and Africa, $31.00 per year.

NOTE—On account of the fluctuations in the rate of exchange, remittances for foreign subscriptions and advertisements must be made in New York funds.

DEALER BRIEFS

Chicago, Ill.

We believe that we are in a year and a half to two-year bull market for utility issues, with particular interest in preferred stocks of holding companies.

The situation appears to be comparable to that existing in the railroad defaulted bond group in 1938-39.—*John J. O'Brien, John J. O'Brien & Co.*

New York City

The stigma on rail securities has been due to defaults and adjustments on the large general open mortgages and junior liens. The small underlying issues have fared rather well. This is the type of rail security advocated by us for investors apprehensive about post-war outlook for railroads.—*B. W. Pizzini, B. W. Pizzini & Co.*

Frank A. Cahn With Fred W. Fairman Co.

(Special to The Financial Chronicle)

CHICAGO, ILL.—Frank A. Cahn has become associated with Fred W. Fairman & Co., 208 South La Salle Street, members of the Chicago Stock Exchange. Mr. Cahn was formerly for many years with Larson, Honohan & Co. In the past he was a partner in Benthin, Larson & Cahn and was active as an individual dealer.

Chicago North Western Securities Look Good

Pflugfelder, Bampton & Rust, 61 Broadway, New York City, members of the New York Stock Exchange, have just issued a circular on Chicago North Western, both the new "when issued" and the old securities of which the firm considers offer particularly attractive possibilities. Copies of this interesting circular may be had from Pflugfelder, Bampton & Rust upon request.

Huntley In Bank Div. of Reynolds & Co.

Reynolds & Co., 120 Broadway, New York City, members New York Stock Exchange and other leading exchanges, announce that C. E. Huntley has become associated with them as Co-manager of their bank division.

Also associated with the firm in their bank division is T. F. Wentworth.

Plan Hearings On Bill To Kill SEC Proxy Rules

The House Interstate and Foreign Commerce Committee, headed by Representative Lea (Dem., Cal.), was reported on Feb. 22 to have appointed a sub-committee to hold hearings on proxy regulations promulgated by the Securities and Exchange Commission.

Proposed legislation which would kill the new SEC proxy rules has been introduced by Representative Wolverton (Rep., N. J.). Mr. Wolverton's bill provides that the SEC shall operate under its regulations which were in effect on Nov. 1, 1942. In effect, this would abolish all subsequent regulations, including the proxy rule revisions.

Lyle Boren To Speak At Bond Club Meeting

The principal speaker at the luncheon meeting of the Municipal Bond Club of New York on Feb. 26 will be Representative Lyle H. Boren of Oklahoma. Representative Boren recently introduced a bill in Congress to remove from the jurisdiction of the Securities and Exchange Commission State and municipal bonds

The meeting will be held at the Bankers Club, New York City.

For War Deflation or Peace

Capital stock of the Auto-Ordnance Corporation offers interesting possibilities in war, inflation, and peace, according to a circular issued by J. Arthur Warner & Co., 120 Broadway, New York City. Auto-Ordnance is engaged in the production and sale of firearms, oil, and food and owns the patent rights to and manufactures the famous "tommy-gun." Copies of the circular may be had upon request from J. Arthur Warner & Co. — ask for description "C."

NYSE Seeks Nominees For Annual Election

The Nominating Committee of the New York Stock Exchange will hold an open meeting on Tuesday (March 2) for the purpose of receiving suggestions for the positions to be filled at the annual election to be held in May.

All members and their partners are invited to attend this meeting to suggest nominees and those unable to attend may make their suggestions by letter. Similar meetings will be held by the Nominating Committee on each Tuesday and Wednesday during March.

In its announcement the Exchange states vacancies will occur in and nominations are to be made for the following positions:

Board of Governors—

For the Term of One Year: A Chairman of the Board of Governors who shall be a member of the Exchange. Robert L. Stott, incumbent.

For the Term of Three Years: Three Governors who shall be members of the Exchange residing and having their principal places of business within the metropolitan area of the City of New York. Robert Cluett, 3rd, E. Burd Grubb, Ernest L. Jones, Sylvester P. Larkin and Sidney Rheinstein, incumbents.

Two Governors who shall be allied members or non-members residing and having their principal places of business within the metropolitan area of the City of New York, who shall be general or limited partners in member firms engaged in a business involving direct contact with the public. Radcliffe Swinnerton and John C. Maxwell, incumbents.

Two Governors who shall be members or allied members or non-members of the Exchange residing and having their principal places of business outside of the metropolitan area of the City of New York, who shall be general or limited partners in member firms engaged in a business involving direct contact with the public, of whom not less than one shall be a member of the Exchange. Edgar Scott and H. Prenatt Green, incumbents.

For the Term of One Year: One Governor, to fill a vacancy, who shall be a member of the Exchange residing and having his principal place of business within the metropolitan area of the City of New York. Henry Picoli, incumbent.

Trustees of the Gratuity Fund—

For the Term of Three Years: Two trustees who are members of the Exchange. H. Gates Lloyd and William D. Scholle, incumbents.

Nominating Committee—

For the Term of One Year: Five members of the Nominating Committee, three of whom shall be members and two of whom shall be allied members of the Exchange.

More Buying Power

Although wars are destroyers of values, decreasing the buying power of the dollar, it is possible to increase the number of dollars so that buying power will be as large or larger than before, Grande & Co., Inc., Hoge Building, Seattle, Wash., declares in an interesting circular listing 11 situations which they consider particularly attractive at the present time. Copies of the circular may be had from Grande & Co. upon request.

British Columbia Offers Interesting Features

An interesting descriptive circular on the Province of British Columbia has just been issued by Wood, Gundy & Co., Inc., 14 Wall St., New York City, copies of which may be had from the firm upon request.

Old Ben Coal Clears All Arrears On 1st 6s

Directors of Old Ben Coal Corporation have declared a total interest payment of $265 on each $1,000 First Mortgage 6% bond due 1948, payable March 1 to holders of record Feb. 18. Of this payment $60 covers the fixed interest for the year 1942, and $205 covers all of the accumulated back interest on the bonds.

With interest arrears eliminated on the First Mortgage bonds, net earnings before depreciation for the year 1943 will be applied as follows: Fixed interest at 6% with the remainder divided 50% to sinking fund on the First Mortgage bonds up to a maximum of $500,000 cash, and the remaining 50% to interest on the Debenture 7½s due 1953. Accumulated back interest on the Debenture 7½s amounted to 52½% as of January 2, 1943. The payment of back interest on the 6s also removes restrictions against the company's purchase of debentures.

N. Y. Stock Exchange Weekly Firm Changes

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

Proposed transfer of the Exchange membership of the late Henry R. Ickelheimer to Saul J. Shepard will be considered by the Exchange on March 4. It is understood that Mr. Shepard will act as an individual floor broker.

Proposed transfer of the Exchange membership of the late Ogden M. Edwards, Jr., to Albert B. Tompane, partner in Benton & Nicholas, New York City, will be considered on March 4th.

The main office of J. W. Sparks & Co. will be 50 Broadway, New York City, hereafter. The office at 1510 Chestnut Street, Philadelphia, Pa., will be a branch office in charge of resident partners.

Jones & Co., New York City, was dissolved effective Jan. 12, 1943.

PERSONNEL ITEMS

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

(Special to The Financial Chronicle)

CHICAGO, ILL.—**Elizabeth McAuliffe** has become associated with **Shearson, Hammill & Co.**, 208 South La Salle Street. Miss McAuliffe was formerly with Shields & Co.

(Special to The Financial Chronicle)

CINCINNATI, OHIO — **M. Alfred Mack** and **Norma Probst** have joined the staff of **Westheimer & Co.**, 326 Walnut Street. Miss Probst was formerly with Merrill Lynch, Pierce, Fenner & Beane, Granberry & Co., Thomson & McKinnon and W. E. Hutton & Co. Mr. Mack was previously with A. E. Aub & Co.

(Special to The Financial Chronicle)

CLEVELAND, OHIO — **Robert B. Keeler** is now with **Hornblower & Weeks**, Union Commerce Building. Mr. Keeler was formerly with Otis & Co. for a number of years, was with the Guaranty Company of New York and in the past was President of R. B. Keeler & Co.

(Special to The Financial Chronicle)

INDIANAPOLIS, IND. — **William G. Masters** has become associated with **Henry K. Dalzell**, 106 East Market Street. Mr. Masters was previously with Thomson & McKinnon and was an officer of M. P. Crist & Co., Inc.

(Special to The Financial Chronicle)

LONG BEACH, CALIF.—**Ansley L. Oltman** has been added to the staff of **Halbert, Hargrove & Co.**, First National Bank Building.

(Special to The Financial Chronicle)

LOS ANGELES, CALIF.—**William C. Gregg** has rejoined the staff of **E. F. Hutton & Company**, 623 South Spring Street. Mr. Gregg recently was in charge of the Statistical Department of the local office of Post & Flagg.

(Special to The Financial Chronicle)

LOS ANGELES, CALIF.—**Myrton M. Purkiss** is now with **H. R. Baker & Co.**, Bank of America Building.

(Special to The Financial Chronicle)

LOS ANGELES, CALIF.—**Frank R. Hines, Jr.**, previously with E. A. Pierce & Co., and **Douglas E. C. Moore** have become affiliated with **Pacific Company of California**, 623 South Hope Street.

(Special to The Financial Chronicle)

NEW HAVEN, CONN.—**Philip Susman**, previously with Eisele & King, Libaire, Stout & Co., has become associated with **J. S. Bache & Co.**, 175 Church Street.

Underlying Rail Bonds Offer Possibilities

Underlying mortgage railroad bonds offer attractive possibilities, according to B. W. Pizzini & Co., 55 Broadway, New York City, which has just issued special memoranda on Buffalo & Susquehanna first 4s of 1963, Allegheny & Western first 4s of 1998, Morris & Essex first 3½s of 2000, and Beech Creek Ext. first 3½s of 1951, issues the firm considers particularly interesting at current levels. Copies of these memoranda may be had from B. W. Pizzini & Co. upon request.

Towne Securities Offers Interesting Situation

The 7% cumulative preferred stock of Towne Securities Corp. offers interesting possibilities at current levels, according to a circular issued by J. L. Schiffman & Co., 60 Broad Street, New York City. Copies of the circular may be had from the firm upon request.

REAL ESTATE SECURITIES

First Mortgage Liquidation Certificates Offer Attractive Investment Possibilities

Series F-1 Issued By New York Title and Mortgage Co.

In May, 1935, three individual trustees appointed by the Supreme Court of the State of New York took over supervision of 121 properties in New York and Bronx Counties, New York, on which the New York Title and Mortgage Co. had taken first mortgages, issuing and selling to the public guaranteed participation certificates called Series F-1.

The trustees, in the declaration of trust, hold the properties for the purpose of liquidating the assets in an orderly and businesslike manner, having due regard for the condition of the real estate market, so as not to sacrifice the interests of the certificate holders but to yield to them as large a proportion of their original investment as is reasonably possible; and, pending final liquidation, to manage and collect the income from the assets and to distribute all net income and net moneys derived from the liquidation of the Trust Estate among the certificate holders in accordance with their respective interests.

When the trustees took possession, $27,574,576.37 certificates were outstanding. As of Dec. 31, 1942, the total amount of principal unpaid on certificates in the hands of the public amounted to $25,481,888.85.

The trustees had required $355,592.80 face amount of certificates which they had taken as part payment for properties sold. Since the trustees took possession the public has received a distribution of 7% on account of the principal, reducing each $1,000 certificate to a present face value of $930.

Interest payments based on the face value of the certificates have been made semi-annually on June 30 and Dec. 31. Annually, the payments have been as follows:

1935	2%
1936	4%
1937	6%
1938	5%
1939	5%
1940	5%
1941	4¾%
1942	4¼%

We are informed that only a portion of the income distributed is taxable due to the fact that depreciation taken on properties owned may be prorated to the outstanding certificates.

As of Dec. 31, 1942, the Trust Estate held 113 separate assets, diversified as follows: 66 mortgages in good standing in the total amount of $14,365,735.82; 46 properties fee-owned having a cost to the Trust of $10,755,551.63, and one property which the Trust was operating under rent assignment in the amount of $230,300. Total principal assets, exclusive of $304,294.60, totaled $25,351,587.45. Of the 113 separate assets, 70 consisted of six-story elevator apartments and 22 walk-up apartments. Six properties were sold in 1942 for $1,013,000 for $149,000 and purchase money mortgages of $864,000.

A claim allowed the trustees, in the amount of $8,359,855.33, against the guarantee of the New York Title and Mortgage Co. is expected to produce a dividend of about 10%, or approximately $836,000. About 4%, or approximately $335,000, will be made available for distribution shortly, the balance to follow from further liquidation of the assets of the guarantor.

Properties are kept in good rentable condition, all real estate taxes are paid on fee-owned properties and there were no arrears of taxes on properties on which the Trust Estate holds the first mortgage. Cash receipts in the principal account for 1942 totaled $347,662.96, cash receipts in the income account totaled $1,203,715.65.

With the pronounced improvement in real estate conditions in New York, the possibilities for more favorable liquidation naturally follows. The certificates at present levels in the 50s offer an attractive yield and appreciation as liquidations occur in an improved real estate market.

The Series F-1 certificates are an example of many attractive liquidating situations in various price ranges.

N. Y. Analysts To Meet

The New York Society of Security Analysts, Inc., announces that at its regular Friday luncheon meeting, to be held at 56 Broad Street, New York City, Feb. 26, at 12:30 p.m., Fairman R. Dick, senior partner of Dick & Merle-Smith, will address the Railroad Group.

On Wednesday, March 3, Frank Rizing, General Manager of the Automotive Parts and Equipment Manufacturers Association, will address Industrials Group I.

Raymond N. Parker Now With F. S. Moseley Co.

(Special to The Financial Chronicle)

INDIANAPOLIS, IND. — Raymond N. Parker has become associated with F. S. Moseley & Co., Circle Tower. Mr. Parker was previously an individual dealer in Indianapolis and prior thereto was with E. L. Kline & Co. and was an officer of Wm. F. Shumaker & Co.

Tomorrow's Markets Walter Whyte Says—

Strong current market pleasant but no longer impressive. January conditions indicative of rise now fulfilled. All stops raised.

By WALTER WHYTE

The past week has been a sober one, if not for the market then certainly for the conditions that affect it.

It's true the market has refused to give more than a cursory nod to the headlines. This may be a commentary on either the strong technical position or a reflection of the ostrich complex.

* * *

If the former is true the strength which reasserted itself late Tuesday afternoon will continue, though there will be days which will be given over to dull irregularity. If the latter applies then we are in for a major sell-off. For no head-in-the-sand philosophy can change the picture of things as they are.

* * *

Of course it is possible that with the news from the war fronts veering around so rapidly, any reaction may be short lived. A few days' weakness and it may well be all over. Unfortunately there is nothing to base the last premise on. Reactions breed reactions, and what starts out to be just one of those things theoreticians like to call "technical" can easily develop into something more serious.

* * *

The odd thing about reactions is that they seem to come just before a piece of bad news breaks into print. Up to now these "coincidences" have not bothered the market very much. But it would be foolish to expect such a condition to continue indefinitely.

* * *

Back in the days when you could be a big time trader with a hundred dollar bill, there used to be a market philosophy which, paraphrased, said that the fellow who went short made more money than the longs. If it was true in a world at peace it is more so in a world at war.

* * *

Most of us are naturally optimists. For while we try to look ahead we prefer to let each day's problems take care of themselves. Such human traits are not national. We can't say it's the American way any more than the English can say it's the British way. It's part of life to be optimistic; to look towards a millenium. Applying this to the market you will find the bull attracts a larger following than the bear.

* * *

Your trader, for example, will be more comfortable with a five point loss in a long position than with a one point loss in a short position. To partially explain this you have often heard it said that there's "no limit to how high they can go, but on the downside they can only go to nothing." It's a comforting thought but seldom a practical one. Moreover, in war time it's a naive one.

* * *

Business maneuvers in peace sometime bring handsome profits. Industrial mergers that bring bigger profits in either the form of higher market prices or larger dividends, are during peace time dependent on managerial or market ability. But even in normal times ambitious plans go awry. And during a war the chances for accidents multiply a thousand fold. No, if the gods of chance favor either side, they favor the bear today.

* * *

This, oddly enough, doesn't mean that from now on we can look forward to an unbroken decline. Present day markets don't behave that way. But it does mean that caution from now on should be written in upper case caps.

* * *

About a month or so ago in analyzing the Dow averages, then at about 118-119, I pointed out that the market was on the verge of a 10 point move. A positive push through the then much talked of resistance point of 120 would bring an additional move to about 130. If the averages broke through on the downside, before penetrating the upper level, a 10 point drop was indicated. Well, you know what happened.

* * *

The market did go up and as this is being written the averages are across 129. It is

(Continued on page 743)

RAILROAD SECURITIES

With the reorganization stalemate brought about by the failure of the Supreme Court to hand down a decision on the cases heard last October, Western Pacific 1st Mortgage 5s, 1946 have given a rather desultory market performance in recent trading sessions, although hovering consistently close to the 1942-1943 high. The bonds still possess outstanding price appeal, in the opinion of most railroad bond men, regardless of the outcome of the Supreme Court appeal. If there were no other considerations, the rapid accumulation of cash would alone warrant considerably higher prices than the recent level of around 40. Eventually this cash will have to be utilized directly for the benefit of the First Mortgage bonds.

Aside from the serial equipments there is one security ranking ahead of the First Mortgage, and this is the issue of Trustees' Certificates held by the RFC. Under the reorganization plan now before the Supreme Court these Trustees' Certificates were to receive the entire issue of new First Mortgage fixed interest bonds. There are now approximately $9,500,000 of the Trustees' Certificates outstanding (originally $10,000,000) and principal payments are being made at the rate of $25,000 per month despite the fact that the certificates are past due.

If it were not for court restrictions, presumably growing out of the lower court's disinclination to take any steps that might jeopardize the consummation of the plan until the Supreme Court has acted, the company could readily pay off the certificates in full and still have more cash than is needed for working purposes. In fact, there is $6,000,000 of cash already deposited as additional collateral behind the certificates, and no interest accrues on a similar face amount of the certificates. In addition, the company itself ended 1942 with treasury cash of more than $8,350,000 and system cash was close to $9,400,000. If the certificates were paid in full there would still be system cash of roundly $5,900,000 while less than $4,000,000 would presumably be adequate for working needs even under present boom traffic conditions.

If the reorganiaztion plan is turned back by the Supreme Court, and the delay in handing down a decision is considered as improving the prospects for such action, there seems little question but that the Trustees' Certificates will be paid off almost immediately. Without any change in the commission's proposed capitalization this would alone release $10,000,000 of new First Mortgage bonds for allocation to old security holders, practically all of which would go to the $49,290,000 of first 4s, 1946. At the same time, it seems reasonable to expect that if the Commission had to reconsider the Western Pacific reorganization it might well be more liberal in its appraisal of a supportable capitalization.

Under the original reoragnization the only fixed debt allowed was $10,000,000 of first 4s, and the modest amount of equipment obligations. Fixed charges were to be kept under $500,000. Last year income available for charges topped $9,000,000 despite an adjustment of close to $900,000 in the final month for maintenance and equipment reserves. In fact, with the exceptions of 1937 and 1938, when property rehabilitation work approached the level of almost complete rebuilding of the main lines, earnings have consistently run two to three times the proposed fixed charges.

There is no question but that the recent earnings have been largely war engendered, but there have also ben important elements of basic improvement which should be given recognition in any revised reorganization. These include greater utilization of the northern California connection with Great Northern made possible through the physical rehabilitation of the Western Pacific. Also, the rehabilitation has allowed more efficient operations and a correspondingly larger margin of profit. Finally, under the stimulus of the war there have been important additions to the industrial life of the service area, many of which will continue under a peace economy.

In addition to these potentialities, it is expected that the 1st mortgage bonds will receive some direct benefits this year from the record earnings and record accumulation of cash. Even if the Trustees' Certificates are paid off, the 1st 5s should be in line for substantial interest payments or invitations for tenders, or both.

Gadbois And Holton Join Wyeth & Co.

(Special to The Financial Chronicle)

LOS ANGELES, CALIF.—Guy Gadbois and Charles L. Holton have become associated with Wyeth & Co., 647 South Spring Street, members of the Los Angeles Stock Exchange. Mr. Gadbois was formerly manager of the Beverly Hills office of Pacific Co. of California and prior thereto was an officer of O'Melveny-Wagenseller & Durst and was with Schwabacher & Co. Mr. Holton was previously manager of the trading department for Morton Seidel & Co. and E. H. Rollins & Sons, Inc., in Los Angeles.

Applied Electronics—Major Post-War Industry

A most interesting booklet has just been issued by Estabrook & Co., 15 State Street, Boston, Mass., members of the New York and Boston Stock Exchanges, entitled "Applied Electronics—A Major Industry After the War? What It Offers to the Investor Today." The booklet discusses the development of the use of electron tubes industrially and in radio and television and includes brief analyses of five manufacturers of these tubes. Copies of this booklet may be had upon request from Estabrook & Co. in Boston and from the New York office of the firm at 40 Wall Street.

Bank and Insurance Stocks

This Week — Bank Stocks

By E. A. VAN DEUSEN

The effect which severe inflation may have on bank operations and earnings is a matter of importance to bank stock investors. Two weeks ago this column reviewed the experience of New York City banks under the inflationary conditions which prevailed during the war period of 1914 to 1919. It is proposed to review this week the experience of French banks under inflation.

During World War I, and for several years following, France experienced inflation of marked and growing severity. Generally speaking, this inflation may be divided into two district phases, viz.: the war phase, from 1914 to 1918; and the post-war reconstruction phase, from 1919 to 1926. It is pertinent at this point to note that France financed her entire war cost through loans, both domestic and foreign.

At the end of 1913 France's public debt was 32,594 million francs, at the close of the war in 1918 it was 170,073 million francs, approximately 30,000 million of which was represented by foreign loans. On Dec. 31, 1926 it totaled 328,518 million francs, of which nearly 12% was represented by foreign loans. Thus, between 1913 and 1926 the public debt increased more than ten fold. The internal debt was in paper francs, but the external debt was payable in gold.

Budget deficits existed in France many years prior to the War, but they were small in comparison with the deficits which resulted from war and reconstruction financing. In 1913 there was a deficit of 165 million francs; by the end of 1918 the accumulated deficit was 144,579 million francs, and by the end of 1924, 305,106 million francs. A budget balance was achieved for the fiscal year 1926.

French inflation, therefore, came about through a long period of budget deficits, during which the Government borrowed huge sums from the Bank of France, from the commercial banks and from the public; issued short term notes, and eventually resorted to the printing press.

At the start of the War the franc was worth 19.29c, at which point it was pegged throughout the war period. It was unpegged in 1919, and rapidly fell to around 9c; in the panic of July, 1926, it reached its lowest point of 2c. With the accession of the conservative Poincare government, the franc started to rise and reached approximately 4c by the end of the year. On June 28, 1928 it was legally stabilized at 3.92c.

Throughout the entire war and post-war period there was a rise in commodity prices and in the cost of living. In November, 1918, the wholesale commodity index stood at 365.5, compared with the base of 100 in July, 1914. After the close of the war the index continued its rise to 600 in April, 1920; thereafter it declined to 313 in 1922, and then again rose to reach its peak of 854 in July, 1926, at which time the franc was at its low of 2c.

Cost of living, which was affected by a lag in certain commodities and by rent freezing, did not touch the extremes of the commodity index. Starting from a base of 100 in July, 1914, it stood at 210 in November, 1918, at 420 by the end of 1920, and at 624 in October, 1926.

It is now of interest to examine the effect on the commercial banks of this long-sustained and severe siege of inflation. Approximately half of the commercial banking business of France was carried on by four large banks which had numerous branches throughout the country. The banks are usually referred to as the "Big Four," and group figures are available for them for almost the entire period under review. All are private corporations and their stocks were regularly quoted on The Bourse.

The investment portfolios of these banks comprised, in the main, National Defense Bonds (mostly short term), commercial paper, short-term collateral loans, bank acceptances, bills and overdrafts. During the war years the largest proportion was in National Defense Bonds. After the short post-war depression of 1921-22 the demand for business credit became so great that the banks ceased buying Treasury notes and cashed those already held as rapidly as they matured.

Their portfolios aggregated around 6,572 million francs as of June 30, 1914; they declined somewhat during the early years of the war, but reached 7,557 million just before Armistice. They rose more or less steadily thereafter to 22,642 million francs by December, 1927. The expansion over the entire period was equivalent to 245%.

Deposits showed an even greater growth, expanding from 5,455 million francs on June 31, 1914 to 26,404 million francs in December, 1927, an increase of 380%. Transactions of the Paris Clearing House showed a comparable record.

Earnings figures of the banks are not available, but dividends to stockholders show a substantial rise over the period, as follows:

DIVIDENDS PAID TO STOCKHOLDERS

Year	Millions of Francs	Year	Millions of Francs
1914	34	1921	90
1915	28	1922	92
1916	45	1923	100
1917	48	1924	109
1918	58	1925	109
1919	69	1926	129
1920	90		

At the same time capital and reserves of the "Big Four" expanded from 1,088 million francs as of Dec. 31, 1913, to 1,273 million francs on Dec. 31, 1926.

Stock market indices moved up substantially throughout the inflation period, including bank stocks. The most representative index is that published by "Bulletin de la Statistique Generale de la France"; it is composed of 194

Continued on page 745)

Gottlieb Opens In N. Y.

Leo Gottlieb is engaging in a securities business from offices at 551 Fifth Avenue, New York City.

DIVIDEND NOTICE

CANCO AMERICAN CAN COMPANY

PREFERRED STOCK

On February 2, 1943, a quarterly dividend of one and three-quarters per cent was declared on the Preferred Stock of this Company, payable April 1, 1943, to Stockholders of record at the close of business March 17, 1943. Transfer Books will remain open. Checks will be mailed.

R. A. BURGER, *Secretary.*

DIVIDEND NOTICES

BRITISH-AMERICAN TOBACCO COMPANY, LIMITED

NOTICE OF DIVIDENDS TO HOLDERS OF STOCK WARRANTS TO BEARER FOR ORDINARY AND PREFERENCE STOCK.

NOTICE IS HEREBY GIVEN that the Directors in their Annual Report have recommended to the Stockholders the payment on the 31st March, 1943, of a Final Dividend on the issued Ordinary Stock for the year ended 30th September, 1942, of fourpence per £1 of Ordinary Stock free of income tax and have declared a first interim dividend on the issued Ordinary Stock for the year from the 1st October, 1942, to the 30th September, 1943, of tenpence per £1 of Ordinary Stock free of income tax, also payable on the 31st March, 1943.

In order to obtain these dividends (subject to the Final Dividend being sanctioned at the Annual General Meeting to be held on the 15th February next) on and after the 31st March holders of Ordinary Stock Warrants must deposit Coupon No. 191 with the Guaranty Trust Company of New York, 11, Birchin Lane, London, E. C. 3, seven clear business days (excluding Saturday) before payment can be made.

Both dividends will be paid against the deposit of one coupon only, namely, Coupon No. 191.

Holders of Stock Warrants to Bearer who have not exchanged Talon No. 3 for Talon No. 4 but have deposited Talon No. 3 with the Guaranty Trust Company of New-York in New York, in accordance with the arrangement which has been announced in the press, are notified that Coupon No. 191 will be detached from the corresponding Talon No. 4 and cancelled by the Company in London as and when the dividends to which they are entitled are paid.

The usual half-yearly dividend of 2½% on the 5% Preference Stock (less income tax) for the year ending 30th September next will also be payable on the 31st March, 1943.

Coupon No. 79 must be deposited with the National Provincial Bank Limited, Savoy Court, Strand, London, W. C., for examination five clear business days (excluding Saturday) before payment is made.

DATED the 19th day of January, 1943.

BY ORDER OF THE BOARD,
D. M. OPPENHEIM, Secretary.
Rusham House, Egham, Surrey.

Allied Chemical & Dye Corporation
61 Broadway, New York
February 23, 1943

Allied Chemical & Dye Corporation has declared quarterly dividend No. 88 of One Dollar and Fifty Cents ($1.50) per share on the Common Stock of the Company, payable March 20, 1943, to common stockholders of record at the close of business March 5, 1943.

W. C. KING, *Secretary*

CALUMET AND HECLA CONSOLIDATED COPPER COMPANY

A dividend of twenty-five cents ($0.25) per share will be paid on March 16, 1943, to holders of the outstanding Capital Stock of the Calumet and Hecla Consolidated Copper Company of record at the close of business March 6, 1943. Checks will be mailed from the Old Colony Trust Company, Boston, Mass.

A. D. NICHOLAS, *Secretary.*

Boston, February 23, 1943.

SOUTHERN RAILWAY COMPANY

New York, February 23, 1943.

A dividend of Two Dollars ($2.00) per share on 1,298,200 shares of Common stock of Southern Railway Company, without par value, has today been declared, out of the surplus of net profits of the Company for the fiscal year ended December 31, 1942, payable on Thursday, April 1, 1943, to stockholders of record at the close of business Monday, March 8, 1943.

Cheques in payment of this dividend will be mailed to all stockholders of record at the addresses as they appear on the books of the Company unless otherwise instructed in writing.

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

INTERNATIONAL HARVESTER COMPANY

The Directors of International Harvester Company declared a quarterly dividend of fifty cents (50c) per share on the common stock, payable April 15, 1943, to all holders of record at the close of business on March 20, 1943.

SANFORD B. WHITE, *Secretary.*

DIVIDEND NOTICES

CHRYSLER DODGE Chrysler Corporation DE SOTO PLYMOUTH

YOU GET THE GOOD THINGS FIRST FROM CHRYSLER CORPORATION

DIVIDEND ON COMMON STOCK

The directors of Chrysler Corporation have declared a dividend of seventy-five cents ($.75) per share on the outstanding common stock, payable March 13, 1943, to stockholders of record at the close of business February 26, 1943.

B. E. HUTCHINSON
Chairman, Finance Committee

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

WILMINGTON, DELAWARE: *February 15, 1943*

The Board of Directors has declared this day a dividend of $1.12½ a share on the outstanding Preferred Stock, payable April 24, 1943, to stockholders of record at the close of business on April 9, 1943; also $1.00 a share, as the first "interim" dividend for 1943, on the outstanding Common Stock, payable March 13, 1943, to stockholders of record at the close of business on February 23, 1943.

W. F. RASKOB, *Secretary*

THE ELECTRIC STORAGE BATTERY CO.

Exide BATTERIES

The Directors have declared from the Accumulated Surplus of the Company a dividend of Fifty Cents ($.50) per share on the Common Stock, payable March 31, 1943, to stockholders of record at the close of business on March 10, 1943. Checks will be mailed.

H. C. ALLAN, *Secretary and Treasurer.*

Philadelphia, February 19, 1943.

INTERNATIONAL SALT COMPANY
475 Fifth Avenue, New York, N. Y.

A dividend of FIFTY CENIS a share has been declared on the capital stock of this Company, payable April 1, 1943, to stockholders of record at the close of business on March 15, 1943. The stock transfer books of the Company will not be closed.

HERVEY J. OSBORN, Secretary.

OFFICE OF NORTHERN STATES POWER COMPANY (WISCONSIN)
Chicago Illinois

The Board of Directors of Northern States Power Company (Wisconsin), at a meeting held on February 16, 1943, declared a dividend of one and one-quarter per cent (1¼%) per share on the Preferred Stock of the Company, payable by check March 1, 1943, to stockholders of record as of the close of business February 20, 1943, for the quarter ending February 28, 1943.

N. H. BUCKSTAFF, Treasurer.

St. Louis, Rocky Mountain & Pacific Co.

Raton, New Mexico, February 15, 1943.

PREFERRED STOCK DIVIDEND NO. 99.

The above Company has declared a dividend of $5.00 per share on the Preferred Stock of the Company to stockholders of record at the close of business February 23, 1943, payable March 10, 1943. Transfer books will not be closed.

COMMON STOCK DIVIDEND NO. 85.

The above Company has declared a dividend of $1.00 per share on the Common Stock of the Company to stockholders of record at the close of business February 23, 1943, payable March 10, 1943. Transfer books will not be closed.

P. L. BONNYMAN, Treasurer.

UNION CARBIDE AND CARBON CORPORATION

UCC

A cash dividend of Seventy-five cents (75¢) per share on the outstanding capital stock of this Corporation has been declared, payable April 1, 1943, to stockholders of record at the close of business March 5, 1943.

ROBERT W. WHITE, Vice-President

THE UNITED STATES LEATHER CO.

A quarterly dividend of $1.75 per share will be paid April 1, 1943, to all holders of record at the close of business March 10, 1943, of Prior Preference stock of this Company.

C. CAMERON, Treasurer.

New York, February 24, 1943.

Johns-Manville
Corporation
DIVIDEND

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

ROGER HACKNEY, *Treasurer*

The Securities Salesman's Corner

AN ANSWER TO, "THERE ARE TOO MANY UNCERTAINTIES AROUND TODAY."

Consider the position of the average investor in securities today. More than likely he is engaged in some line of regular work that takes up most of his time and leaves him with little left over that he can devote to giving attention to his investments. With things as they stand at present, he probably desires to "make profits" and increase his income but he is also more aware of the many complicating factors which make successful investment even more difficult than heretofore.

In brief, this is the present state of mind of today's investor. He desires to put his money to work—he needs more income and profits to pay higher expenses and taxes. Meanwhile he is under a restraining influence which is caused by his realization that his own capacity to make wise selections, follow them up after he has made his commitments, and finally judge the proper time for their disposal, is very much limited by the increased pressure of his other duties and his lack of available information.

When you meet this highly intelligent investor (and there are many of them) you will recognize him immediately. He will probably be well read in some of the better financial publications, he will show an interest in your "offering"—but he will tell you frankly *that there are too many uncertainties around today.*

This, we believe, *is an invitation and a call for help,* rather than a direct expression of an unwillingness to make investment commitments. Here is the point where a salesman should become "positive" and "convincing." This investor is *looking* for someone to *help him* do a constructive investment job. At this point he doesn't want idle words, gifted oratory or generalities, but he will listen to *concrete suggestions* that are clearly set forth and sincerely offered.

So why not say something like this: It's true there are many uncertainties today. But our firm has worked out a simple method of cooperation with our regular clients that is specifically designed to overcome this problem presented by the uncertainties that exist today. For instance, when you turn over a list of your investment holdings to us to watch for you, we take many details of supervision off your hands so that you are regularly advised regarding important changes that take place in connection with these securities. Changes in price movements are reported to you when important to do so, or new political, technical and competitive developments are brought to your attention when they affect your particular holdings. Besides you may feel free to confer with me at anytime regarding any phase of your investment program. In this way we can earn the commissions you pay us, and you can count on it that we know it is to our best interest to see to it that your investment account is successfully handled." In other words, sell yourself through your sincerity and your conviction that you are the man this investor should have has a personal advisor on his investments.

It may take some tall effort to get this point over—but don't give in. Go right back to your original offering (if you had been discussing a particular recommendation) and start to resell it all over again. Remember this type of person wants to be sold but he wants you to help him make up his mind. When you say to him that you are going to lift his burden of watching over the securities he purchases from you—you are removing an obstacle which he rightfully respects as a future hazard and you are substituting a helpful service in its place.

"I sincerely want to help you—if I can't do that I'd rather not do business with you." A certain salesman friend of ours says this to his clients and he lives up to it—is it any wonder that he has their confidence and enjoys a very satisfactory business?

Result Of Treasury Bill Offering

Secretary of the Treasury Morgenthau announced on Feb. 19 that tenders for $700,000,000 of 91-day Treasury bills to be dated Feb. 24 and to mature May 26, 1943, which were offered on Feb. 17, 1943, were opened at the Federal Reserve banks on Feb. 19.

Details follow:

Total applied for $1,053,727,000.
Total accepted, $700,206,000.

Range of accepted bids:

High, 99.925; equivalent rate of discount approximately 0.297% per annum.

Low, 99.905; equivalent rate of discount approximately 0.376% per annum.

Average price, 99.906; equivalent rate of discount approximately 0.374% per annum.

Of the amount bid for at the low price 59% was accepted.

There was a maturity of a similar issue of bills on Feb. 24 in amount of $501,722,000.

Tomorrow's Markets Walter Whyte Says—

(Continued from page 741)

likely that enough bullish sentiment can be generated once the averages get above 130 to permit of additional strength, particularly with the large number of new accounts opened daily. Yet the conditions which made a strong market possible in January are no longer present.

* * *

From the war fronts—with the exception of the Russian front—the news may become worse. If Gandhi dies, the Indian problem may flare up. The panaceas to our economic and political problems highlighted by the war will almost certainly affect the basic structure of our society. And last but not least the intensification of the rationing systems at home will take their toll.

* * *

So far the market doesn't seem to be disturbed by any of the above. It acts well, takes offerings, backs down only slightly and gives indications of doing better. Still when everything seems so nice is the time to look around for fox holes. Not when everybody else is scrambling for the same thing.

* * *

Readers are still long of certain stocks. Procedure now advised is as follows: Air Reduction bought at 30, now about 43, raise stop to 39½. Goodyear bought at 22, now about 30, raise stop to 27. International Harvester bought at 43, now about 61, raise stop to 58. Superheater bought at 13½, now about 15½, raise stop to 14½.

* * *

On Feb. 11, I suggested Bethlehem and U. S. Steel, the first at 58 or better, the second at 50 or better. Both stocks sold within a half point of the buying price. BS is now at 61. X is at 53. If you have either the stops are: BS 58 and X 49.

* * *

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.]

Willard Sheldon With Stewart, Scanlon Co.

(Special to The Financial Chronicle)

SAN FRANCISCO, CALIF.—Willard H. Sheldon has become affiliated with Stewart, Scanlon & Co., 216 Montgomery Street, members of the San Francisco Stock Exchange. Mr. Sheldon was formerly active as an individual dealer in San Francisco and Palo Alto. Prior thereto he was with Coons, Milton & Co. and Newell, Coons & Co.; in the past he was associated with Dean Witter & Co. and E. A. Pierce & Co. and was a partner in Phillips & Co.

Investment Trusts

"An Investment Program to fit 'Pay-As-You-Go'" is the timely subject of Keystone Corporation's current **Keynotes.** The program is designed to provide a dividend check each month throughout the year. It is built around the ownership of six separate Keystone Funds whose semi-annual dividend dates are timed to provide the monthly checks.

The Keystone booklet, "A Modern Method of Investing," has been revised, with pertinent data brought up to January 18, 1943. As of that date the combined asset values of the Keystone Funds were $45,837,000. The breakdown of asset values by individual Funds was as follows:

Keystone Fund	Asset Value Jan. 18, 1943
"B1"	$2,578,283.46
"B2"	7,623,110.30
"B3"	16,099,643.12
"B4"	8,561,238.24
"K1"	4,497,705.66
"K2"	560,119.44
"S1"	340,531.79
"S2"	2,587,463.43
"S3"	660,712.38
"S4"	2,328,987.24

* * *

Lord, Abbett's current issue of **Background** discusses "Inflation: Will We Prove Equal to Controlling It?" The subject is handled in the same direct, common-sense manner to which readers of this publication have become accustomed from previous issues. There is a good measure of significant comparative data and the fundamental problems of wages and farm prices are thrown into the spotlight. The conclusion is optimistic—but cautious. We quote:

"If—as now seems indicated, as a result—both wage rates and farm prices can be harnessed as effectively as the prices of manufactured goods, which have withstood the pressure of inflationary tendencies without yielding, it seems indicated that we may be on our way to winning our fight against inflation on the control 'front.' With similar success on the tax front, inflation can be defeated."

* * *

National Securities & Research Corporation's current issue of **Investment Timing** analyzes the prospects for inflation with respect to stock prices. A highly interesting conclusion is reached. It is based on the premise that: "Both as to inflation in general, and as to inflation as a reason for common stock prices rising, it is the psychological element that is dominant. For ten years, various economists have pointed out the fact that the basis for such a rise exists, but the psychology leading to the typical 'flight from money into things' has not become activated."

The conclusion is that such an "inflation" psychology is much more likely to develop after the war than during the war. As to its influence on stock prices, the bulletin concludes, "It seems unlikely that 'inflation' psychology will initiate a market rise; but if a major rise gets under way and begins to become at all violent, inflationary psychology might extend it greatly."

The forecast of this service as to the intermediate trend of stock prices as of February 11 was as follows:

"The probability that a price culmination of more than very minor importance has occurred, or will occur in the near future, seems, as we write tonight, too great to permit our taking at this time even a short-term bullish position."

* * *

"There are only two distinct roads before us—free enterprise or government capitalism. The first, under intelligent direction and a keen sense of social responsibility, provides individual freedom and opportunities for advancement, and has the potentialities to provide the abundant life. The other road leads, as it has always led, to regimentation, oppression, a general leveling down of the living standards, and eventually stagnation and war.

"America's future progress will depend upon what road we choose to take. When peace again prevails, we should regenerate and restore vitality to the best phases of the enterprise system that has served us so well in the past and has the capacity for great future expansion if we but intelligently use the facilities at our command. Should we choose this course, then we shall be able to provide jobs for all, raise living standards, and fortify our security."—From the **New England Letter** of the First National Bank of Boston as quoted in MIT's **Brevits.**

* * *

Citing nine reasons, the sponsors of Selected American Shares in a recent issue of **Selections** state that now is a "time for confidence." The bulletin holds that the "common stock investor now has more reason for confidence in the future than at any time in the past five years—and perhaps in the past fifteen."

Highlights of Selected American Shares' tenth annual report are listed in a subsequent issue of **Selections.** Noteworthy is that while net asset value per share, total net asset value of the fund, and total number of shares outstanding all increased during 1942, operating expenses for the year were lower than in 1941.

(Continued on page 750)

Municipal News & Notes

Much of the attention of the municipal bond fraternity will undoubtedly center on the outcome of today's sale of $12,000,000 New York State grade crossing elimination bonds, for which bids will be opened at 1 p.m. by Comptroller Frank C. Moore. This offering has naturally created more than the usual amount of interest that attaches to long-term borrowings by the Empire State as it represents the first occasion in the State's history that bonds will be sold containing a callable clause. Aside from this innovation in State financing, the current issue also differs from previous borrowings for grade crossing purposes in that the maturity of the bonds will be 20 years rather than for the 40-year period as in the past. For these reasons, the present sale will be followed with particular interest by the trade and, according to all indications, Comptroller Moore's first long-term operation should be a signal success.

Delaware River Unit Considers Debt Refunding

The Delaware River Joint Commission is investigating the possibility of refinancing its $35,703,000 of outstanding funded debt in order to reduce "its heavy interest burden," it was stated in the annual report of Joseph K. Costello, General Manager. The bridge bonds, it was noted, become callable Sept. 1, 1943, at 105 and now bear a 4¼% coupon. A substantial saving in interest charges is the goal toward which the Commission is driving, the report said.

In connection with operating results in 1942, the report shows that net income for the period amounted to $982,881, as compared with $1,576,075 in 1941. Traffic on the structure dropped 20.31% from its all-time peak in 1941, it was noted. For the month of December alone the decline was particularly heavy, representing a curtailment of one-third below the amount of traffic using the structure in the same month in the earlier year.

The report also mentioned the possibility of further decline in revenues in light of reports from Washington "that Philadelphia-bound buses might be forced to curtail their runs at Camden and transfer passengers to the rail line." Such a policy, according to recent Philadelphia news reports, would result in an annual loss of $200,000 from bus tolls and it was also noted that an additional revenue loss is possible in view of the efforts now being made by the operators of the high-speed transit line to have the Office of Defense Transportation invalidate the present contract to reduce the toll per passenger from 2½ cents to 1½ cents.

Stranahan Syndicate Buys Texas River Authority Bonds

The Lower Colorado River Authority, Texas, has just awarded $21,635,000 of bonds at competitive bidding to Stranahan, Harris & Co., Toledo, on a net cost basis to the issuer of about 2.92%. White, Weld & Co., New York, bid on a net basis of approximately 2.93%. Public offering of the bonds will be made by a syndicate headed by the First Boston Corp. and Stranahan, Harris & Co.

Tennessee Extends Debt Retirement Act

The Tennessee Taxpayers Association, Inc., Nashville, Tenn., reports that, in line with its recommendations, the General Assembly has approved as Chapter 136 of Laws of 1943, a bill making all general obligation bonds already issued or hereafter issued by the State subject to financing and retirement under the provisions of Chapter 165, Public Acts of 1937. Because of an oversight, the Association reports, the act authorizing the $500,000 State tuberculosis hospital bonds, dated April 1, 1941, did not affirmatively make this issue subject to the requirements of the 1937 debt retirement law. To correct this omission and to bring all other general obligation issues within the provisions of the 1937 enactment, the above-mentioned new bill was enacted.

Kentucky Bridge Project Revenues Charted

Institutional and individual holders of various Kentucky and out of State bridge revenue bonds are advised of the preparation by J. J. B. Hilliard & Son, of Louisville, of a comparative statement of bridge revenues for the 12 months' period ended Dec. 31, 1942. The survey is particularly interesting in that it shows the extent to which bridge earnings have been affected by gasoline and tire rationing.

In connection with the reduced revenues on Kentucky bridge projects, the bond house states that it appears that such income for the full year 1943 will be in the neighborhood of 25% to 50% below the 1942 figures. In spite of this drastic reduction, it was stated, gross revenues and cash in the sinking funds should be sufficient to retire principal and interest on the debts of the facilities when due. Sinking fund balances, the report says, equal two or more years' interest requirement.

New Jersey Local Units Increase Tax Collections

The State's municipalities collected last year 87.3% of their total tax levy, according to the annual report of Walter Darby, Local Government Commissioner. This was the largest percentage of current collections for any year since 1937, the figures for the earlier years having been as follows: 1937, 71.51%, 1938, 73.99%, 1939, 78.08%, 1940, 80.35%, and 83.34% in 1941. Only two municipalities, both in Atlantic County, were reported as being in default in meeting their bonded indebtedness. They are Brigantine, $1,282,468, and Somers Point, $4,000.

Total assets of the municipalities reporting as of Dec. 31, were $238,683,539, an increase of $26,635,934 over those reported for Dec. 31, 1941. The latest figures do not include 45 municipalities which failed to report. Tax levies of these for last year aggregated $13,455,522.

Total liabilities at the close of the year were placed at $34,447,590, a drop of $1,850,617 from 1941. Major items reported were: Balance due local schools for the years 1942-1943, $22,553,190; prepaid taxes for 1943, $5,282,837; appropriation reserves, $4,701,340; unpaid state and county taxes for 1941 and previous years, $633,109; due other funds-account advances $669,816. Bayonne was the largest city which failed to report. Its tax levy for 1942 was $7,129,589.

Major Sales Scheduled

After today's sale of the $12,000,000 New York State issue, the next important operations in the new issue field will involve the forthcoming housing authority bond offerings aggregating over $20,000,000. Strong bidding is expected to develop for these loans as such instruments are highly rated as prime investments and enjoy a wide following among investors in all classes. The calendar of pending awards of $500,000 or more follows:

February 25

$750,000 Nassau County, N. Y.
The Franklin Square National Bank of Franklin Square purchased the last previous issue, the second high bid having been submitted by the Graham, Parsons & Co. account.

$12,000,000 New York State.
At the last previous sale, in Dec., 1941, the successful bidder was a syndicate headed by the National City Bank of New York.

March 2

$4,100,000	Alley Dwelling Authority, Washington, D. C.
6,000,000	Baltimore City Housing Authority, Md.
7,800,000	Boston Housing Authority, Mass.
2,375,000	Detroit Housing Authority, Mich.
850,000	Jersey City Housing Authority, N. J.
2,800,000	Louisville Housing Authority, Ky.

March 3

$1,200,000 Washington Suburban Sanitary District, Md.
Previous issue taken by Shields & Co., New York, and Associates, with the second high bid being made by the Northern Trust Co., Chicago, account.

SEC Interpretation Of Amended Proxy Rules

(Continued from first page)

firms in which a director of your company is a director or partner of the other party to the transaction. If the director's interest in the transaction arises merely from the fact that he is a director of the other company, it appears in the light of the principles stated above that no mention of the transaction need be made. However, in commenting on your questions I shall assume that your director is an officer, partner or 10% stockholder of the other party to the transaction.

"Your list is as follows:

"1. A bank which makes commercial loans to the company at the going rate of interest and also issues letters of credit, etc. at the going rate.

"2. An insurance company which issues policies of Marine Insurance in the usual form and at the usual rates.

"3. An industrial company from which the company makes purchases of machinery, equipment or supplies.

"4. A law firm which is employed on an annual basis to handle various legal matters.

"5. A tenant at a substantial rent of part of an office building owned by a subsidiary of this company.

"6. A railroad over which this company ships most of its products.

"7. A telegraph company.

"8. A telephone company.

"9. An electric light company.

"10. A sales agent for one particular line of fabrics in one city.

"I believe that a director's interest in transactions with the companies referred to in 7, 8 and 9 need not be referred to under paragraph H if the transactions involved the ordinary services rendered by such companies and the services were rendered at the usual and regular rates. If the transactions involved extraordinary, unusual or special services and were not immaterial and insignificant, the interest of directors in them should be disclosed.

"Directors' or their associates' interest in transactions with the companies referred to in 1 to 5, inclusive, and in 10 should be disclosed unless the transactions were immaterial and insignificant.

"If a choice between two or more carriers is available to the company in determining the route over which its products should be shipped, I should consider that the director's interest in the transactions referred to in 6 should be disclosed unless the transactions were immaterial and insignificant.

"The description of the transaction and of the director's interest in it should be brief. Details such as the dollar amount involved and the precise terms of the arrangements need not be stated."

To another inquiry regarding the same provision of the rule, the director wrote as follows:

"You state that a director of the issuer is an officer of a banking institution with which the company may have funds on deposit, or which may act as trustee under

a mortgage or other indenture, or as transfer agent of stock, or as registrar with respect to outstanding stocks or bonds. You ask whether the director's interest in these transactions should be disclosed under item 5 (H).

"Where a director of the issuer is an officer of a banking institution which during the period covered by the statement has rendered services as trustee under a mortgage or other indenture, the existence of such relationship should be disclosed unless the whole matter is immaterial and insignificant. Directors' interests in the other transactions mentioned in this item need not be disclosed."

Another excerpt refers to the paragraph (I) (3) of item 5 which requires in respect of each director, nominee, or person who has acted as an officer but not as a director, and who has received remuneration in excess of $20,000 during the fiscal year, a statement of—

"the amount paid or set aside by the issuer and its subsidiaries primarily for the benefit of such director, officer or nominee, pursuant to each pension or retirement plan of the issuer and its subsidiaries or other similar arrangement, and the amount of the annual benefits estimated to be payable to such director, officer or nominee in the event of retirement."

The director's comment on this paragraph follows:

"You state that your employees' retirement plan provides for contributions to the retirement fund both by the employees and by the company. The amount of retirement benefits, if any, which a particular officer or director will receiver will depend upon his continuance in the company's employ until he reaches retirement age and upon the amount of his salary in future as well as past years. In view of these uncertainties and of the fact that his retirement benefits will result in part from his own contributions, you suggest that you should not include in the tabulation called for by item 5 (I) the estimate of annual retirement benefits specified in paragraph (3) thereof.

"I think you should include the required estimate in the tabulation, computing it upon the assumption that an employee will continue in the employ until normal retirement age at his present salary and explain in a footnote the assumptions upon which the estimate is based. The footnote may also include a statement to the effect that part of the sum is attributable to the employee's own contributions."

The following excerpt refers to paragraph (L) of item 5 which calls for the name of each person other than a director, officer or employee of the issuer whose aggregate remuneration from the issuer exceeded $20,000, the amount received by each such person and the capacity in which it was received.

"You point out that paragraph 5 (L) of item 5 of Schedule 14A is substantially the same as item 11 of Form 10-K, the form on which the company files its annual report with the Exchange and with the Commission under the Securities Exchange Act of 1934. You ask whether the instructions as to item 11 of the Instruction Book for Form 10-K may be used as a guide in determining what disclosure should be made in the proxy statement under item 5 (L).

"Item 5 (L) is intended to elicit information similar to that required to be given under item 11 of Form 10-K and the instructions as to that item may properly be used as a guide in the preparation of that part of the proxy statement."

Our Reporter On "Governments"

By S. F. PORTER

The Government market has slowed down just as was to be expected. . . . April is getting mighty close now. . . . The long breathing spell investors had to consider when they looked at their cash positions and at the market in January and early this month is not so impressive from this calendar point. . . . Banks are drawing back, anticipating heavy withdrawals in March for income tax purposes and getting set for the next major financing deal. . . . Insurance companies are selling municipals, realigning their portfolios in preparation for the April deal but they're not entering the market on any large scale to pick up outstanding issues at this date. . . . Dealers are getting more cautious too. . . . So it all adds up to a leveling out. . . . As is logical, natural and healthy. . . .

Between now and the next borrowing, chances are the Government market will do comparatively little on either side. . . . We may see a reaction of a few 32nds, may see a snapback now and then due to individual buying orders, Federal Reserve operations in the market, etc. . . . But nothing important is forecast by any dealer. . . . No matter what the news on the military or political front, the institutions which "make" the Government market from this day on will be governed primarily by their expectations on the new issue and thus the odds are against any buying wave. . . . As for selling by private holders, we may be sure the Federal Reserve System will stand ready to prevent any reaction prior to the next borrowing for psychological and technical reasons. . . . Which all adds up to a quiet, listless market, enlivened occasionally by slight price shifts in both directions. . . .

THE NEXT DEAL

Feeling on size of next borrowing seems to be it will be around the $15,000,000,000 to $16,000,000,000 mark. . . . The goal may be set lower to let the market and the Victory Fund Committees show up nicely again. . . . (In December, the goal was $9,000,000,000 and the subscriptions were $12,906,000,000, a differential which still is giving the market a good psychological base). . . . Maybe the goal this time will be $13,000,000,000 and the expectation will be $3,000,000,000 surplus. . . . Anyway, we have Secretary Morgenthau's word for it that the new borrowing will total at least $9,000,000,000 "if not more than that," which is as good a sign as we need at this time. . . .

As for terms, no new rumors here although the talk still is the "Victory 2½s" will be reopened and a note will be substituted for the short-term bond issue tried last time. . . .

Some gossip about a three-way offering in the open market as opposed to the 2½s plus 1¾s of December. . . . But report of a 2¼% bond issue may be discounted on one basis and that is the interference this loan might create with the Victory 2½s. . . . No point in confusing the market, as Treasury officials have found out. . . . The simpler the deal is, the better. . . .

A real short-term plus a real long-term are certain, with the interest rates depending on the market right before the issue. . . . An intermediate offering is possible but not probable, judging from today's market. . . .

WAR LOAN DEPOSITS

The Congressional move to eliminate Federal Deposit Insurance Corporation assessments on war loan deposits of the Federal Government is certain to help the April financing. . . . Here's a step long advocated in financial circles. . . . Removal of assessment was suggested in these columns long ago. . . . No one has come up to oppose step. . . . And now it's an actuality. . . .

Fact is banks will be more willing to buy Governments now that they're not forced to pay the 1/12 of 1% assessment on war loan deposits. . . . They'll buy many more under the war loan deposit system which Federal Reserve Board Chairman Eccles admits is essential to the financing of the war. . . . And they'll make more money all around because they'll get more securities, get more interest thereby and save on the deposit assessment. . . .

The assessment supposedly is being suspended only for the duration but whether or not it ever is put back may depend on the banking system's pressure at the war's end. . . . In the meantime, it's an intelligent banking and market move. . . .

Bank & Insurance Stocks

(Continued from page 742)

different stocks, comprising twenty-five groups, including banks, insurance, rails, utilities, industrials, mines, etc. A comparison of this index with one representing 13 bank stocks is as follows:

	194 Stocks	13 Bank Stocks
1913	100	100
January, 1923	152	150
January, 1924	208	180
January, 1925	200	160
January, 1926	211	183
January, 1927	265	238
March, 1927	280	277

Some groups of stocks naturally performed better than others. For instance, chemicals and textiles performed excellently, while rails and utilities showed a relatively poor performance. Bank stocks, it will be noted, behaved approximately in line with the general market, and showed a total appreciation of 177% over the entire period.

CANADIAN SECURITIES

CANADA'S WAR RECORD

We in the United States have been so engrossed in our own prodigious war effort—and in the problems it has created—that some of us may not have a full appreciation of what Canada is doing to help defeat the Axis. It may even come as a surprise to many Americans that Canada's war record not only equals but in a number of respects excels our own.

Early this month Prime Minister King released the figures on Canada's 1942 war production. They revealed a great expansion in output over 1941. The dollar volume of Canada's war production last year was 159% greater than in the previous year. Here are some of the figures:

CANADIAN WAR PRODUCTION

	1942	1941
Military Aircraft	3,800	1,700
Cargo Ships	80	1
Tanks & Armored Cars	12,000	3,000
Trucks	200,000	120,000
*Total value (millions)	$2,100	$800

*Including miscellaneous war production.

Personnel directly engaged in the war effort:

	1942	1941
War Workers	1,000,000	700,000
Army:		
Volunteers	360,000	260,000
Draftees	55,000	20,000
Navy Personnel	52,000	27,000

Translating these figures into United States war production on the basis of the total population in each country, one arrives at some significant comparisons. Canada's expenditure for war materials last year was equivalent to an outlay of $22.4 billion for the United States. However, the comparison in terms of dollars is misleading because Canada got more for her dollars than we did. Just how much more is indicated by the following figures:

Canadian War Production in Terms of Equivalent Figures for the United States Based on Total Population

	1942
Military Aircraft	42,300
Cargo Chips	890
Tanks & Armored Cars	134,000
Trucks	2,220,000

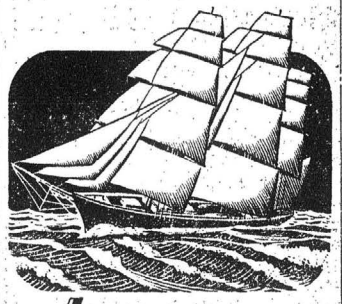
When these figures are compared with what the United States actually produced last year, as revealed by President Roosevelt in his January message to Congress, Americans will find good reason to applaud Canada's accomplishments. In fact, what Canada has done is all the more remarkable in view of her position as a predominantly agricultural nation before the war. Moreover, a small population and vast spaces of territory have accentuated for her the man-power problems which are invariably created when a nation is forced to convert from peace-time to war production and raise an army, all on short notice.

Yet despite her man-power problems and her production accomplishments, Canada at the end of 1942 had raised an army of 415,000 men, 87% of whom are volunteers. This is equivalent to an army of 4,600,000 for the United States.

(Continued on page 750)

The Home Front—The Story Of Mayfair

Mayfair is a housing project sponsored and financed by the First Federal Savings and Loan Association of Altadena, Calif., in cooperation with Government housing agencies, to provide modern, attractive, low-cost homes for workers in war industries. These high quality homes offer marked distinction from the ordinary housing project. An attractive illustrated booklet describing the entire project may be had upon request from the First Federal Savings and Loan Association of Altadena, 2455 North Lake Avenue, Altadena, Calif.



Savings-Loan Units' Investment In Govt. Securities Increased

A report issued this month by the Federal Savings and Loan Insurance Corporation showed that during 1942 the 2,400 insured savings and loan associations in the country increased their holdings of United States Government obligations from $43,900,000 to $193,500,000. At the end of 1941, 1.3% of the combined resources of these institutions was represented by government bonds; last Dec. 31 the ratio had jumped to 5.3%.

"This is a record for savings and loan associations, which ordinarily invest almost all of their funds in long-term mortgages," said Oscar R. Kreutz, general manager of the corporation. He further said: "It reflects heavy purchases of Series F and G War Bonds by these institutions, as well as their investments in U. S. obligations of other types. Such purchases have, of course, been increased because normal loan outlets of the associations have been curtailed by wartime restrictions on building while associations have continued to receive investments from the public in steady volume.

"Although the associations' holdings of government bonds increased considerably during the first nine months of 1942, the rise during the last three months of the year was greater than that of the three previous quarters combined."

Twin City Savs.-Loan Elects New Officers

MINNEAPOLIS, MINN.—The directors of the Twin City Federal Savings & Loan Association, 801 Marquette Avenue, announce the election of the following officers:

A. M. Blaisdell, Chairman of the Board.
Roy W. Larsen, President.
Henry Rines, Vice-President.
B. N. Bell, Secretary-Treasurer.

California's Savings-Loan Assn's Maintain High Volume Of Refinancing Loans

By NEILL DAVIS
Executive Vice-President California Savings and Loan League

The distribution of approximately $6,000,000 of earnings for the last half of 1942 to investors and members of savings and loan associations of California was made at the year-end. Investors in the State number about 430,000 individual savers. The 178 associations of California, 32 of which are 50 years old or over, reported combined assets of $354,991,193, a gain for the preceding year of $12,283,016. Ninety-seven cities have one or more such institutions, which serve practically every community of the State.

Neill Davis

The contributions of savings and building-loan associations to the problems brought by war are far-reaching and note-worthy. Two are foremost . . . their fight against inflation and aid in the housing shortage.

In the government's drive for the sale of its own securities (the industry has exceeded the $100,000,000-quota set by itself for the last half of 1942, and has pledged three times that amount in purchases for 1943. As issuing agents for War Bonds, these associations have co-operated in the government's financing program with sales totaling millions of dollars. Many of them have installed the payroll deduction plan in their own institutions and for other corporations.

Savings and loan associations have long been leaders among institutional lenders in the volume of new loans on existing properties. With an active sales market, they are still maintaining a satisfactory volume of refinancing loans. Despite the complete stoppage of goods. home building except in war-industry areas, statistics show that the mortgage-loan volume has not decreased to the extent which may have been expected since the active participation of the United States in the present conflict. The maintenance of its position—which is steadily improving—is an indication that associations have established themselves in community life.

While the vast sum of $35,000,000,000 will be taken from the American public next year in taxes, this is less than one-third of the predicted national income. More than 27,000,000 persons will pay taxes on their 1942 incomes, and this number will be increased substantially when the victory tax goes into effect. One-third of these taxpayers will pay such taxes for the first time.

With countless thousands able to buy for the first time, it is plain that now more than ever our spending for the usual commodities must be cut down quickly and drastically. Savings and loan associations, apostles of thrift and home ownership since 1830, are perhaps better equipped to serve in this capacity than overwise in the war program. By urging its 540,000 investors and borrowers of California, most of whom are heads of families, to pay off their debts and invest their surplus income over and above their regular War Bond quotas in savings accounts, thus accumulating a huge reservoir for post-war needs, the industry is turning vast sums away from the purchasing stream of rapidly diminishing civilian goods.

12 Federal Home Loan Banks Report Income Of $3,903,000 For 1942 Calendar Year

The net income of the 12 Federal Home Loan Banks for the calendar year 1942 amounted to $3,903,000, of which 20%, or $781,000, was transferred to the legal reserve as required by law, according to an announcement issued by Everett Smith, financial representative of the banks. This compares with net income of $3,779,000 for the previous 12 month. Mr. Smith also pointed out that dividends totaling $1,065,000 were declared by the banks as of Dec. 31, 1942, resulting in the declaration of dividends aggregating $2,068,000 for the entire year. During the year ended Dec. 31, 1942, the net profits of the banks, after payment of dividends and setting aside legal reserve requirements, amounted to $1,054,000. The total net income of the banks from the beginning of their operations on Oct. 15, 1932, through Dec. 31, 1942, aggregated $34,288,000 which has been distributed as follows: $6,859,000 transferred to legal reserves; $1,754,000 transferred to reserves for contingencies; $14,944,000 paid in dividends to United States Government; $4,533,000 paid in dividends to member institutions, and $6,198,000 remaining in unreserved earned surplus.

Regarding the banks' advances, the announcement stated:

"Advances outstanding to member institutions on Dec. 31, 1942, amounted to $129,213,000 of which $53,577,000 represented short term advances which mature within one year, while the balance of $75,636,000 represented long term advances which mature up to 10 years, and on which instalments of approximately $9,323,000 are due within one year. Under the rules and regulations for the Federal Home Loan Bank System, Federal Home Loan Bank advances made for one year or less need not be amortized, but when made for more than one year and up to 10 years, such advances are required to be amortized on a monthly or quarterly basis.

"Of the total advances outstanding on Dec. 31, 1942, $98,259,000 were on a secured basis and $30,954,000 on an unsecured basis. The secured advances were collateralized by 98,958 home mortgages, the unpaid balances of which aggregated $259,557,000, and by obligations of the United States, direct or guaranteed, having a face value of $755,000. In addition to this collateral, the Federal Home Loan Banks held a statutory lien on all stock in such banks owned by each borrowing member institution which, on Dec. 31, 1942, totaled $21,503,000. The Federal Home Loan Bank Act requires that at no time shall the aggregate outstanding advances made by any Federal Home Loan Bank to any member exceed 12 times the amounts paid in by such member for outstanding capital stock held by it.

"Since the beginning of their operations on Oct. 15, 1932, through Dec. 31, 1942, the total advances made by the 12 Federal Home Loan Banks aggregated $973,197,000, against which repayments to that date aggregated $843,984,000. Except for indebtedness of four members in liquidation aggregating $150,000 on which the banks anticipate no losses, there were no delinquencies in principal or interest on Dec. 31, 1942, in excess of 30 days."

Savings and Loan Institutions Are Preparing To Adapt To Post War Needs

By HALSEY R. HANGER

Dubuque, Iowa

Director, United States Savings and Loan League, District 7

During the past four years, the only period for which reliable estimates on money received are available, $4,825,176,000 has been invested in savings, building and loan associations and cooperative banks in the United States. The figure is significant because it represents about 75% of the total funds invested in the institutions now. It means that the post-depression share account in a savings and loan association or cooperative bank is in the majority, whether it is owned by an individual or an institutional investor. It means that the great majority of persons and organizations, estates and trusts, investing in our institutions today think of them strictly in terms of their post-depression policies and practices.

Halsey R. Hanger

This fact is important because the depression period represented a new milestone in the maturity of the savings and loan institution. With its fundamentals of operation and its objectives still the same as in 1831, when the first association came into being, this system of financial institutions made some tremendous advances during the recovery period. Just to mention one or two of those advances, I would point out that the most flexible plan which the savings and loan system has ever offered investors is characteristic today. The evolution of savings and loan history has always been in that direction but the 1930's gave it real impetus. An investor or saver can have almost a tailor-made plan for putting his money into a savings and loan institution. He can force himself to put money in periodically by aiming at a premium for systematic saving. He can be an optional saver or a lump-sum saver, can receive dividends in cash or have them credited to his share account.

Again, the borrower finds a flexibility in the savings and loan plan of financing real estate which was nonexistent ten years ago. He can have ten years or twelve years, fifteen or twenty to pay off his loan. The interest rate he pays will depend usually on the set of circumstances which constitute the actual risks of that particular piece of financing. Chiefly the changes which have advanced savings and loan in the past decade have been those which attracted more and greater varieties of persons and of institutions to it than were heretofore interested.

After the war this system faces another era when adjustments will have to be made in policy and approach to the public. The evidences of its flexibility in the 1930's augur well for a sane and healthy approach to the new problems after the war has been won. Furthermore, the die is cast for progressive procedure in the savings and loan business by the very fact that so many of today's investors have brought their money in during the past four years. The directors of the associations, the men who guide basic policy, who must be depended on to approve progressive policies, are chosen from among those who are investors. If we have an investor group mainly conscious of a savings and loan association as a flexible institution for quasi-public service, we are most likely to have directors with that point of view. This being the case there is every reason to look forward to greater development of these institutions after the war and consequent greater service to their communities. In the final analysis any financial institution must stand the test of usefulness to its community and the tests of the post-war period may prove to be many and great. This business is in a position to come through them with flying colors. It will be earning its salt in the post-war period and the investors will get the earnings.

Actually the war period is becoming a great time of preparation within the institutions. They have their war duties and responsibilities. They tie in definitely with the financing of the war, having sold $350,000,000 worth of war bonds over their counters and bought some $250,000,000 of governments for their own portfolios since Pearl Harbor. They have financed approximately 300,000 homes in war industry areas to help solve the war housing program. They are continuing to expand their contribution in all these phases so that 1943 performances will dwarf those up-to-now. But meanwhile they are anticipating a future wherein private enterprise will have its opportunity to show that it can bring about full employment. They are getting ready for a day when there will be a great demand for funds. Policy in the selection of government securities for their own portfolios, and the widely followed practice of not only accepting but encouraging savings regardless of the current loan demand in their localities, are both parts of the pattern. The determination is there to have enough money to do things after the war.

The housing expansion which is inevitable after a period of WLB L-41 strictures on the home building plans of America can be financed by private enterprise. Private enterprise can develop plans for putting into their own homes the people in America who are in the lower income brackets. Savings and loan institutions are determined to be ready with the money to lend private enterprise home building when the peace comes, and their leaders are working on plans to make post-war home ownership something more than a middle class indulgency.

Probably another $1,350,000,000 will be put into savings and loan associations this year. Much will come from new investors and much will represent additional investments by those who are already happily acquainted with thrift and home financing institutions. Their opinion of the savings and loan institution will be the post-depression opinion of a flexible, forward-looking community organization adapting itself to the times and therefore always remaining an asset to the community, earning its right to existence and paying the earnings to the people whose money is invested. They will not be disappointed in the post-war savings and loan association because that is the type of adaptable institution it will continue to be on basis of present plans and leadership.

Los Angeles Savings-Loan Associations Open Educational Campaign

The savings and loan associations of Los Angeles County have undertaken a co-operative effort which may prove to be an innovation for this type of organization. At the request of the Los Angeles City Superintendent of Schools, they have joined forces under the title "Los Angeles City and County School Savings and Loan Association" for the purpose of instruction, as a regular part of the school curricula, in the principles of thrift and economy, the economical management of affairs, respect for property, and the inculcation of the importance of systematic saving and home ownership.

George M. Eason

However, the initial effort of this organization will be concentrated on effective participation in the Southern California "Schools at War" Education Committee's program in the War Stamp and Bond campaign. For this purpose, Avery J. Gray has been engaged as director of thrift practice instruction for the new organization.

Leading educators and the Treasury Department are giving complete support, and the program . . . although only recently commenced . . . is showing great promise.

George M. Eason, President of Standard Federal Savings and Loan Association, Los Angeles, is head of the thrift education program. Other officers and executive committee members are: T. A. Gregory, Long Beach, Vice-President; M. H. Mahana, Jr., Pasadena, Secretary-Treasurer; C. A. Carden, Whittier; F. B. Palmer, Pomona; Hugh H. Evans, Vierling Kersey, and Neill Davis, all of Los Angeles.

Hooker Electrochemical Situation Attractive

The current situation in Hooker Electrochemical Co. offers attractive possibilities, according to a memorandum issued by Baker, Hughes & Treat, 40 Wall Street, New York City. Copies of this interesting memorandum may be had from the firm upon request.

Financial Institutions Must Train Leaders For Post-War Demands, Bliss Declares

Financial institutions could take a page out of the recent army developments in training leaders, it was pointed out by George L. Bliss, President of the Railroad Federal Savings and Loan Association, New York City, in an address before the Chapter Officers' conference of the American Savings and Loan Institute in Chicago Monday, Feb. 22. The Institute which is the national educational organization of the savings and loan system brought together the officers of some thirty of its chapters in twenty States to plan their wartime educational program.

Mr. Bliss said that the army has recently developed a realization that education must be a continuous process and that financial institutions must follow this example if their men are going to grow with the institutions for which their is a great promise of post-war expansion.

He suggested that the savings and loan educational organization start training its sights toward an officers' training school following the army lead again, so that those who are qualified to take responsibility may be singled out.

Morton Bodfish, Executive Vice-President of the United States Savings and Loan League, in addressing the group, sixty educational organization leaders in savings and loan, pointed out that days of difficulty and change such as the present provide opportunities for advancement for those who are prepared, ready, willing and able.

Charles L. Plumb, Assistant Treasurer of the Franklin Society for Home Building and Savings, newly elected president of the Institute, welcomed the group, pointing out that the savings and loan associations are serving one out of every twenty persons in the United States. He said that the American Savings and Loan Institute has a definite place in the war effort, mentioning the important fact that they educate savings and loan workers who will take the responsibility for persuading great numbers of people to save money—a most important function in the fight against inflation.

"What we want to do is to keep the framework and foundation of the Institute strong so that we can assume the responsibilities which will naturally come upon this educational body when the war is ended," he said.

Among his suggestions for the Institute program was a Post-war Planning Committee and a National Speaker's Bureau, the latter to help provide speakers in war bond campaigns as well as in general education about the savings and loan business.

The conference discussed the necessity of filling in many routine positions in savings and loan institutions these days with what were termed "duration workers," i.e. people who always shift from one job to another. Pleas were made for the Institute to tailor some of its training courses during the war to take care of the rapid preparation of this type of man or woman for usefulness to the institutions in wartime.

California Savings & Loan League Holds Annual Mid-Winter Conference In Los Angeles

The California Savings & Loan League held its annual mid-winter conference at the Los Angeles Biltmore Hotel, Los Angeles, Calif., on Friday and Saturday, Feb. 19 and 20. Problems of particular importance in the present "war" world and in the post-war years were discussed at the conference.

The program for the morning session of the first day of the conference, with E. L. Barnett, Vice-President of the League, presiding was:

Free Enterprise—Frank P. Doherty, President, Los Angeles Chamber of Commerce.

What Youth May Well Learn About Thrift and Savings—Vierling Kersey, Chairman, Southern California "Schools at War" Education Committee.

Introduction—Frank C. Mortimer, Building and Loan Commissioner.

The State and the Taxpayer—Hon. Earl Warren, Governor of California.

The Federal Home Loan Bank stockholders' meeting was presided over by D. G. Davis, Chairman, and a report by the President, M. M. Hurford, was read, followed by an address by Oscar R. Kreutz, general manager of the Federal Savings and Loan Insurance Corp.

The afternoon session program was as follows:

Fighting Dollars—Arnold Grunigen, Jr., Executive Manager, Victory Fund Committee.

Franchise Taxes—Edward D. Landels, Lawyer.

Legislation and Post-War Planning—Ralph H. Cake, President, U. S. Savings and Loan League.

At dinner the League was addressed by Frederick F. Houser, Lieutenant Governor of California, on "Inside the the Capitol." Mr. Houser was introduced by Assemblyman Franklin J. Potter.

At the morning session on the second day of the conference the following addresses were presented:

Taxes and Savings and Loan—N. Bradford Trenham, Executive Secretary, California Taxpayers' Association.

Housing Legislation Questions and Rent Control—Eugene P. Conser, Secretary, California Apartment Conference.

Some Underlying Factors in the Economic Picture—Benjamin Anderson, Ph.D., Professor of Economics, University of California at Los Angeles.

The afternoon session consisted of a series of brief talks on technical questions, followed by a general discussion.

Legislative Committee Report—Geo. B. Campbell, Chairman.

Federal Ceilings on Salaries—Daniel P. Bryant, Lockheed Aircraft Corp.

A Time for Institutional Advertising—R. W. Caspers, Chairman, Business Development Committee.

Practical Effects of the Soldiers' and Sailors' Civil Relief Act—Richard Fitzpatrick, Lawyer.

Lending Policies Today—J. E. Hoeft, Glendale Federal Savings and Loan Association.

War Bonds—J. Arthur Younger, B. K. Richardson and Hugh H. Evans.

Barnett Heads Calif. Savings-Loan League; Fletcher In Navy

Charles K. Fletcher, President of the California Savings and Loan League, has been commissioned in the United States Navy

E. L. Barnett

as Lieutenant, senior grade. While on leave of absence from his duties as head of the State trade organization, Vice-President E. L. Barnett will carry on. Mr. Barnett is Secretary of the Santa Rosa Building and Loan Association.

Other officers and directors of the League are: H. R. Erkes, Los Angeles; Mervyn Hope, Hollywood; J. B. Kidwell, San Francisco; Frederick R. Peake, Berkeley; J. Arthur Younger, San Francisco; and Harold A. Noble, Stockton.

California Savings and Building-Loan Associations

Assets as of December 31, 1942

(Compiled by California Savings and Loan League)

Alameda	
Central B&LA	$5,753,278
Albany	
Albany FS&LA	533,817
Alhambra	
First FS&LA of Alhambra	2,027,603
Mutual B&LA of Alhambra	961,891
Altadena	
First FS&LA of Altadena	3,426,583
Anaheim	
Anaheim B&LA	1,257,532
The Savings, Loan & Building Assn. of Anaheim	1,764,159
Arcadia	
Greater Arcadia B-LA	321,547
Atascadero	
Atascadero Guarantee B-LA	123,215
Auburn	
Central California FS&LA	260,279
Bakersfield	
First FS&LA of Bakersfield	995,068
Kern County Mutual B&LA	1,241,174
Peoples Mutual B&LA	31,118
Banning	
San Gorgonio B-LA	355,443
Bellflower	
First FS&LA of Bellflower	1,981,054
Berkeley	
Berkeley Guarantee B&LA	5,140,792
Community FS&LA of Berkeley	2,550,185
Fidelity Guaranty B&LA	3,057,746
Beverly Hills	
Beverly Hills B&LA	657,782
First FS&LA of Beverly Hills	5,593,562
Southland FS&LA	1,332,212
Burbank	
Burbank B-LA	454,654
Surety Bond B-LA	903,224
Carmel-By-The-Sea	
Carmel B&LA	94,679
Chino	
Chino B&LA	160,069
Chula Vista	
Chula Vista B-LA	732,912
Claremont	
Claremont B&LA	1,306,786
Colton	
Orange Belt FS&LA	1,207,632
Compton	
Compton FS&LA	1,161,359
Corona	
Corona Mutual B&LA	62,709
Coronado	
Coronado FS&LA	1,012,527
Covina	
First FS&LA of San Gabriel Valley	915,498
El Centro	
Imperial Valley B&LA	360,091
Elsinore	
Mutual B&LA of Elsinore	38,713
Escondido	
Escondido FS&LA	316,211
Fillmore	
Ramona B-LA	598,800
Fortuna	
Fortuna B&LA	80,866
Fresno	
Fresno Guarantee B-LA	2,817,276
Fullerton	
First FS&LA of Fullerton	663,138
Fullerton B-LA	228,608
Mutual B&LA	234,277
Glendale	
Fidelity FS&LA of Glendale	875,412
Glendale FS&LA	5,303,246
Hemet	
Hemet FS&LA	259,377
Hollywood	
First FS&LA of Hollywood	4,190,868
Hollywood B&LA	2,561,914
Huntington Park	
First FS&LA of Huntington Park	1,995,388
Huntington Park B-LA	1,355,466
Inglewood	
Inglewood FS&LA	2,795,562
Peoples' B&LA	457,759
Peoples FS&LA	3,862,616
Laguna Beach	
Laguna FS&LA	2,132,908
La Habra	
La Habra Valley B-LA	406,206
La Jolla	
La Jolla FS&LA	1,347,464
Long Beach	
First FS&LA of Long Beach	836,551
Long Beach B&LA	3,591,514
Long Beach FS&LA	9,551,562
Los Angeles	
California FS&LA	5,000,166
Coast FS&LA of Los Angeles	19,633,645
Great Western B&LA	1,224,905
Home B&LA	303,886
Liberty B-LA	258,879
Lincoln B&LA	1,603,381
Los Angeles American B&LA	343,094
Los Angeles FS&LA	5,248,138
Metropolitan FS&LA of Los Angeles	2,368,736
Republic FS&LA	2,277,593
Security FS&LA of Los Angeles	386,986
Southern California B&LA	12,055,066
Southern FS&LA	593,450
Standard FS&LA	2,522,375
State Mutual B&LA	14,624,664
Union FS&LA	1,246,575
Western FS&LA	8,315,076
Wilshire FS&LA of Los Angeles	1,164,775
Madera	
Madera Mutual B&LA	560,703
Marysville	
Marysville Guarantee B&LA	662,819
Merced	
Merced Mutual B&LA	269,295
Modesto	
Modesto B&LA	1,950,930
Monrovia	
Monrovia Mutual B&LA	2,033,287
Monterey	
Educational B&LA	426,092

(Continued on page 751)

NEW YORK LIFE INSURANCE COMPANY

98th Annual Statement to its Policyholders

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The accompanying 98th Annual Statement of Condition reflects the consistent policy of the Company to support the government in its war effort, as it has done in past wars, and to give the greatest possible protection to its policyholders.

The following are some pertinent facts relating to the Company's business and its Statement for the year 1942:

1. The assets of the Company were increased during the year by $154,000,000 to a total figure of $3,142,000,000.

2. Of this amount over $1,266,000,000, or approximately 40 per cent of the total assets, are United States Government obligations, the Company having increased its net holdings of these obligations by about $379,000,000 during the year.

3. About 1,270 of the Company's employees and agents are in military service.

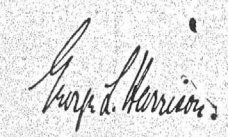
4. At the end of 1942 there were over 3,080,000 policies in force representing a total of approximately $7,130,000,000 of life insurance, a net increase of over $117,000,000 during the year. New insurance in 1942 amounted to $403,000,000. Although this is 9½ per cent less than the amount of new insurance paid for in 1941, our active agency force in 1942 was reduced by about 20 per cent, primarily through war service. Lapses and surrenders were the lowest in over twenty years.

5. After making appropriate additions to policy reserves and after writing down the book values of real estate and mortgage loan assets to conservative current valuations, the Company has added $13,813,000 to its Surplus Funds for general contingencies. These funds now exceed $200,000,000.

6. The Company has declared the same scale of annual dividends for 1943 as for 1942. This means that about $32,000,000 in dividends are available for payment to policyholders during the year 1943.

Through periods of prosperity and depression, epidemics, wars, and inevitable post-war adjustments, the New York Life Insurance Company has for the 98 years of its existence made safety its first consideration. In doing so the Company not only has successfully protected its policyholders and their beneficiaries but also has been an important stabilizing factor in the family and economic life of the nation.

A more complete report as of December 31, 1942, containing additional statistical and other information of interest about the Company, will be sent upon request. A list of bonds and preferred and guaranteed stocks owned by the Company is also available. These booklets may be obtained by writing to the New York Life Insurance Company, 51 Madison Avenue, New York, N. Y.



President

STATEMENT OF CONDITION

December 31, 1942

ASSETS

Cash on hand or in banks		$57,827,511.14
United States Government obligations		1,266,655,610.00
All other Bonds:		
State, County and Municipal	$143,930,636.00	
Railroad	270,326,948.00	
Public Utility	356,276,193.00	
Industrial and Miscellaneous	62,858,875.00	
Canadian	92,868,043.00	926,260,695.00
Stocks, preferred and guaranteed		85,250,972.00
First Mortgages on Real Estate		414,391,747.22
Policy Loans and Premium Notes		256,337,031.57
Real Estate:		
Home Office	$13,437,231.00	
Other Properties	64,064,529.62	77,501,760.62
Interest and Rents due and accrued		25,613,885.88
Deferred and Uncollected Premiums (net)		31,030,854.75
Other Assets		1,361,985.90
		$3,142,232,054.08

Of the Securities listed in the above statement, Securities valued at $44,527,738.00 are deposited with Government or State authorities as required by law.

LIABILITIES

Reserve for Insurance and Annuity Contracts	$2,507,400,139.00
Present value of amounts not yet due on Supplementary Contracts	212,093,544.26
Policy Claims in process of settlement, or incurred but not yet reported	13,172,607.04
Dividends left with the Company	138,360,197.17
Premiums, Interest and Rents paid in advance	16,176,858.80
Reserved for other Insurance Liabilities	5,300,390.34
Dividends payable during 1943	32,090,061.00
Reserve for fluctuations in Foreign Currencies*	4,000,000.00
Miscellaneous Liabilities	11,885,125.85
Total Liabilities	$2,940,478,923.46
Surplus Funds held for general contingencies	201,753,130.62
	$3,142,232,054.08

*This reserve is held chiefly against the difference between Canadian currency Assets and Liabilities which are carried at par.

The New York Life Insurance Company has always been a mutual company. It started business on April 12, 1845 and is incorporated under the laws of the State of New York. The Statement of Condition shown above is in accordance with the Annual Statement filed with the New York Insurance Department.

Calendar of New Security Flotations

OFFERINGS

PHILIP MORRIS & CO., LTD., INC.

Philip Morris & Co., Ltd., Inc., has filed a registration statement with the SEC for 105,176 shares of common stock, par $10 per share, and 893,996 full and fractional share subscription warrants evidencing rights to subscribe for such common stock.

Address—119 Fifth Ave., New York City.

Business—Engaged in the business of manufacturing and selling cigarettes and smoking tobaccos. Company's principal product is the cigarette sold under the brand name Philip Morris (English Blend), net sales of which constituted approximately 92¼% of total net sales for the fiscal year ended March 31, 1942, and 93¼% for the nine months ended Dec. 31, 1942.

Offering—As soon as practicable after the effective date of the registration statement. Present holders of common stock are to be offered right to subscribe to the new common at the rate of one share of new common for each 8½ shares of common held. Subscription price is to be supplied by amendment. Such rights are granted to holders of common stock of record at 3 p. m. on the date of issue of the prospectus.

Statement says the board of directors intends to authorize the sale of an issue of 20-year 3% debentures, due March 1, 1963, in an aggregate face amount of approximately $6,000,000. The company intends to sell such debentures shortly after the expiration of the rights to subscribe to the common stock offered hereby.

Underwriting — Lehman Brothers and Glore, Forgan & Co., of New York, head an underwriting group which has agreed to purchase from the company such shares of stock as shall not be subscribed for by stockholders. Price to be paid by the underwriters for the shares and the offering price to the public will be supplied by amendment.

Proceeds—During the nine months ended Dec. 31, 1942, the company's cash requirements have substantially increased. During the period from March 31, 1942, to Dec. 31, 1942, its inventories rose from $53,080,487 to $66,406,270, its net accounts receivable rose from $6,209,719 to $9,011,058, and its net investments in property, plant and equipment rose from $3,650,663 to $3,815,235. During this period the company financed its needs for cash in part by bank loans which at Dec. 31, 1942, amounted to $8,500,000. Proceeds of these loans were added to the company's cash balances and were used to finance in part the increases referred to. It is expected that the proceeds from the sale of stock will be applied to the reduction of the company's bank loans. If the company sells the debentures referred to, to the extent required, the net proceeds from the sale thereof will be applied to the payment of the unpaid balance of these loans and the remainder of such net proceeds will be added to the general working capital of the company.

Registration Statement No. 2-5092. Form A-2 (2-9-43).

In an amendment filed Feb. 18 the price of the new stock to the company's common stockholders was placed at $62 per share. Rights are granted to holders of common stock of record at 3 p. m. Feb. 19 and rights expire March 5.

The underwriters have agreed, subject to terms of the agreement, to purchase the unsubscribed stock at $62 per share. The company has been advised by the underwriters that they have authorized Lehman Brothers and Glore, Forgan & Co., as their representatives, to determine whether a general public offering or any other offering shall be made of part or all of the unsubscribed stock. If such offering is made, it will be made on the New York Stock Exchange (regular way) at market prices; by means of a special offering on such exchange, or in the over-the-counter market. The company will pay to the several underwriters an amount equal to $1.37½ per share in respect of all the 105,176 shares of common stock plus, if the aggregate number of shares of unsubscribed stock purchased by the several underwriters shall be more than 10,517, an additional $1.50 per share for each share so purchased.

The underwriters are Lehman Brothers; Glore, Forgan & Co.; Bear, Stearns & Co.; A. G. Becker & Co., Inc.; Branch, Cabell & Co.; Alex. Brown & Sons; Frank B. Cahn & Co.; Davenport & Co.; R. S. Dickson & Co., Inc.; Dillon, Read & Co.; Dominick & Dominick; Emanuel & Co.; Goldman, Sachs & Co.; Granbery, Marache & Lord; Hallgarten & Co.; Harriman Ripley & Co., Inc.; Ira Haupt & Co.; Hayden, Stone & Co.; Hemphill, Noyes & Co.; Hirsch, Lilienthal & Co.; Hornblower & Weeks; Kuhn, Loeb & Co.; Ladenburg, Thalmann & Co.; Lazard Freres & Co.; W. L. Lyons & Co.; Mackubin, Legg & Co.; Laurence M. Marks & Co.; Mason-Hagan, Inc.; Merrill Lynch, Pierce, Fenner & Beane; Paine, Webber, Jackson & Curtis; Reinholdt & Gardner; Riter & Co.; Schwabacher & Co.; Scott & Stringfellow; I. M. Simon & Co.; Stein Bros. & Boyce; Stern Brothers & Co.; Stifel, Nicolaus & Co., Inc.; Swiss American Corp.; Union Securities Corp.; G. H. Walker & Co.; Watling, Lerchen & Co.; Wertheim & Co. and White, Weld & Co.

Registration Statement effective 5 p. m. EWT, on Feb. 19, 1943.

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.

SATURDAY, FEB. 27

CENTRAL STEEL & WIRE CO.

Central Steel & Wire Co. has filed a registration statement with the SEC covering 125,000 shares of common stock, par value $5 per share. The stock is already issued and is being sold for the account of certain stockholders.

Address—3000 West 51st St., Chicago.

Business—The company is in the business of the warehousing, initial processing and distribution of steel and nonferrous metals, and the representation of mills on a commission basis.

Offering—Offering price to the public will be supplied by amendment. It is expected to offer the stock as soon after the effective date of the registration statement as possible. The shares to be offered are at present outstanding and are to be offered for the following accounts: H. R. Curran 108,743 shares and Mandel Lowenstine 16,257 shares. Mr. Curran is at present president and director of the company. He has delivered to the company his resignation as a director and president to be effective upon the sale to the underwriters of the common stock offered hereunder. Statement says that it is anticipated that immediately upon the completion of such sale, Mr. Lowenstine who is at present executive vice-president, treasurer and director, will become president and director of the company.

Underwriting — The underwriters are Paul H. Davis & Co. and Bacon, Whipple & Co., both of Chicago, each with a total of 62,500 shares. Subject to certain terms and conditions the underwriters agree to purchase the common stock at $7 per share from the selling stockholders.

Proceeds—To the selling stockholders.

Registration Statement No. 2-5091. Form A-2 (2-8-43).

THURSDAY, MARCH 4

THIOKOL CORPORATION

Thiokol Corporation has filed a registration statement with the SEC for 102,000 shares of common stock, per value $1 per share.

Address—780 North Clinton Ave., Trenton, N. J.

Business—Company is actively engaged in research looking to the improvement of the qualities of its existing products and to the discovery and development of additional types of "Thiokol" synthetic rubbber.

Offering—The 102,000 shares registered will be offered pro rata to stockholders after the effective date of registration at a price to be fixed by amendment.

Underwriting—On Feb. 3, 1943, the company entered into an underwriting agreement with J. G. White & Co., Inc., which provides among other things that it will amend its certificate of incorporation so that its capitalization will be 500,000 shares of common stock, par $1 per share, of which 204,000 shares will be issued to present stockholders on basis of three shares of $1 par common for each of the 68,000 outstanding shares of common without par value. The company will sell to the underwriters such common stock as are not subscribed for by stockholders at a price to be filed by amendment.

Proceeds—Net proceeds from sale of the shares will be used to increase the company's working capital. Some portion of working capital may be devoted to additional research and development.

Registration Statement No. 2-5093. Form S-1 (2-13-43).

870 SEVENTH AVENUE CORP.

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

Address—870 Seventh Ave., N. Y. City.

Business—Hotel.

Offering—Date of proposed call for deposits as soon as practicable after the effective date of registration statement and of a registration statement filed concurrently on Form E-1.

Purpose—To modify bonds under a plan of modification. The agreement provides that the plan shall become automatically effective if at any time prior to May 2, 1943, the holders of 80% in face amount of general mortgage bonds shall have assented thereto; that no right of withdrawal of bonds deposited shall exist prior to May 2, 1943, nor thereafter if the holders of 80% in face amount of general mortgage bonds shall have assented to the plan prior to said date.

Registration Statement No. 2-5094. Form D-1 A (2-13-43).

SATURDAY, MARCH 6

GALVIN MANUFACTURING CORP.

Galvin Manufacturing Corp. has filed a registration statement for 40,000 shares of common stock, par value $1 per share. The shares are issued and outstanding and are being sold for the account of certain stockholders.

Address—4545 Augusta Boulevard, Chicago, Illinois.

Business—Company's normal business is the manufacture and sale of radio receiving sets. Beginning with the year 1942 more and more of company's production capacity was devoted to the manufacture of equipment for various arms of the U. S. Government. In May, 1942, the production of radio receiving sets for civilian use was stopped entirely.

Underwriting—Hickey & Co., Inc., and Paul H. Davis & Co., both of Chicago, are named as underwriters of 20,000 shares each. By an agreement entered into between the underwriters, Paul V. Galvin and Harris Trust & Savings Bank, executors of the estate of Lillian A. Galvin, deceased, the underwriters have agreed to purchase the shares being registered at $7 per share.

Offering—Public offering price is $8.50 per share.

Proceeds—To selling stockholders.

Registration Statement No. 2-5095. Form A-2 (2-15-43).

TUESDAY, MARCH 9

BURLINGTON MILLS CORP.

Burlington Mills Corp. has filed a registration statement for 65,000 shares of 5% cumulative preferred stock, par value $100 per share.

Address—301 North Eugene St., Greensboro, N. C.

Business — Corporation is engaged, directly and through subsidiaries, in manufacturing woven fabrics from rayon yarns and rayon mixtures, and, to some extent, from cotton yards; throwing and dyeing rayon yarns and, to some extent, cotton yarns; dyeing and finishing cloth, and selling the manufactured goods.

Offering—Price to the public will be supplied by amendment.

Underwriting — Lehman Brothers and Kidder, Peabody & Co., both of New York, head the group of underwriters. Price to be paid by the underwriters will be filed by amendment.

Proceeds—Net proceeds will be utilized, to the extent necessary, to redeem on or about April 5, 1943, all shares of cumulative convertible preferred stock, $2.75 series, and cumulative convertible preferred stock, $2.50 series, not theretofore redeemed, converted into common stock, or purchased by the corporation, and any balance will be applied to reimburse the corporation for the redemption price of the 21,725 shares of cumulative convertible preferred stock, $2.75 series, of the corporation called for redemption on March 1, 1943. Proceeds not utilized in the redemption of preferred stock will be added to the working funds of the company.

Registration Statement No. 2-5096. Form A-2 (2-18-43).

INVESTORS FUND, INCORPORATED

Investors Fund, Incorporated, has filed a registration statement with the SEC for an indeterminable number of full paid certificates which will be issued in principal amounts of $100 or more. However, the aggregate principal amount of certificates covered by this registration statement is $500,000.

Address—1016 Baltimore Avenue, Kansas City, Mo.

Business—Investment trust.

Underwriting—Sponsored by Investors Fund, Inc.

Offering—Upon the effective date of the registration statement.

Proceeds—For investment.

Registration Statement No. 2-5097. Form C-1 (2-18-43).

THURSDAY, MARCH 11

WELSBACH ENGINEERING & MANAGEMENT CORP.

Welsbach Engineering & Management Corp. has filed a registration statement with the SEC for $493,000 collateral trust 5% ten-year sinking fund bonds.

Address—1500 Walnut St., Phila., Pa.

Business—Registrant is a holding and managing company which owns all the stock and manages its subsidiaries. These subsidiaries, in part, are engaged in the installation and maintenance of street lighting systems, gas or electric, in approximately 37 cities and communities in New England, Middle Atlantic and Mid-Western States, and in general electric construction work.

Underwriting—Barrett Herrick & Co., Inc., New York City, is named principal underwriter.

Offering—Bonds are to be offered to the public at 83% plus accrued interest from Jan. 1, 1943, to date of delivery.

Proceeds—The estimated proceeds from the sale of the bonds, after deducting underwriting commissions and expenses, will be $345,100. At present the corporation has outstanding $493,000 face amount of 6% collateral trust sinking fund bonds, all of which are held by the United Gas Improvement Co. The UGI has granted Welsbach an option to purchase all of said outstanding bonds exercisable on or before May 15, 1943, for the sum of $345,100 with interest from Jan. 1, 1943. The estimated net proceeds resulting from the sale of the bonds now being registered will be applied to the exercise of this option.

Registration Statement No. 2-5099. Form A-2 (2-20-43).

Jay Tracy, Jr., Joins J. Arthur Warner Co.

(Special to The Financial Chronicle)

BOSTON, MASS. — Jay Tracy, Jr. has become associated with J. Arthur Warner & Co., 89 Devonshire Street. Mr. Tracy for many years has been in business in Boston as an individual dealer in securities.

UP-TOWN AFTER THREE

By BILL SMITH

STAGE

"The Rock," a play by Walter Livingston Faust, starring Billie Burke. Presented by Eddie Dowling at the Longacre Theatre, N. Y. With Zachary Scott, Jane Sterling, Nicholas Joy and others. Staged by Mr. Dowling. (Reviewed Friday, Feb. 19, 1943). . . . If there is anything kind one can say of "The Rock" it escapes me. It's true it brings Billie Burke back to the legitimate stage after an absence of twelve years. It's too bad she did not choose a better role in which to celebrate her return. For the fact is her part could have been handled by any one of a half dozen actresses without adding or detracting from the play itself. With her, of course, "The Rock" will run for a time. Without her it wouldn't have a chance. The story is a hodge podge of comedy and sentimentalism mixed up with class consciousness. A lot of East End kids, evacuees from bombed-out London areas, are billeted with the Stanleys, a shipbuilding family living on a palatial estate. Douglas MacMasters, a ground crew member of the RAF who brings the youngsters, is bitter at the class distinctions which he feels keeps him from flying. He takes his spite out at the Stanleys, particularly the daughter of the house. The dirty youngsters, yelling "cripes" and "bloody," dashing through the house, fill Miss Burke (Mrs. Stanley) with horror and dismay. But eventually she takes them to her heart and fights to keep them. Meanwhile our brash, social-conscious young man and the Stanley girl get together. The kids become perfect little ladies and gentlemen and everybody loses their cockney accents. Through it all Miss Burke flutters, forgetful and addle-brained as ever.

AROUND NEW YORK TOWN

So far as the local dine and drink spots are concerned, New York is assuming boom proportions. In most places, from the chi-chi East Side supper clubs to the cafeteria society West Side night clubs you have your job cut out for you to just get elbow room at the bars without even thinking of getting a table. And if it's a Saturday night, brother, better bring a shoe horn! Of course the service you were accustomed to is out. No more do eagle-eyed waiters snatch your half-finished drink away from you. Not that they're less eagle-eyed, they just can't get through and there isn't that many of them around. But if service is away down, entertainment is away up. Take the **Monte Carlo (E. 54th St.)** as an example. Under Dick Nesbitt its entertainment policy is strictly treadmill in character. Fresh faces, excellent talent, and lots of it, appear here week in and week out. Right now the program consists of Noble & King, who sing better than well. Tony Farrar, who can do the funniest things with his feet. And a couple of girls, Gloria Blake and Virginia Hayes, who warble nicely. To this program Nesbitt has added a girl from the West Coast, a Jean Murphy, who is supposed to be a gorgeous blonde. It is not yet clear whether she sings, juggles or just poses. But Nesbitt, who admits he knows nothing about talent, becomes dreamy eyed when he describes Miss Murphy's physical charms. And speaking of feminine pulchritude, there were three movie scouts at the Monte Carlo the other night vying for the attention of the tiny Frances Chisholm, the diminutive blonde from Nawth Ca'lina who thinks Our Town is "jes' scrumptious!" And Ernest Brooks, trying to get a picture of the proceedings, falling over his big feet.

Investment Trusts

(Continued from page 743)

Distributors Group, Inc., has announced "A New Investment—For Appreciation." This new investment is the recently created Low Priced Shares of Group Securities, Inc. The initial offering price of the new series is $5.00 per share. It is composed of 56 active, low-priced stocks selected to meet the following general specifications:

1. They represent sound companies in many industries.

2. They appear undervalued in relation to earnings, outlook and assets.

3. They have performed well in past bull markets.

Attractive dealer literature, including a large folder, a number of performance charts, and "copy" for a newspaper advertisement, is available on request.

Canadian Securities

(Continued from page 745)

Canada's war record on the production side—her contribution to the fighting power of the United Nations—is good. Investors will ask: What is her record in financing this tremendous effort? The answer is that Canada's financial accomplishments match her production record and give a sound balance to her whole war effort.

Just one example—Canada has raised $991.5 million by means of her Third (and latest) Victory Loan. Of this amount—equivalent to an $11 billion loan for the United States—only $3 million was taken by the banks. Individuals, insurance companies, business firms and corporations were the principal lenders. The money was raised out of the savings of the people—and that is the sound course.

Denies Rollins' Motions

The Securities and Exchange Commission has denied two motions filed with the Commission by E. H. Rollins & Sons, Inc., of New York asking for a bill of particulars and requesting a private hearing and adjournment of the date thereof to about March 31, 1943. The Commission, however, granted a postponement of the hearing from Feb. 23 to March 8 "without prejudice to the right of the respondent to request adjournment at the conclusion of the Commission's case if additional time is required to present its defense."

Proceedings against E. H. Rollins & Sons and its St. Louis Manager, Walter Cecil Rawls, were instituted by the Commission on charges that the company and Mr. Rawls had bought and sold securities for religious and charitable corporations and trustees at prices which were not consonant with prevailing market prices for such securities.

C. Plumb Nat'l Pres. Of American Savings And Loan Institute

Charles L. Plumb, Assistant Treasurer of the Franklin Society for Home Building and Savings, New York City, was elected National President of the American Savings and Loan Institute for a one-year term by the board of trustees meeting in Chicago, Sunday, February 21. He succeeds Edward J. Webb, Kansas City, as head of the twenty-one year old educational organization of the savings, building and loan associations.

The new First Vice-President is J. E. Barry, Oklahoma City, Secretary-Treasurer of the Oklahoma City Federal Savings and Loan Association; and the Second Vice-President chosen by the trustees is O. Vander Ende, Berkeley, California, Secretary of the Berkeley Guarantee Building and Loan Association.

The Institute also chose six district governors to promote education in finance on the home front. They include: Francis E. Ingalls, Lincoln Cooperative Bank, Lynn, Mass.; John E. Allen, Metropolitan Federal Savings and Loan Assn., Philadelphia, Pa.; Robert W. Almoney, Citizens Federal Savings and Loan Association, Dayton, O.; Mrs. Ruth Lowe, Metropolitan Savings and Loan Association, Milwaukee, Wis.; Edward F. Scanlan, Sixth District Building and Loan Association, New Orleans, La.; P. E. Rosenbarger, First Federal Savings and Loan Association, Bremerton, Wash.

C. E. Wilson Appointed

Donald M. Nelson, Chairman of the War Production Board, announced on Feb. 12 that he has appointed Charles E. Wilson, WPB Vice-Chairman, as his deputy on the Combined Production and Resources Board. This board, which is headed by Mr. Nelson and by Capt. Oliver Lyttelton, British Minister of Production, is charged with responsibility for integrating the production efforts of the United States and the United Kingdom.

Mr. Wilson, who will hold his new position in addition to his post of Production Vice-Chairman of WPB, succeeds James S. Knowlson, who resigned recently to return to private industry, as was noted in our issue of Jan. 28, page 426.

California Savings and Building-Loan Ass'ns

(Continued from page 748)

Montrose	
Intervalley B&LA	881,679
Napa	
Napa B&LA	1,546,324
Newport Beach	
Newport Balboa FS&LA	631,580
North Hollywood	
North Hollywood FS&LA	1,001,161
Oakland	
First FS&LA of Oakland	$2,389,587
Golden West B&L Company	1,454,087
Oakland FS&LA	1,341,445
Prudential B&LA	324,930
Thrift FS&LA	475,601
Oceanside	
Oceanside FS&LA	765,136
Ontario	
Euclid Guarantee B&LA	835,380
Orange	
Orange B&LA	2,400,051
Oxnard	
Oxnard B&LA	604,349
Palo Alto	
Home Foundation B&LA	1,481,899
Palo Alto Mutual B&LA	3,344,700
Pasadena	
Atlas FS&LA of Pasadena	686,905
First FS&LA of Pasadena	3,306,835
Investors Mutual B-LA	2,179,313
Mutual B&LA of Pasadena	4,968,439
Pasadena B&LA	1,123,614
Paso Robles	
Paso Robles Mutual B&LA	347,210
Pico	
Pico-Rivera B-LA	750,353
Pomona	
Home-Builders' Loan Assn.	8,174,399
Pomona First FS&LA	5,254,425
Porterville	
Porterville Mutual B&LA	556,251
Redlands	
Redlands FS&LA	1,763,524
Redondo Beach	
American Mutual B&LA	963,226
Redwood City	
San Mateo County B&LA	1,382,583
Riverside	
Citrus Belt B&LA	662,494
Riverside County Mutual B&LA	1,329,694
Sacramento	
Capital FS&LA	4,284,900
Fort Sutter FS&LA	417,367
Sacramento Guarantee B&LA	1,054,102
Salinas	
Salinas Valley B-LA	642,862
San Bernardino	
First FS&LA of San Bernardino	1,117,951
Santa Fe FS&LA	2,271,220
San Diego	
Central FS&LA of San Diego	1,463,459
First FS&LA of San Diego	4,089,168
Home FS&LA of San Diego	1,710,813
San Diego FS&LA	7,180,121
Silver Gate B&LA	329,099
San Francisco	
Bay View FS&LA	3,048,129
California Sav. & Loan Co.	3,013,235
Citizens' FS&LA	3,140,124
Eureka FS&LA of San Fran.	1,421,187
Franklin Mutual B&LA	1,261,274
Golden Gate FS&LA	1,137,491
Home FS&LA of San Francisco	2,182,702
Home Mutual Deposit-Loan Co.	2,827,434
Provident Mutual Loan Assn.	14,697
San Francisco FS&LA	2,469,283
The Western Loan Assn.	434,353
San Jose	
First FS&LA of San Jose	1,422,152
Guaranty B&LA	6,785,735
Independent B-LA	4,917,103
Nucleus B&LA	3,381,694
San Jose B-LA	5,491,816
Surety B&LA	5,203,101
San Luis Obispo	
First FS&LA of San Luis Obispo	487,039
Guarantee B-LA of San Luis Obispo	670,416
San Mateo	
Peninsula FS&LA	688,046
San Mateo Mutual B&LA	913,079
San Pedro	
First FS&LA of San Pedro	517,258
San Rafael	
Marin County Mutual B&LA	356,428
Santa Ana	
First FS&LA of Sant Ana	1,467,375
Santa Ana B&LA	1,928,241
Santa Barbara	
First FS&LA of Santa Barbara	2,954,748
The L. & Bldg. Assn. of Santa Barbara	2,738,564
Santa Barbara Mutual B&LA	6,581,574
Santa Clara	
Santa Clara B&LA	703,125
Santa Cruz	
Santa Cruz County B&LA	1,798,262
Santa Maria	
Santa Maria Guarantee B-LA	798,288
Santa Monica	
Century FS&LA	1,473,193
First FS&LA of Santa Monica	1,492,285
Santa Paula	
Santa Paula B&LA	749,001
Santa Rosa	
Santa Rosa B&LA	1,343,407
Sausalito	
Northwestern B&LA	721,804
The Sausalito Mutual Loan Assn.	147,382
Sonora	
Sonora Guarantee B-LA	260,782
South Pasadena	
First FS&LA of So. Pasadena	821,462
Stockton	
San Joaquin B&LA	2,554,436
State B&LA	2,449,275
Stockton Land, Loan & Bldg. Assn.	3,100,131
Tulare	
Guarantee B-L Corp. of Tulare	162,329
Tulare FS&LA	444,573
Turlock	
Turlock Guarantee B-LA	1,462,217
Upland	
Magnolia FS&LA of Upland	391,496
Van Nuys	
Provident B-LA	1,108,221
San Fernando Valley FS&LA	1,722,323
Visalia	
Visalia B&LA	433,677
Watsonville	
Watsonville FS&LA	625,495
Whittier	
Quaker City FS&LA	2,725,936
Whittier B&LA	2,356,897
Wilmington	
First FS&LA of Wilmington	336,720
Wilmington Mutual B&LA	551,505
Total for California	$354,991,193

SEC Declares Large Volume Of Savings Present Definite Threat Of Inflation

(Continued from first page)

other sizable portion of this money constitutes funds laid aside for a 'rainy day.' However, these additions to cash on hand and in checking accounts also represent in considerable part temporary and relatively unstable accumulations of funds which may at any time be diverted into consumption and other channels. If such funds continue to grow at the present rate, the control of inflationary tendencies will become increasingly difficult.

"Purchases of Federal government securities by individuals in the fourth quarter reached a high point of $3,300,000,000, compared with $2,800,000,000 in the preceding quarter.§ War Savings Bonds again accounted for the major part of such purchases, rising from $2,100,000,000 to $2,300,000,000; tax notes and marketable securities, including issues offered during the Victory Loan drive in December, accounted for $1,000,000,000, compared with $700,000,000 in the preceding quarter. For the year 1942, individuals purchased $10,300,000,000 of Government securities, including $8,000,000,000 in War Savings Bonds.

"Individuals' debt other than mortgages, which had been incurred mainly in the purchase of automobiles and other durable consumers' goods, was again reduced considerably, due principally to the low level of purchases of such goods and, to a lesser extent, to the restrictions on the extension of credit. However, this reduction, amounting to $400,000,000,¶ was much less than the rate in the first three quarters of the year. Saving in this form will probably continue to tail off in 1943. For 1942 as a whole, such indebtedness was decreased by $2,300,000,000, the highest for any year on record.

"Among other items of individuals' saving, additions to time deposits in the fourth quarter amounted to nearly $500,000,000. Individuals' equity in private insurance, mostly life insurance, increased by close to $700,000,000 in this quarter, representing a small increase over their saving in this form in the preceding quarter. For the year as a whole saving in the form of private insurance amounted to $2,400,000,000, another new record. There was only a small rise in individuals' mortgage debt, reflecting the comparatively small amount of new private housing. In 1943, there will probably be a fairly sizable reduction in such debt as a result of restrictions on new construction. Finally, there was little change in individuals' holdings of corporate securities during the fourth quarter. There was a sizable decline in corporate securities outstanding amounting to $300,000,000, resulting in part from provisions of the Revenue Act of 1942, but this was offset by a reduction in institutional portfolios."

§The figures include purchases by unincorporated business other than brokers and dealers whose purchases were financed by bank loans.

¶This does not include the reduction in consumers' indebtedness to unincorporated business, amounting to about $100,000,000 in the fourth quarter of 1942, and $600,000,000 in the year as a whole.

MBA Calls For Mtg. Insurance System

That the establishment of a system of mortgage insurance for farm mortgages similar to that in effect for Federal Housing Administration residence loans would serve as added protection against a recurrence of inflation in land values, such as occurred after the last world war, is suggested in a report of the Farm Loan Committee of the Mortgage Bankers Association of America. The report to be presented at the organization's Board of Governors winter meeting in Chicago, today, Feb. 25, was released Feb. 21 by Charles A. Mullenix, Cleveland, Association President. A draft had been previously presented by S. M. Waters, Minneapolis, Farm Loan Committee Chairman and former Association President, at the winter meeting in Chicago of the special National Agricultural Credit Committee organized about two years ago by Gov. A. G. Black of the Farm Credit Administration to study possible inflationary trends in land values. This latter committee is composed of representatives of national banking associations, government agencies interested in farm credit, farm organizations and many other business, financial and agricultural groups.

Mr. Mullenix declared he believed that the current discussion of liquidating Federal agencies, the need for which has long since disappeared, has an indirect relation to this farm credit problem because the Federal government is continuing to subsidize Federal land bank mortgage loans to the extent of around a $100,000,000 annually even though private and institutional investors would be glad to get more good farm mortgages today. The Committee's report says that if a nation-wide system of mortgage insurance for farm mortgages, "based upon independent appraisal for insurance purposes, could be established under a favorable attitude of the Federal Loaning Agencies it would solve most of the problems of the farm lending business, particularly those which of late have tended to raise both business and political issues between the government lending agencies and private investors."

Among the points cited by the Committee in favor of this innovation in farm mortgage banking was the assertion that such a system would greatly increase the supply of private funds available for this field. More uniform rates of interest, a minimum of service charges and more standardized practices in securing and servicing loans would result, it declares.

The Business Man's Bookshelf

Germany's Master Plan—Joseph Borkin and Charles A. Welsh with an introduction by Thurman Arnold—Duell, Sloan and Pearce, Inc., 270 Madison Ave., New York City—Cloth—$2.50.

Inflation And Investment Policy—A. M. Clifford—A. M. Clifford & Associates, 639 So. Spring Street, Los Angeles, Calif.—Paper.

We Cannot Escape History—John T. Whitaker—The Macmillan Company, 60 Fifth Avenue, New York, N. Y.—Cloth—$2.75 (published March 9, 1943).

Alberta Province Bonds Attractive Speculation

Province of Alberta bonds offer attractive possibilities for current and post-war investment, according to an interesting circular issued by Charles King & Co., 61 Broadway, New York City, which states that this is a provincial bond returning 3% to 4% at half interest rate with good speculative possibilities.

Tremendous developments are now taking place in the Province, the circular says, pointing out that, although the production of crude oil in Alberta set a new record in 1942 for the seventh consecutive year, intensive exploration and development in this field is currently engaging the attention of some of the major oil companies in the country. Still undeveloped are the massive tar and sand areas of Northern Alberta which are believed to contain perhaps the greatest known oil reserves on the North American Continent. Also viewed as contributing importantly to the economic expansion of the Province is the Alaska Highway, which has been opened for military traffic since November, 1942. The finishing and future development of the highway should benefit the Province importantly, the circular states, in view of the fact that most feeder highways and railroads are situated in Alberta.

It is only a matter of time, according to Charles King & Co., before the whole debt of the Province is settled and its credit established on a basis commensurate with its income and resources. Copies of the circular may be had from the investment firm upon request.