The Commercial and Financial Chronicle

ESTABLISHED OVER 100 YEARS

New York, N.Y., Thursday, April 8, 1943

Price 60 Cents a Copy

Our Reporter's Report

The investment banking fraternity, pledged to full support of the Treasury's forthcoming War Loan Drive to raise another $12,000,000,000, beginning next Monday, spent the greater part of its time this week in setting its house in order for the job.

Bankers, from the experience in the December drive, which aimed at a goal of $8,000,000,000 and, ultimately turned in a grand total of some $13,000,000,000, realize the enormous nature of their task.

But they realize too its vital importance to the welfare of the nation in its present period of stress and, from the general run of comment heard in the Street, Secretary Morgenthau has nothing to worry about so far as the efforts of this particular concern is concerned.

If drive and push and the so-called "know-how" is what is needed to put the campaign over in the top, well the men like Perry E. Hall, Percy M. Stewart, Allan M. Pope, Harry W. Beach, Irving D. Fish, Jay N. Whipple and others who make up the invest-

(Continued on page 1298)

Chicago Section

Special section devoted ex-
clusively to Chicago recom-

dendations and brieflies starts on page 1236. This will be a regular monthly feature of the "Chronicle."

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No Currency Depreciation or Cheaping of Dollar Planned

Neither currency depreciation or a cheaping of the dollar is contemplated by the Treasury as a means of reducing the vast post-war Government debt, according to Secretary of the Treasury Henry Morgenthau, whose views regarding this vitally important subject were expressed in a letter sent to the Editor of the "Chronicle" by D. W. Bell, U. S. Under Secretary of the Treasury.

Mr. Bell expressed confidence in the Government's ability, through the medium of its rationing, price control and other measures, to "maintain the purchasing power of the dollar," the security and stability of which he added, has always been regarded by Mr. Morgenthau "as a primary objective of Treasury policy." Mr. Bell's letter is another in the series of comments received since publication in the "Chronicle" of March 4 of an article by Dr. Walter E. Sparh bearing the caption: "Program To Salvage Fiscal And Monetary Solvency."

In this article the author, who is Professor of Economics, New York University and Executive Secretary of the Economists' National Committee on Monetary Solvency, commented various moves leading the country into serious inflation, and expressed faith in our ability to carry our post-war national debt without backbreaking taxation or resor-

ting to currency dilution in any form.

The views of the Under Secretary of the Treasury Bell, as contained in his letter of April 5, are reproduced here-

with, and further below we give the comments received from other sources, not previously published.

(Continued on page 1300)

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J. Arthur Warner announces that on and after May 1st the firm of J. Arthur Warner & Co., will execute all orders received from their customers in the best interests of the customers and will carry an inventory of securities in connection with trading positions, but made it clear that such purchases and sales will be available only for sale to other security dealers or to large institutional customers or brokers.

Mr. Warner stated, "for the account of our customers we will be executed at the best prices obtainable, and written confirmations or notices will be furnished at or before the close of the transaction making disclosure of commissions charged on purchases and sales.

"Our facilities and services to our customers will be further expanded, so that custom tailored advice regarding securities will receive prompt, efficient and improved service. We will continue our policy, as heretofore, of reviewing quotations and making available to them any purchases that are made in the event of changing conditions in the national economy, or a given given company all customers can be advised accordingly from standard and diversified sources.

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.

(Headed To Financial Chronicle)

ASHLEY, MICH., April 25—Garland P. Wright has been added to the staff of Michigan National Bank & Trust Co., 22 Battery Place.

(Headed To Financial Chronicle)

DURHAM, N. C.—Mr. Alvin F. Reynolds, of the Reynolds & Co., has joined the staff of Baker, Weeks & Harden, Philadelphia.

(Headed To Financial Chronicle)

KANSAS CITY, Mo.—William H. Steiner has been appointed Trust Director.

(Headed To Financial Chronicle)

MACON, Ga.—Clifford Anderson has become associated with the Farmers Trust Co., 363 Third Street. Mr. Anderson was formerly local man-

(Headed To Financial Chronicle)

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R. H. Steipock Joins

Hugh W. Long & Co.

R. H. Steipock has joined Hugh W. Long & Co., located in the 15 Exchange Place, Jersey City, N. J., as managing director of the Manhattan Bond Fund, Funda-

mental Investors and New York Stock, Inc. as Director of Indus-

try Analysis. In connection with the expanded dealer service of the firm he will supply its correspondents and funds with a di-

alysis of well-situated industries.

Mr. Steipock was formerly in the service of the American National

Investment Company of America in Detroit. Later he became the

ail President of the American National Corporation and for five years was in charge of consumer and advertising research.

He has acted as independent research and public relations director for "Colliers," "Time" and other national publications as well as radio networks and comes to Hugh W. Long and Company from The Great Western Sate Fund where he was assistant public rela-

tions director.

Reynolds & Co. Open

New Branch In N. J.

Reynolds & Co., members of the New York Stock Exchange and other leading national Exchange announce that as of April 1, they have opened a branch office, 25 North Pearl Street, Bridgeport, N. J., under the management of Herbert E. Kleinhenz. Mr. Klein-

henz, was formerly Bridgeport's manager for Yarnall Co.

F. I. du Pont To Admit

Travers As Partner

William P. Travers will become a partner in the F. I. du Pont Co., 1 Wall Street, New York City, members of the New York Stock Exchange and other leading national Exchange, effective April 15, Mr. Travers will continue as assistant to the President of the New York Stock Exchange for John J. Trask. Mr. Trask then will retire in partnership with Mr. Travers.

Milo Clapp Elected V.-P.

Clapp is a graduate of Union College, New York.

Clapp of Columbus who has been associated with the New York Dodge Securities Corp. Terminal Tower Building, has been elected vice-president of the firm.

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Benton-Nicholas To Admit

Edward Gutekunst will become a partner in Benton & Nicholas, 25 Broad Street, New York City, members of the New York Stock Exchange.

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American Business Credit Reports
Phenomenal Growth

American Business Credit Company, during its comparatively short life, has established a prominent position in the field of financing business and industry. In the six years of its existence, A. B. C. experienced one of the best half-yearly periods in its history. Net was $390,997, per share earnings on the Class A stock were 54 cents compared with 25% cents in the corresponding period of the preceding year.

This favorable showing is largely due to the fact that A. B. C. stood over a very small part of its business, and in its last annual report, the Company stated that automobile financing has never amounted to more than 1% of the total volume of business transacted subsequent to discontinuance of automobile financing, though the Company has, at most, only a negligible effect on its business. Palling off in some other lines has been more than offset by clients of the Company adapting themselves to production in the war effort.

The Company, established only in 1917, has shown a profit in each year and has paid quarterly dividends regularly since its formation. It estimates after beginning business. Gross volume, and net after taxes, for year ended June 30, have been as follows:

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<tr>
<th>Year Ended</th>
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Net earnings for the year ended June 30, 1942, were equivalent to 37% cents per share on the 956.713 shares of Common Stock outstanding, and the Class A amounted to 32 cents per share, payable quarterly, the same rate as paid for seven years past. Book value on the same date was $3.15 per share, and surplus amount 61,162,134. The Company, closed on the 1920 month, and should be in a good position to resume its stability. A regular quarterly dividend of 1 cent per share was paid March 31.

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Lawrence W. Simon has been associated with Blaire Securities Corp., a managing partner of the New York and Chicago offices.

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Lawrence W. Simon

B. & M. Looks Good

The current situation in income accounts A. 4½% of 1979 of the Boston & Maine RR. offers attractive possibilities, according to a circular just issued by the McGlaughlin, Baird & Reuse, One Wall Street, New York. Copies of the circular discussing the situation in detail may be had from the firm upon request.

Young appointed directory

F. J. Young, head of the investment banking firm of F. J. Young & Co., Inc., 52 Wall Street, New York, has been elected a Director of Steelton Co.

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FINANCIAL BRIEFS

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In recent months we have witnessed

some fluctuations in the volume of sales

in various years, and our opinion is that

it will continue along the same lines in the

years to come and that the sales taxes con-

large to be changed and the same thing

applies as to the same thing

in the future will be brought. With a few occasional

occasions and for some time,

appraisal and judgment.

Elisha Pigg Jones, E. J. Jones & Co.

From an investment viewpoint, it is becoming increasingly difficult

to find attractive property, and leading

bank stocks have advanced

recently, which is the

subject of our pamphlet in April, 1942, and February, 1940. With

mending these stocks, we still allow

them to attract at present levels,

especially where selling belo

low book value.

John C. Legg, Jr.

Wood, Lisco, Legg & Co.

Our customers are more inclined today to invest in the sounder

equities, with particular regard to protection against possible post-

war influences. They are inclined

to buy the fire insurance stocks

which are sound, and to avoid those industries that are selling

a large number of times earnings. There is also a tendency

to buy the type of equities that have found

way out of the post-war outlook.

There is a tendency to avoid stocks

that can be bought solely for specu-

lative gains, as a large part of such

stocks will have to be paid

to the Government in income taxes.

—Harry S. Middendorf, Middend-

dorf & Co., Inc.

Syracuse, N. Y.

Investors once again seem to be seeking growth companies and so-

cieties of corporations that were

“burdened” 25-30 years ago, 1932-1938, but which have reduced indebtedness

during recent flash years, New York, Chicago, Northern Pacific, Syracuse Transit, Southern Pacific are a few of the popular local bond issues. The stocks of some of these are also now being bought outright for leverage with

Enhancement Possibilities

Seen In CGO, Milw. R. R.

Great enhancement possibilities now exist in the outstanding obli-

gations of the Chicago, Milwau-

kee, St. Paul & Pacific Railroad, accordance to C. E. Stolz Co.

Chicago, Ill., 25 Wall Street, New York.

Thomas G. Campbell, railroad consultant for the firm, offers a report showing all the important changes in the company’s phys-

ics. The report, a valuable document, was prepared on 1900.

The report is divided into two main sections, one being a market and po-

litical values for the three im-

portant bond issues outstanding; (2) how to successfully arrange for the

facilities will be

enabling the new securities

at the lowest possible price.

Price of this report, which will be available April 15th, is five dollars payable in advance, and should be addressed to Mr. Camp-

bell, at C. E. Stolz Co. Checks should accompany all orders.

A. Wiesenberger To

Admit G. L. Benesch

Charles L. Benesch will be ad-

mitted as of April 15, in partner-

ship in Arthur Wiesenberger & C., at 25 Wall Street, New York City, members of the New York Stock Exchange. Mr. Benesch was formerly associated with the Federal Land Bank

and its subordinate department for Ernst & Co. with which he had been associated for a number of years.

the idea that America will lead in

policing, feeding and rebuilding the war-ravished countries, and that

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facilities will be busy for some

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First Mortgage Bonds Still Sell At Less Than 25% Of Face Value

The current excellent earnings, together with the anticipation that at least a part of this remarkable recovery in business may be retained over the longer term future, gives these low-price first mortgage bonds speculative attraction. An added feature of the bonds is that they carry a participation in the ownership of the property.

The present first mortgage bonds were issued pursuant to a plan of reorganization confirmed by the United States District Court, the 25th of October, 1935, under Section 7B of the Bankruptcy Act. Junior funded debt of $2,906,000 was eliminated and Junior creditors were given stock representing 21.6% of the ownership of the property. The first mortgage bondholder received 10 shares of common stock in voting trust form (voting trust expires Jan. 2, 1946), representing an equal share in $544,000 of the ownership of the property, and a new $1,000 first mortgage note due in 1968 as Sherrin Corporation 5% Income Bond dated Jan. 1, 1946.

During 1941, final payment was made on $70,021.32 notes representing reorganization fees unpaid. As there are no presently issue prices to the bonds, which are secured by a first mortgage on the land owned in fee, comprising approximately 12,500 square feet and the 57-story apartment hotel containing 375 rooms, eight stories and the usual public facilities & equipment.

During reorganization about $80,000 was spent to install an air-conditioner heating system. The furniture and furnishings of the Sherry Hotel were retained in security for the bonds and were acquired by the Sherry Corporation at a price below the book value. $100,000 was expended for this and other purposes, such as the acquisition of the name "Sherry Netherland." This money and $15,000 used for the purchase from Louis Scherry, Inc., of certain bronzed, tapestry-wrapped and other art objects used in the decoration of the dining room, was taken out of accumulated earnings during reorganization.

The property, we understand, is in excellent condition and has been well cared for since reorganization.

The Sherry Netherland Hotel is one of New York City's modern luxury hotels. Built in 1927, it is well located at the northeastern corner of Park Avenue and 59th Street, at the southern extremity of Central Park. Offers a number of tax purposes at $3,750,000 for the years 1941-43.

First Mortgage bonds outstanding amount to $6,000,000. All available funds from the property are applicable first to the payment of interest on the bonds up to 3% per annum. Any remaining net income is divided into two equal parts, one-half to be used for additional investment up to 2 1/2% (a total of 5%) and any balance of this half for corporate purposes. The other half of such surplus over 2% interest, is to be applied to a sinking fund for the retirement of bonds by purchase.

The condition of this property, because of poor business, continues to meet New York hotels catering to luxury trade, and the requirement to pay off the note issued at $70,021.32, some interest payments were made to the bondholders until September, 1941, when they received 1/2 of 1% on the note, and on March 1, 1943, another payment of 1/2 of 1% was made. However, since the first of this year, the business of the hotel, along with that of similar hotels in New York, showed a very poor business volume. Nothing to pay interest on the note came increased and, despite higher operating costs, gross opera-

IVE THE PRICE OF THIS REPORT IS $5

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Irwin Klein Is Now With Westheimer & Co.

Irwin Klein has become affiliated with Westheimer & Co., 230 Walnut Street, Philadelphia, and New York City Stock Exchanges. He was formerly with a New York City firm and is now an officer of A. & J. Frank Co., and has been associated for 30 years.

Interesting Situations

American Business Credit "A" Quaker City Cold Storage Co. St. Louis, and Pittsburgh Terminal Warehouse & Transfer first reported on October 26 after interesting possibilities at the present price of $7 3/4. The report just issued by Illis, Thompson & Co., 120 Broadway, New York, states that the price of these mem- oranda may be had upon request from Illis, Thompson & Co.

Associate Curb Members

At its meeting yesterday the Board of Governors of the New York Stock Exchange elected to associate membership Herman Pierson of Walter C. Hardy & Company, Charleston, W. Va.; Thomas E. King of Hicks & Prentice, and Joseph S. Tegeler of Dempsey-Tegeler & Company, St. Louis, Mo.

TRADING MARKETS

Missouri Pacific 4s-5-5 ½s-5 ½s
St. Louis, San Francisco 4s-4½s-5s
Baltimore & Ohio 4½s-5s
Missouri-Kansas-Texas 4s-4½s-5s
Lehigh Valley Railroad 4s-4½s-5s
Denver & Rio Grande 4s-4½s-5s

Chicago, Milwaukee, St. Paul & Pacific 4s-4½s-5s
Georgia Southern & Florida 4s-4½s-5s
Chicago & Alton 4s-4½s-5s
Central R. of N, New Jersey 5s-5½s
Boston & Albany 4s-4½s-5s
Old Colony R. R. 4s-5½s
Consol, Electric & Gas "A" 4½-5s
Southern Cities Utility 5s-5½s
Seaboard Airline 5s, 1931-—6s, 1945
Chicago, Milwaukee & Gary 5s-5½s
Electric Power Company 5s-5½s
Wisconsin Central 5s-5½s

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Saint Louis Board Exchange

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(Sherrin Corporation)
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Tomorrow’s Markets
Walter Whyte

Says

“Hold your hats, boys. Here we go,” now general sentiment. Wide bullish opinion reminiscent of “new era” build-up in Wall Street history and raising of stops now advised.

By WALTER WHYTE

Judging from the way the stock market is acting quite a lot of people must think that stocks are the only things one can get these days without rational points. The way actual and potential customers crowd around order room windows and jam phone lines with excited lighthearted noises from brokers who can remember when they worried themselves sick about not only where to get the money to pay the order clerks’ salaries, but if any would be left over to pay phone bills.

Everything is changed today. Order clerks have no time to work, credit correspondence is non-existent and once again giving serious consideration to replacing that with the shiny new phone with a new one-cuffs and vest less.

I walked into a customer’s room the other day, the first time in months, and was amazed at the crowd. Even the chair was taken. Every phone was busy. Yells of “They’re bidding 100 for such and such stock” could be heard rising above the din. If the calendar didn’t say it was April, 1945, it was the Summer of 1929. olav haskelson.

The Sunday papers are full of ads of offers to furnish the lowdown on the market. Toaster advertisements. “What about your utilities?” are as common today as want ads in the classified sections. Even the ace keyhole peeper of them all, the mighty Winchell, wrote in his column Tuesday that “... big buying (of stocks) is coming from defense centers.” Yes, it looks like old times again. Volume is big and prices are zooming.

It would be very easy for me to go along and join the parade. I won’t say I’m not tempted. Floating along with the current can be restful, and if I’m washed ashore, what? I can always point out that there are other people in the same fix. I can even toss off a cliche, something like: “We are all in the same boat.” Yet the big current, though not sharply defined are there. At times they hide their heads coyly. But there’s a sure way, not only to ride the current, but also to gain a height of assinity.

Among the reasons I hear as being responsible for the current buying surge are such delicious tid-bits as “Buyers much in the post-wartime” or “If that’s a reason for buying then I don’t want any part of it.”

Another was the statement of Treasury Secretary Morgenthau, who talked about plans for post-war currency stabilization and a partial return to the gold standard by most of the world. I venture an opinion that few buyers know anything about how currency stabilization works or how a gold standard can affect stock prices.

Yet another reason is inflation and the desire to protect one’s self against it. Of all the things I hear all the latter appeals the most to me.

Inflation is no longer the boogy man in the dark who is going to jump out and get you if you don’t watch out. He is now a neater gent, it is out and already making like Sinbad’s old man of the sea. If you don’t think to take a look at your meal and grocery bills. I know, we are going to beat the H. C. be very happy to have a Victory Garden. I’ll give odds that 90% of our enthusiastic amateur tillers of the soil will raise nothing more than a flock of busters and callouses and sore backs. So even if we get a couple of scrumptious green beans what money we’ll have to give the doctor to treat the assorted aches and pains.

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www.fraser.stlouisfed.org
The merger plan has been approved by the Federal court, the City of Chicago, and a majority of the security holders of the surface lines and elevated railway. The Chicago Elevated Railway has met two examiners of the commission, after prearranged hearings, recommended a plan that would find it basically sound. Oral arguments were heard recently by the commission, but there was no failure to sustain its examiner since it would concern some 200,000 shareholders of the elevated railway.

Proponents for unification of the transit properties have made over 18 months of effort in their present plan. The present one is the only plan to reach a realistic advantage. It was evident that there was a need for action in 1937 when the Federal court appointed a committee to draft a unionization plan. The next year, W. A. Shaw, transit attorney for the city, presented a proposed plan. Somewhat modified, it is the plan of today.

There were a couple of alternatives, should the plan be finally rejected, as expected. The most logical course of procedure, according to local security dealers, is to refund the surface lines, and reorganize the surface lines, apart from the elevated railroad. The terms of the old Abbott plan, which has been before the court for years, has never been dismissed by the court and would authorize any reconciliation on the instigation of a number of securities.

Meanwhile, Chicago's 50-year-old dream of a subway at least a part of its system, may eventually be realized if the trial runs of special trains are successful. The cost of a projected $240,000,000 system. Two line of the system are now virtually complete, but just when they will be opened for public use, it is difficult to predict.

**Chicago Brevities**

Rejection by the Illinois Commerce Commission of a proposed plan to provide one great local transit system for Chicago through unification of the street car and elevated lines is expected to cause a number of local unions to postpone any plan under consideration and, with a decision expected to be handed down almost any day now, much of the interest of dealers is being focused on this subject.

Local dealers are not alone in their belief that the proposed plan will not be adopted. Other factors, including the rejection of the plan by the commission, would tend to complicate any reorganization situation in the same muddle that it is now for years. Both the surface lines and elevated railway companies have been guided past the Federal court for years. Numerous efforts have been made to bring about a permanent solution to the traction situation, which has culminated in the formulation of the merger plan.

The plan now before the commission would set up a new unified company, the Chicago Elevated Railway Company, which would operate at a single unit the street car properties, elevated lines, and several other transit systems, certain segments of which are nearly completed. A total of 177,000,000 shares would be issued, of which 136,000,600 would be held by the holders of surface lines securities and 41,031,650 by holders of elevated lines securities.

The merger plan has been approved by the Federal court, the City of Chicago, and a majority of the security holders of the surface lines and elevated railway. The Chicago Elevated Railway has met two examiners of the commission, after prearranged hearings, recommended a plan that would find it basically sound. Oral arguments were heard recently by the commission, but there was no failure to sustain its examiner since it would concern some 200,000 shareholders of the elevated railway.

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Chicago Recommendations

Brailford & Co., 208 So. La Salle Street, have issued a ten-page bulletin on Chicago, North Shore & Milwaukee Railroad. This up-to-date bulletin is available on request through Transaction Services Dept. of Brailford & Co.

Cruttenden & Co., 200 So. La Salle Street, recently distributed a twelve-page bulletin on Chicago and National Steel Corporation. These bulletins are available upon request.

Daley, O'Conner & Co., Inc., 135 South La Salle Street, have prepared an analysis on Deep Rock Oil Corp, which is just off the press. This analysis contains statistical data and brings the information to any interested parties.

Enary, Van Camp & Co., Inc., 200 So. La Salle Street, have prepared current analyses on Chicago and National Steel Corporation and interested dealer or individual.

Farrell Brothers, 200 South La Salle Street, have compiled a list of their latest sales of the common stocks of various companies and these analyses are available on request.

Hickey & Co., 150 So. La Salle Street, have prepared an analysis on LaSalle & Co., Corp, analysis upon request.

Kneeland & Co., Inc., Board of Trade Blg., have prepared complete analyses of the leading stocks of certain companies and these analyses will be sent on request. Howard Aircraft Corporation, Kansas City Public Service Co., Federal Screw Works and Consolidated Dearborn Corp. These analyses include all the transactions of these companies.

John J. O'Brien & Co. have announced their "Current Market Observations," an article written by Mr. O'Brien that appears in the "Chamber Banker," are available on request and copies may be obtained by writing this firm at 231 South La Salle Street. This article discusses the background of market activities in the rails and reveals the notes of caution concerning speculation in cheap rail obligations.

Paine, Webber, Jackson & Curtis have compiled and published a list of stocks for peace or war. The list embraces 32 stocks in 22 industries that have paid dividends uninterrupted every year for periods ranging from 20 to 95 years. If the same amount of money were invested in each of the 32 stocks, the average dividends based on recent price and 1942 dividend payments would be $1.60, and based on average dividends for the past ten years $1.80. Based on 1942 dividends, yields on individual stocks vary from 8 to 16 percent, while the average dividends for ten years from 1932-1941 show yields of 10 to 15 percent. While market prices the stocks are selling at prices ranging anywhere from one-third of their 1933-43 highs. Copies of this interesting list may be obtained by writing Department of Statistical, Paine, Webber, Jackson & Curtis, 109 So. La Salle Street, Chicago, III.

Daniel F. Rice & Co., 111 W. Jackson Blvd., have prepared an eight-page brochure entitled "Common Stocks for Investment Income and Appreciation in Valu-

or potential buyers in the invest-
ing investment programs and have selected a list of common stocks of substantial industries which, in their opinion, (1) have a secure future and (2) are properly priced at current levels: (2) afford divi-
dends and income likely to continue in the war period; (2) Are in a po-
tion to emerge from the war in a profitable manner and are ready to share in the normal business of the post-war period. This comprehensive brochure is available upon request.

Ryan-Nichols & Co., 105 So. La Salle Street, have prepared an analysis on the Nebusova Edwards Paper Co., common stock, showing earnings of $1.25 for the year ended 1942. Book value amounted to $14.77 and dividends of $3.00 were paid during the above-mentioned period. Copies on request.

Strum Securities Co., 135 So. La Salle Street, have prepared up-
to-date analyses of the securities of Foutz Bros., Gear & Machine Corp., The Steel Products Engineering Co., Public Service Co. of Indiana, Inc., and California Consumers Corp. These will be available on request to any interested parties.

The current issue of Thomson & McKinnon's "Review of the Week" devotes special attention to the Gold stocks, which are finding increased favor with both domestic and international investors. It also has an article on the Railway and Auto industry and its future, and one on the Rail Land Grant Estates. Copy of this Review, which is a weekly, may be obtained, free of charge, by addressing the office of Thomson & McKinnon's stock of Chicago.

F. S. Yantis & Co., 120 So. La Salle St., have prepared a new analysis of Chicago Mill & Lumber Co. common stock. Copies on request.

Chicago Exch. Members

CHICAGO, ILL. — William H. Gregory, Jr., partner of the New York Stock Exchange firm of Brailer & Gregory, and John W. Watters, partner of the New York Stock Exchange firm of Stevens & Legg, were elected to membership in the Chicago Stock Exchange by the Executive Commit-
tee, it is announced. Mr. Watters is now serving as a Captain in the United States Marine Corps. The Executive Committee also elected to membership George H. Willis and Tracy L. Turner, Jr., both of Chicago.

Bond Club Of Chicago Installs 1943 Officers

CHICAGO, ILL.—On April 9 the Bond Club of Chicago was formally turned over to its new officers.

Richard W. Simmons, Lee Heaton Corp., President; James H. Murphy, Cruttenden & Co., Vice-Presi-
dent; Loren Cochran, Secretary; Girard Schirmer, Hummer & Co., Treasurer.

While plans for the year may be necessarily nebulous due to the war, the Club will carry on its accustomed activities as best it can, and also, through support of the Government War Loan drive, will do whatever is feasible and proper to aid in the war effort.

So far over 30 of the members are in the armed forces and several others have gone into defense jobs.

Geo. H. Ross Becomes
Toronto Exch. Member

TORONTO, Ont., Canada—George H. Ross, partner in charge of the Toronto office of Thomson & McKinnon, 28 King Street, West, has become a member of the Toronto Stock Exchange. The firm felt that the acquisition of Mr. Ross's exchange was justified in view of the in-
creasing interest in mining stocks.

This advertisement is neither an offer to sell nor a solicitation of an offer to buy any of these securities.

Howard Aircraft Corp.'n
Kansas City P. S. Co.
Federal Screw Works
Consolidated Dearborn Corp.

HICKS & PRICE
Members
New York Stock Exchange
Chicago Stock Exchange
MIDDLE WESTERN SECURITIES
Listed and Unlisted
231 S. La Salle St.
Chicago 1, Ill.

COMMON STOCKS . . . for investment, income and appreciation in values. We have a profit list of stocks—companies which, at current levels, are expected to afford dividend income and which, likely to emerge from the war in a satisfactory manner.

DANIEL F. RICE & CO.
Members New York Stock Exchange
Chicago Stock Exchange
141 W. Jackson Blvd., Chicago

Investment Securities
Public Utility . Railroad Industrial . Municipal Issues
We Maintain Active Trading Markets in the Leading Over-Counter Securities
E. H. Rollins & Sons
135 South La Salle Street, CHICAGO
CG 906 Central 5470
Direct Wire-To Our Offices In Principal Cities Throughout The Country

Arthur F. Becker & Co.
Incorporated

A. G. Becker & Co.
Incorporated

Lehman Brothers

Merrill Lynch, Pierce, Fenner & Beane

Horblower & Weeks

Ladenbrook, Thalmann & Co.

FLOYD D. CEFH CO.
120 South La Salle Street
Chicago

SERVING INVESTMENT DEALERS
We specialize exclusively in under-
writing and distribution of securi-
ties, providing a unique one-to-
one service with attractive issues for their clients. Many of our well re-
department of our own, we compare to no other dealers, but serve them exclusively. Correspondence invited.
Bank and Insurance Stocks
This Week — Bank Stocks
By R. A. VAN DEUSEN

First quarter statement of New York City banks reveal mixed trends for deposits and United States Government bond holdings since December 31, 1942. When compared, however, with first quarter statement of the year last each bank marked an expanded expansion of both deposits and Government bond holdings.

The following tabulations show deposits and Government for 16 New York City banks as reported on March 31, 1943, balance sheets, compared with balance sheets for Dec. 31, 1942, and March 31, 1941. In the aggregate, deposits are reported lower than their record-breaking totals of December 31 by $705,100,000, or 4.1%. On the other hand, Government holdings aggregate higher by $35,887,000, or 1.5%.

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### TABLE I

<table>
<thead>
<tr>
<th>Stockholders' Variety of Investment Trusts</th>
<th>March 31, 1943</th>
<th>December 31, 1942</th>
<th>October 31, 1943</th>
<th>November 30, 1942</th>
<th>September 30, 1942</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>1,962,623,141</td>
<td>1,250,000,000.00</td>
<td>1,235,000,000.00</td>
<td>1,110,000,000.00</td>
<td>1,040,000,000.00</td>
</tr>
<tr>
<td>Bonds</td>
<td>1,962,623,141</td>
<td>1,250,000,000.00</td>
<td>1,235,000,000.00</td>
<td>1,110,000,000.00</td>
<td>1,040,000,000.00</td>
</tr>
<tr>
<td>Preferred Stocks</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Common Stocks</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

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### TABLE II

<table>
<thead>
<tr>
<th>Member Banks</th>
<th>March 31, 1943</th>
<th>December 31, 1942</th>
<th>October 31, 1943</th>
<th>November 30, 1942</th>
<th>September 30, 1942</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>1,962,623,141</td>
<td>1,250,000,000.00</td>
<td>1,235,000,000.00</td>
<td>1,110,000,000.00</td>
<td>1,040,000,000.00</td>
</tr>
<tr>
<td>Bank of Manhattan</td>
<td>1,621,129,492</td>
<td>1,122,000,000.00</td>
<td>1,122,000,000.00</td>
<td>1,045,000,000.00</td>
<td>975,000,000.00</td>
</tr>
<tr>
<td>Bank of New York</td>
<td>341,593,649</td>
<td>125,000,000.00</td>
<td>125,000,000.00</td>
<td>120,000,000.00</td>
<td>120,000,000.00</td>
</tr>
<tr>
<td>Manufacturers Trust</td>
<td>90,965</td>
<td>3,000,000.00</td>
<td>3,000,000.00</td>
<td>3,000,000.00</td>
<td>3,000,000.00</td>
</tr>
<tr>
<td>Total</td>
<td>1,962,623,141</td>
<td>1,250,000,000.00</td>
<td>1,235,000,000.00</td>
<td>1,110,000,000.00</td>
<td>1,040,000,000.00</td>
</tr>
</tbody>
</table>

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**Comparative Data on Principal Fire and Casualty Insurance Stocks**

Covering operations for 1943, and other pertinent information, available on request.

MACKUBIN, LEGG & COMPANY
Established 1909
Members New York Stock Exchange
New York City, 1926

Baltimore, New York
Retail Sales Tax More Effective Than
Spending Tax Says Prof. Magill

A retail sales tax would be more effective than a spending tax, Professor Paul A. Magill of the University of Chicago told a Federal Reserve Bank of St. Louis dinner audience in a study of "The Impact of Federal Spending." The professor, who is a member of the Federal Reserve Bank's advisory council, said that since the "peak period" of increased employment in the war of 1941-45 was to come, for example, in April, while the March-April-June merchandising stage of sales was still a high volume stage, and hence that the increased buying during the next few months would come to an end, prompting the question: "If so, the sales tax, as it was proposed, is not much better a device than the income tax no comparison being made, but the income tax, it would have little effect on the buying urge of the mass of consumers, it was aimed at the wrong target. A retail sales tax seems to be better designed to meet present needs."

A sales tax by itself is not the best way to increase national saving, for purchases of goods do not increase proportionately with increased proportion of income spent on the goods. He goes on to say: "It is unlikely that a man with a $10,000 salary buys five times as much tobacco and liquor and groceries as a man with $2,000; and it is clear that a man with a $50,000 income does not buy 25 times as much. To express the same proposition another way, the proportion of income saved not spent is apt to increase with the size of the income. The limitation of the tax to sales of so-called luxuries is not much use, for in this country automobiles, coal, soap, and jewelry are pretty widely distributed among all classes of the populace."

"Notwithstanding these facts, the case for a general retail sales tax today rests on solid grounds. The Federal tax structure consists to a large extent — some 72% — of taxes measured by incomes, estates, and gifts."

"Viewed as a whole, the system is so geared as to capacity to pay, in times like these, every citizen may feel that if he can afford to pay some part of the cost of our Army, Navy and Federal establishment, he should share in the collection of the tax through the Federal system. Administratively the collection of the whole is so oriented, that one finds small cash incomes, like some farmers and laborers, is difficult or impossible."

"It has been estimated that in 1941 the 43 million personal income tax payers reported a taxable income of $80,000,000,000. Of this, $25,000,000,000 to $31,000,000,000 was received by persons reporting a taxable income of not more than $7,500; $45,000,000,000 to $82,000,000,000 by persons with less than $5,000 net income, who paid $700,000,000 income tax; and $14,000,000,000 by persons receiving over $5,000 who paid $2,000,000,000 of income taxes."

"Nearly 81% of the tax was paid by the latter group, who received about 16% of the income. The income tax did not reach at all, or to a limited extent, the segment of the national income. The retail sales tax which will cause undue increases in living costs comes largely from income received at the top. Although the 1942 law lowered exemption and maximum rates, it has not cured the situation. A general sales tax would be a real help in combating inflation."

Gerald L. Loeb Stresses
Exclusión Voluble Silence

- Lest we lose our sense of proportion, the 50,000,000 shares of Chas. E. Dickson and Company Stock Exchange in March, far from being "high," is, in fact, only slightly above the 33,000,000 shares of General Electric when the country was in the depths of depression — G. M. Loeb, E. H.utton & Co.

Moseley & Co., and Irving D. Fish, Smith, Barney & Co. Mears, Bredgert, Bush and IVIoss, 10th St. & 2nd Ave., New York City.

Mr. Stillman and Mr. White have withdrawn their names.

Nominating Committee
FIVE MEMBERS OF THE NOMINATING COMMITTEE: Three of whom shall be members and two of whom shall be members of the Exchange.

Members: John J. McKeon, Chairman; Chauncey H. Hathaway, Jr., Treasurer of the Exchange; Charles J. Bingham, Secretary; and the members of the Exchange.

Other members suggested: Edwin A. Gowen, Cowan & Co.; Fairman Dick, Dick & Mere-

...
Offers Pre-Induction Training To Wall St. Men Facing Draft

An interesting course in military strategy and tactics is offered to Wall Street men facing induction into the armed forces by the Queens Own Guards.

The advantages offered to men of military service age by the Volunteer Officer Candidate Plan, apparently, were terminated on February 22. This means that, with the exception of the opportunity offered to young men under the age of 30 to participate in the competitive examination to gain instruction and training in the colleges of the nation, comparatively few men now civilians will be given preferred status in securing commissions in our military and naval programs. Moreover, due to the adjustments in the age ranges for military service and the growing demand for an enormous armed force, nowadays more than ever before in the history of our country intelligent and patriotic citizens must be aware of the situation confronting them.

An analysis of the circumstances discloses that the best course for one desiring of securing a commission is to participate in pre-induction military training. Several organizations devoted to this purpose have been in operation throughout the metropolitan area. Queens Own Guards, which has conducted instruction and drills every Friday night since Sept. 29, 1941, at 7:45 p.m. in the boys' gym of the Jamaica High School, 187-01 Gothic Drive, Jamaica, New York, which may be reached via the Independent Subway, has had outstanding success in its accomplishments. Enrolled by prominent citizens of Queens County, New York, its staff of instructors and drillmasters includes World War I, A, E, F, Army and Marine officers and non-commissioned officers, graduates of Plattsburgh Training Camp, members of the National Guard and the State Guard. It has conducted instruction in the new I.D., the new manual of arms, map and compass reading, radio communication, physical culture and lecturing on diverse subjects of military importance, such as military courtesy and administration. Rifle marksmanship is taught Wednesday evenings at the range of the 77th Division Veterans' Clubhouse, 28 East 39th Street, New York City. Approved army methods are employed. Rifle ranges are used. Those participating pay $75 cents an evening for ammunition, individual target. Use of rifles, electrical instructional sighting devices and facilities of the clubhouse. Attendance is optional and no one has scored genuine success in intra-State competition.

Although complete reports are lacking, at least 20 of its graduates are commissioned officers and it has innumerable non-commissioned officers in every phase of it. The reason for the enviable success of the Queens Own Guards is evident when it is learned that most of its activities is in the development of the individual's leadership. With the present emergency and the armed forces it is evident that there is an urgent need of such men, who have had basic instruction and experience.

The Queens Own Guards has attempted to maintain liaison between the organizers of the organization for the purpose of giving them constructive assistance. Never before has such slight investment in time and money, as those required to maintain the necessary financial contributions. The latter include increased interest on more censurable assignments, increased prestige.

Those interested in the significant defense service and who would like to hear intelligent discussions of this question and receive R. O. T. C. Military Science instruction will also be pleased to hear that a meeting is being held at 12:15 every Tuesday at 233 Third Avenue, at Maiden Lane, New York City, to hear George C. Jones, Capt., Inf., U. S. Army, widely known officer, scholar and educator. Both women and young men are in the group. A substantial number of former members are commissioned officers. This luncheon group has met continuously since Feb. 3, 1942.

No obligations are involved in membership in either the Queens Own Guards or the Tuesday Luncheon discussions of both organizations is the same: Preparations for defense, both as well as combatant branches of the Service.

More Freight Cars On Order By Roads March 1

Class I railroads on March 1, 1943, had 59,286 freight cars on order, the construction of which had been delayed because of War Production Board, the Association of American Railroads advocated on March 22. This included 8,953 hopper, 6,428 gondola, 1,945 flat, 66 plain box cars and 148 miscellaneous freight cars. On Feb. 1, last year, the order was 30,822 and on March 1, 1942, a total of 70,464 cars.

The Class I railroads also had 469 new locomotives on order on March 1, 1941, which included 833 on the same day in 1942. The Class I railroads on March 1, 1943, included 352 steam and 147 diesel. On March 1, 1941, these figures were 300 steam and 301 electric and Diesel one year ago.

The total railroad system had 2,960 new freight cars in service in 1941. The total increased by 1,745 in the same month last year. Those installed in the first two months of 1943 included 1,109 hopper, 1,001 gondola, 700 flat, 66 plain box and 148 miscellaneous freight cars.

New locomotives put in service in the first two months of this year, are expected to include 732 steam and 16 electric and Diesel. New locomotives were installed in the same period last year totaled 115, of which 48 were steam and 69 electric and Diesel.
Kansas And Texas Enact Union-Control Legislation

The States of Kansas and Texas have demonstrated a commitment to providing for regulation of labor unions. Kansas introduced and finally enacted a bill which makes it a felony to file false reports of their operations and finances. It also orders the acknowledgment of all payments of amounts of receipts and expenditures. These reports must be subject to County Court examination and the dismissal of the action may be reviewed by the Court of Appeals of the State. As each measure is passed, it becomes law and must then be enforced by the State. The Kansas law, which was signed by the Governor March 27th by the Wichita, Kansas, correspondent, incidentally, was the first State to enact this character of legislation effective date of which is May 1, 1943. The Texas bill was approved by the State Legislature on March 25th and was then forwarded to Governor Coke Stevenson. Opponents of the respective laws have declared their intention to destroy organized labor by attempting to defeat the measure. If successful, they would be laboring man and responsible unions

Exempts from the analysis of the Kansas State law:

Rights of Employees

Guarantees the worker the right to organize for collective action for the purpose and to act in concert with his own choice.

Guarantees to the worker the right to work and the right to re¬frain from participating in any organi¬zation if he so desires.

Guarantees to workers and labor organizations the right to gather in peaceable assembly.

Guarantees to the union members the right to vote at elections held by the State or the Federal Government, including institution and by-laws of the labor organizations, and prohibits labor leaders from influencing such elections.

Guarantees to the worker the right to secret ballot.

Guarantees to the worker member of any labor organization the right of petition.

Guarantees to workers and labor organizations the right of collection of excess dues and fees from union members if such dues are fees are construed to be in excess of three per cent of the salary and by-laws as filed with the Secretary of State. A worker against unauthorized strikes. An unauthorized strike shall not be deemed to be a strike called by a majority vote of the membership of any labor organization.

Guarantees the worker from coercion, intimidation, or retaliatory action by employers or agents of employers.

Guarantees the employee from coercion, intimidation, or retali¬atory action by union leaders.

Guarantees to the worker that the labor organizations shall file with the Secretary of State a list of the names and proper addresses of all the active members, the salaries, bonuses and other remunerations, if any, the complete copy of the constitution and by-laws, the financial statements, receipts, disbursements, assets and liabilities.

Prohibits the employer from dominating or interfering with the election of an individual, or any labor organization, or con¬tributing financial or other sup¬port to a labor organization.

Prohibits the picketing of any labor organization or the person or property of any employer or his family.

Prohibits the picketing of any labor organization or the person or property of any employer or his family.

Curb Exchange Requires Cash For Purchases Of Low-Priced Securities

The Board of Governors of the New York Curb Exchange, at a meeting held on March 20th, amended its margin rules with regard to the purchase and sale of bonds and securities below at 93. The new rules provide that securities must be purchased for cash and that they may not be bought on margin. The announce¬ment was as follows:

"The rules apply not only to public customers of members but to any member and his partners in trading for himself, or for others, in the Curb market, with the exception that only brokers who are specialists in bonds and are licensed to make long-term market sales, the rule does not apply to any member trading for his own account. The effective date of the amendment is April 1, and purchase of common stocks in the category before that date have taken effect. The purpose of the amendment is to prevent the sale of securities at prices below par."

"Earlier action by the New York Stock Exchange, in the matter, was noted in our issue of April 1, page 1209."

Banks Made Directors Of National War Fund

The National War Fund Board of Directors, which was announced on March 20th, consists of the following members from the banking world:

Charles F. Adams, Chairman of the Board of Directors, The Mechanics Life Trust Co. of Boston; Jean B. Adney, Executive Vice President, National Bank of Commerce, Dallas, Texas; Raymond A. Allen, President, First National Bank of Chicago; J. co-construed to and excessive dues continued to be held in the institution of Kansas and Missouri for the time being.

Rights of the Public

Labor organizations are made within in the law and responsible for their acts. In order to accomplish, this complete, Information regarding the financial affairs of the union, its duly authorized officers, and a complete list of its officers and dues must be filed with the Secretary of State as a public record.

Picketing beyond the area of a labor dispute is prohibited.

Picketing by force and violence is prohibited.

Picketing in such manner as to obstruct the right of access to and from any premises or in other unreasonable manner is prohibited.

Radical foreign elements are restricted from organizing labor organizations by the prohibition which requires that a person who is a business agent must be citizens of the United States.

Closing of strikes by reason of any jurisdictional dispute, griev¬ance or disagreement between or among labor organizations is prohibited.

Labor organizations are made subject to the unviolated laws and dangerous, thereby, and may be suspended or dissolved if they may be maintained against labor or¬ganizations. The penalties are enforced against the common property of such labor organizations.

Penalties

Violations of the act are deemed misdemeanors and are punishable by both fine and imprisonment as well as the violation of other laws.

J. P. MORGAN & CO.
INCORPORATED
NEW YORK

Condensed Statement of Condition March 31, 1943

ASSETS
Cash on hand and due from Banks $155,299,800.25
United States Government Securities, Due 20.000,000.00
464,315.16
464,315.16
State and Municipal Bonds and Notes 25,135,213
State of the Federal Reserve Bank 1,200,000
Other Bonds and Securities (excluding Shares of Morgan Guaranty Co. & Limited) 7,315,897.92
Loans and Bills Purchased 9,911,010.82
Accrued Interest, Discounts Receivable, etc., 3,147,418.56
BankingStones 4,000,000
Liabilities of Customers 
Liabilities of Customers 
Customers' Liabilities 4,586,924.97 4,586,924.97
Claims and Acceptances 932,917.17
Total Assets 27,043,200.07
Total Liabilities 27,043,200.07

McGinnis Opens Course On Receivables Rights

Patrick B. McGinnis of Pflugfeld, Bampton & Rust began a course of instruction on "Receivables Rights" at the New York Institute of Finance, 20 Broadway Street, New York, on April 5. The first of a series of lectures will run for 15 weeks.

McGinnis is considered one of the best-known authorities on receivables registration security. This is his third section of lectures given by him at the Institute.

Also opened on April 5 are advanced investment analyses courses covering the Oil Industry and Public Utility Operating Companies, as well as the more elementary courses in Basic Stock and Bond Procedure, Wor¬th of the Cashier's and P. & S. De¬scription, and Practical Administration of Stock Transfer Taxes.

LeGoT To Aid Savings Campaign

Urban C. LeGos has resigned his connection with Edwin Bird Wilson, Inc., advertising agency, to join Edward B. Sturges, 2nd, in the organization of the Sears, Roebuck & Company's war work for the Savings Banks Association of New York and the United States. The campaign will work for savings and thrift, with the objective of promoting a motion of savings and thrift. The campaign of the Association last April and be¬fore, has been associated with the Bank of America National Trust & Savings, the New York Stock Exchange Regi¬stration and the National War Fund will work in conjunction with the banks in their annual war activities.

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McGinnis Opens Course On Receivables Rights

Patrick B. McGinnis of Pflugfeld, Bampton & Rust began a course of instruction on "Receivables Rights" at the New York Institute of Finance, 20 Broadway Street, New York, on April 5. The first of a series of lectures will run for 15 weeks.

McGinnis is considered one of the best-known authorities on receivables registration security. This is his third section of lectures given by him at the Institute.

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Interest On Rio 6s

The City of Rio de Janeiro, Federal District, of the United States of Brazil, has remitted to its special account in Rio de Janeiro, Brazil, the sum of $4,873 per 300,000 bonds, April 1, 1903, at the rate of $4,873 per 300,000, or 15.25% of the dollar amount of such bonds. These bonds have been remitted in accordance with provisions of President Wilson's decree No. 3239 of Feb. 5, 1903, as re-enacted by Congress by Act No. 2085 of March 8, 1904.

The announcement adds:

"Cash payment is made, to be in full payment of the interest due April 1, 1904, which is being used in the purchase of the Rio de Janeiro bonds at the offices of the special account in the city of New York, New York, as follows:"

New Cotton Exch. Member

The election of William K. Harriman, Harriman Brothers Co., New York, to membership in the New York Cotton Exchange was announced on March 25 by Robert J. Murphy, President of the exchange.

Frederick Liebert Dead

Frederick W. Liebert died at Fort Leavenworth, Kansas, on March 21, 1904, while attending a civilian orientation course for industrial leaders to familiarize them with business conditions in Kansas, under the direction of the Army's problems. Mr. Liebert, the vice-president of John Nixen & Co., Inc., New York City, was 41 years of age.

The Public National Bank


Condensed Statement of Condition at Close of Business, March 31, 1943

<table>
<thead>
<tr>
<th>LIABILITIES</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Preferred Stock</td>
<td>$8,327,640.40</td>
</tr>
<tr>
<td>Common Stock</td>
<td>$9,290,480.00</td>
</tr>
<tr>
<td>Subordinated Notes</td>
<td>43,339,250.26</td>
</tr>
<tr>
<td>Bonds</td>
<td>6,312,230.00</td>
</tr>
<tr>
<td>Reserves</td>
<td>26,175,755.91</td>
</tr>
<tr>
<td>Federal Deposits</td>
<td>32,175,909.00</td>
</tr>
<tr>
<td>Federal Reserve Bank &amp; Trust Company</td>
<td>26,911,228.00</td>
</tr>
<tr>
<td>Outstanding Acceptances</td>
<td>1,941,206.02</td>
</tr>
<tr>
<td>Liability as Industr. and Foreign Bills</td>
<td>101,648.25</td>
</tr>
<tr>
<td>Deposits</td>
<td>3,440,374,176.12</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$8,265,514,410.39</strong></td>
</tr>
</tbody>
</table>

H. Y. Bank Ratio of Profits to Capital Funds

Down in 1942 Although Holdings Of Govts. Up

The average ratio of net profits to total capital funds in all member banks in the Second (New York) Federal Reserve District declined by about 5.6% to 6.0% in the year ending Dec. 31, 1942, as compared with 1941. This ratio was 4.4% in 1941, as compared with 3.4% in 1942.

The reduction in net profits, the Bank says, was chiefly the result of increased expenses—larger disbursements for salaries and wages, some increase in taxes, and in other expenses, including Federal Deposit Insurance Corporation assessments against the increased volume of deposits—which were partly offset by reduced interest payments on time deposits. Another factor was a considerable reduction in recoveries on loans taken on securities sold, reflecting the more stable market conditions which prevailed during 1942, especially for Government securities.

The announcement continues:

"Bank earnings were affected adversely by the drop in deposits and return on their assets, which for many small banks more than offset the effects of an increased volume of earning assets. There were also repayments of loans, which relatively high interest rates had been received, especially by the smaller banks, while the increased investments in Government securities yielded lower rates of return. As a result of this type of shift in earning assets, the most severe shrinkage in net current earnings and net profits appeared in the smaller banks. The large banks in New York City and in other parts of the District were an exception to the general rule: their average rates of increase on earning assets, which were already at low levels, showed little further shrinkage, and their expense ratios did not increase as much as those of the smaller banks. The average loan volume of the large New York City banks was well maintained (probably due to substantial participations in large loans to war contractors). Consequently, contrary to the general trend, New York City banks with deposits over $500,000,000, showed an increase from 5.6% to 6.0% in the ratio of net profits to total capital funds and banks outside New York City with deposits over $500,000,000, showed an increase from 3.4% to 3.8%, and banks with deposits under $500,000,000, showed no change in average rates. The average of these ratios for the District dropped from 4.4% in 1941 to 3.8% in 1942."

"Average net current earnings for all groups of banks, before Federal Deposit Insurance Corporation assessments, was 6.7% of capital funds in 1941 and 6.1% in 1942. These two banks, which contribute most of the funds for the Corporation, had a total of 11 years for which this ratio has been computed. The ratio of net current earnings to total assets held by these banks declined to a new low level, falling from 8.9% in 1941 to 8.5% in 1942. Here again the smaller banks showed the largest reductions in these ratios.

"Member banks in this District generally showed a further decline in post-war profitability, in contrast with conditions in 1942. The large New York City banks showed a further decline in the ratio of total assets to outside New York City, which in three previous years had been the highest of all banks. In 1942, it was slightly over 100, while in 1943 it was 98.4% of total assets."

The Public National Bank

"The rapid growth in the percentage of total assets invested in securities with new issues, and the consequent purchase of new issues, was due to a further decline in the proportion of old issues which in turn may be attributable to the reduction in loans. This expansion in investments and the accompanying growth in capitalisation of banks and other institutions were reflected in further declines in the growth of deposits and continuing increases in earning assets, to earnings, and to deposits."

Morgenhau Warns U.S. To Guard Against Post-War Inflation

Secretary of the Treasury Morgenthau said the latter part of last month was the time when the U.S. must be on guard against post-war inflation because he was closely watching the "probability" of a rapid industrial revival after the war.

Associated Press Washington agencies reporting his remarks, stated: A large part of last month's jump in purchasing power and accumulated demand for goods and services, he said, was spent in anticipation of the post-war period and the thought of the reconstruction of new industrial capacity. "The idea that the American people is fairly clear, Mr. Morgenthau said, is, that we may have to pay out of the public treasury for everything, and that it would be all right to buy all the goods and services we want, even if wages and prices fall."

"It means that we must re-establish the economy on a sound basis. The things done, our wartime ways of buying and living, if not at once but in a year, will mean that the Treasury will have to re-establish the economy on a sound basis. The things done, our wartime ways of buying and living, if not at once but in a year, will mean that the Treasury will have to re-establish the economy on a sound basis."

"If persons and families and corporations are to spend their money wisely, the war must be ended with a large surplus, so that the Treasury can pay the war debts.

"I'm not advocating that the war be prolonged, in order to pay the war debt, but I am advocating that the war be ended with a large surplus, so that the Treasury can pay the war debts, and that the people who have financed the war can be paid off."

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In The Armed Forces

Allan N. Ives, President of Weisburg & Co., Chicago, is entering the U. S. Army. Weisburg & Co. will be in charge of the company's affairs during the duration.
Jan. Gold Output Down
To June, 1933 Level

Production of gold in the United States during January was estimated at 147,964 ounces, the lowest point reached since January, 1933, when the total was 43,000 ounces. The January figure is from the American Bureau of Metal Statistics reports. This sharp decline in gold production is a result of the War Production Board’s order of last fall when the gold mines were directed to halt operations in order to divert the labor and equipment available for mining war-related metals (referred to in our Oct. 22 issue, page 1437).

The Wall Street Journal of March 9 reported the following:

As a result of these influences, U. S. gold production for 1942, totaled 3,613,903 ounces, the lowest annual production since 1934 when the total was 2,916,373 ounces. Domestic gold production in 1941 amounted to 5,900,746 ounces.

Last year Canadian production of approximately 4,810,000 ounces of gold was achieved. With the increase in gold and silver consumption, more than ability and willingness will have to be displayed in the future. The public has been found a large source of money—huge quantities of money that are in the hands of the Federal Reserve System. Important suppliers of this essential commodity is the Federal Intermediate Credit Banks.

The Federal Reserve System, by accumulating gold during the past 20 years to the extent of $100,000,000 of gold for the nation, has enabled it to prevent the possibility of its representing the available gold of the nation.

One of the first jobs of this system, as we have already proved, is to provide the dearness and value of the farmer’s notes as security for the deposit money sold by the banks to the investing public. Through access to a type of credit designed to meet their requirements, farmers develop the confidence to carry out all the necessary duties of running their farms. In the current year, a large number of farmers have expressed their intention to continue their present policy of maintaining their farm households.

Agriculture uses a lot of credit, and it provides a flow of funds to the financial centers. One of the Federal Intermediate Credit Banks, through the sale of their securities, reach into the money markets of the nation. This collecting power of thousands of farmers permits a reasonable rate of interest to the farmers, and a lower cost of operation for the banks. In short, our banks are justly proud of this system of agriculture's credit. It is the Federal Reserve System. With the increase in gold and silver consumption, we have a large number of farmers who can satisfy all their financial demands for the next 20 years.

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To the Shareholders:

The accounts of the Company for the year ended December 31, 1942, were submitted to the Auditor of the Missouri Highway Commission, who reported as follows:

**Gross Earnings**

$25,644,801

**Working Expenses (including taxes)**

$20,073,676

**Net Earnings**

$5,571,125

**Dividends**

$4,049,822

**Fixed Charges**

$2,031,352

Interest on bonds of Missouri Pacific Railway to the extent of $5,958,176 as to interest on your Company.

$728,333

**Depreciation**

$2,034,466

**Net Income for the year amounted to $5,958,176, being $3,992,853 greater than in 1941.**

**Railway Earnings and Expenses**

The comparative results of railway operations were as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Gross Earnings</th>
<th>Express Freight Expenses (including taxes)</th>
<th>Net Earnings</th>
<th>Taxation</th>
<th>Earnings in thousands of dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>1942</td>
<td>$25,644,801</td>
<td>$24,486,412</td>
<td>$5,571,125</td>
<td>$960,791</td>
<td></td>
</tr>
<tr>
<td>1941</td>
<td>$21,596,548</td>
<td>$19,491,180</td>
<td>$2,034,466</td>
<td>$959,771</td>
<td></td>
</tr>
</tbody>
</table>

**Freight Earnings** increased by $4,049,822, or 19.4%, and were reported in all commodities except grain. The increase was the result of an exceptionally heavy movement of freight traffic, viz., as a result of the greatly expanded output of war munitions. Developments such as the Alaska Highway, the enlarged shipping programme, and the construction of new and lateral depots and airfields at various points also contributed to the growth of freight traffic. The curtailment of ocean and coastal transport owing to the shortage of shipping space and cargo capacity, resulting in rates of freight rates of such staples as coal and oil, and restrictions on highway transportation of freight were all in an effort to increase the amount of freight traffic.

**Gross Earnings from grain and grain products decreased $5,606,648, or 20.1% for the year.** The decrease was due to the curtailment of ocean and coastal shipping space and competition, and the curtailment of railroad transportation, which resulted in a reduction of tonnage handled. The movement of freight traffic was also less than the average of 183 million bushels for the fifteen years, 1927-41. At the end of the year, only 16% of the tonnage was available for movement in the Prairie provinces had been transported, and there remained to be shipped approximately 770 million bushels, or 50% more than at the close of 1941. Rail freight traffic totaled 25,644,801 tons, 252 million greater than in 1941 and 1,477 million greater than in 1933. The average revenue per ton mile was 0.88 cents as compared with 0.78 cents in 1941 and 0.68 cents in 1932.

**Passenger Earnings increased by $1,942,105, or 55.5%, and were the highest since 1921.** Travel by the railroad system increased over practically all sections of your Company's Lines. Civilian travel was exceptionally heavy in spite of the curtailment in the amount of tonnage handled; and the increase in travel resulted in a growth in passenger traffic resulting partly from the re-establishment of travel by rail in the face of competition from automobile, gasoline and the shortage of rubber for tires. The average number of passengers was 126 million miles, compared with 144 miles in 1941, the lowest recorded previously. The heavy movement of the armed forces, both on duty and leave, and the low fares given to the defense contributed to the increase in the average revenue per passenger mile which rose from the lowest of 1.18 cents to 1.72 cents in 1941.

**Express Freight Earnings** increased by $6,387,032, or 37.3%, and were reported in all commodities except grain. The increase was due to the unprecedented expansion of wartime activities and increased demands resulting in a high volume of express traffic. The express earnings of $3,645,569 (including taxes) amounted to $6,387,032 more than in 1941. The average revenue per 100 pounds increased from $2.18 to $3.12 per hundred pounds.

**Other Expenses** increased by $2,502,207, or 15.4%. Substantial increases occurred in revenues from news services, stationery selling, sleeping and parlor cars. Net pay- ments for hire of the equipment increased by $2,377,583, or 18.9%, in a result of a greater movement of commodities in train, and an increase in the number of cars operated by and United States railways.

**Dividends** amounting to $5,042,782, being at the rate of 4.5% on the common stock, were declared out of the Net Income for the year 1942.

**Fixed Charges and Guaranteed Interest**

Fixed charges and guaranteed interest on locomotive and other capital reductions resulted from the retirement without refunding of the Convertible Ten Year 6% Collateral Trust Notes of the Twenty Year Old Line, which had been acquired by the Company in 1942, with warrants on the under¬writing of the Convertible Ten Year 6% Collateral Trust Notes of the Twenty Year Old Line, which had been acquired by the Company in 1942, with warrants on the under¬writing of the Convertible Ten Year 6% Collateral Trust Notes of the Twenty Year Old Line, which had been acquired by the Company in 1942, with warrants on the under¬writing of the Convertible Ten Year 6% Collateral Trust Notes of the Twenty Year Old Line, which had been acquired by the Company in 1942, with warrants on the under¬writing of the Convertible Ten Year 6% Collateral Trust Notes of the Twenty Year Old Line, which had been acquired by the Company in 1942, with warrants on the under¬writing of the Convertible Ten Year 6% Collateral Trust Notes of the Twenty Year Old Line, which had been acquired by the Company in 1942, with warrants on the under¬writing of the Convertible Ten Year 6% Collateral Trust Notes of the Twenty Year Old Line, which had been acquired by the Company in 1942, with warrants on the under¬writing of the Convertible Ten Year 6% Collateral Trust Notes of the Twenty Year Old Line, which had been acquired by the Company in 1942, with warrants on the under¬writing of the Convertible Ten Year 6% Collateral Trust Notes of the Twenty Year Old Line, which had been acquired by the Company in 1942, with warrants on the under¬writing of the Convertible Ten Year 6% Collateral Trust Notes of the Twenty Year Old Line, which had been acquired by the Company in 1942, with warrants on the under¬writing of the Convertible Ten Year 6% Collateral Trust Notes of the Twenty Year Old Line, which had been acquired by the Company in 1942, with warrants on the under¬writing of the Convertible Ten Year 6% Collateral Trust Notes of the Twenty Year Old Line, which had been acquired by the Company in 1942, with warrants on the under¬writing of the Convertible Ten Year 6% Collateral Trust Notes of the Twenty Year Old Line, which had been acquired by the Company in 1942, with warrants on the under¬writing of the Convertible Ten Year 6% Collateral Trust Notes of the Twenty Year Old Line, which had been acquired by the Company in 1942, with warrants on the under¬writing of the Convertible Ten Year 6% Collateral Trust Notes of the Twenty Year Old Line, which had been acquired by the Company in 1942, with warrants on the under¬writing of the Convertible Ten Year 6% Collateral Trust Notes of the Twenty Year Old Line, which had been acquired by the Company in 1942, with warrants on the under¬writing of the Convertible Ten Year 6% Collateral Trust Notes of the Twenty Year Old Line, which had been acquired by the Company in 1942, with warrants on the under¬writing of the Convertible Ten Year 6% Collateral Trust Notes of the Twenty Year Old Line, which had been acquired by the Company in 1942, with warrants on the under¬writing of the Convertible Ten Year 6% Collateral Trust Notes of the Twenty Year Old Line, which had been acquired by the Company in 1942, with warrants on the under¬writing of the Convertible Ten Year 6% Collateral Trust Notes of the Twenty Year Old Line, which had been acquired by the Company in 1942, with warrants on the under¬writing of the Convertible Ten Year 6% Collateral Trust Notes of the Twenty Year Old Line, which had been acquired by the Company in 1942, with warrants on the under¬writing of the Convertible Ten Year 6% Collateral Trust Notes of the Twenty Year Old Line, which had been acquired by the Company in 1942, with warrants on the under¬writing of the Convertible Ten Year 6% Collateral Trust Notes of the Twenty Year Old Line, which had been acquired by the Company in 1942, with warrants on the under¬writing of the Convertible Ten Year 6% Collateral Trust Notes of the Twenty Year Old Line, which had been acquired by the Company in 1942, with warrants on the under¬writing of the Convertible Ten Year 6% Collateral Trust Notes of the Twenty Year Old Line, which had been acquired by the Company in 1942, with warrants on the under¬writing of the Convertible Ten Year 6% Collateral Trust Notes of the Twenty Year Old Line, which had been acquired by the Company in 1942, with warrants on the under¬writing of the Convertible Ten Year 6% Collateral Trust Notes of the Twenty Year Old Line, which had been acquired by the Company in 1942, with warrants on the under¬writing of the Convertible Ten Year 6% Collateral Trust Notes of the Twenty Year Old Line, which had been acquired by the Company in 1942, with warrants on the under¬writing of the Convertible Ten Year 6% Collateral Trust Notes of the Twen...
Canadian Pacific Air Lines, Limited

During the year a number of steps were taken, designed to integrate your air activities into a co-ordinated system. In addition to Canadian Pacific Air Lines, Limited, the Company is wholly owned by the Directors, a wholly owned subsidiary of your Company. An agreement was signed, in principle, with your Company to that subsidiary of the entire Canadian Pacific System, Canadian Pacific Air Lines, Limited, according to the interests of the Company in Quebec Airways Limited with its two school subsidiaries. At the end of the year your Company had acquired all the air line undertakings, and had received $4,000,000 Canadian Pacific Air Lines, Limited, further steps were taken in the standardization of equipment and operating methods, and a unified administration was established with offices in Montreal and Edmonton. Additional airfields are in process of modernization which are being obtained through the Canadian Pacific System, to assist in handling war traffic, which is very heavy as a result of a large number of large projects in the territories served by the air lines. It is estimated that over 90% of all business handled is directly connected with the war effort. Ground, radio and hangar facilities are being expanded. At the end of the year employees of Canadian Pacific Air Lines, Limited, and several of the Canadian Airlines International undertakings, were employed in the overhauling plants and training schools operated in conjunction with the Royal Canadian Air Training Plan. Total employed, approximately 7,000.

Minneapolis, St. Paul & Sault Ste. Marie Railway

The gross earnings of this Company were $22,630,642, an increase of $3,352,529, and the net earnings were $8,010,866, an increase of $1,329,655. Dividends paid in the area tributary to its lines amounted to $751,400, an increase of $272,100 over the 1941 figure. The total amount paid during the year was $751,400, an increase of $272,100. During the year the Company continued to meet its obligations to the Lessor and the Cen- ter of the Lessor, and to pay the $2,500,000, 5% Collateral Trust Gold Bonds due 1945 to the amount of $2,500,000, 5% Collateral Trust Gold Bonds due 1945 to the amount of $2,500,000. Consolidated Debenture Stock was redeemed at $1,500,000, 5%, $1,500,000, 5%, and $1,500,000, 5%, issued as collateral to these bonds, was released and cancelled.

During the year, approximately $3,900,000 in obligations to the Lessor and also unsecured 5% Singh Fink Stock were paid, and $3,000,000 of matured and unpaid, and Consolidated Debenture Stock to the amount of $2,500,000, 5%, collateral as debenture, which was also released and cancelled. On November 1, 1944, the amount of $2,000,000 were prepaid. This amount was paid as collateral to the Lessor as collateral to the Lessor as collateral to the Lessor and for the payment of the Company's obligations to the Lessor and for the payment of the Company's obligations to the Lessor and for the payment of the Company's obligations to the Lessor and to the Canadian Imperial Bank of Commerce Limited.

On February 16, the First Mortgage Debenture Stock of the Edmonton, Vancouver & Alpine Railway, Edmonton, Vancouver & Alpine Railway, Edmonton, Vancouver & Alpine Railway, was redeemed at $1,123,256, matured and held in the Northern Alberta Railways Company. To place these assets in good condition and to meet this maturity, with respect to which the Canadian Imperial Bank of Commerce, had jointly and equally agreed to indemnify the Gov- ernment, and the Company, as principal, the subsidiary issued and sold at par to the two parent companies, $4,350,000, of its bonds, your Company's proportion of such issue being $2,175,000.

The financial transactions referred to above, together with the payment to the Dominion Government on Janu¬ary 2, 1942, of $800,000, referred to in the Annual Report for 1941, resulted in the retirement without refund of the mortgage bond in the amount of $15,547,521, collateral, notes and other obligations, the discharge of a contingent liability of $2,500,000, and in a net profit for the year of $2,070,000. Consolidated Debenture Stock was cancelled.

Pensions

Working expenses were charged, $4,076,705, repre¬senting your Company's proportion of pension allow¬ances due on behalf of employees, and the levies in respect of employees who come under the Union scale, which is now one of the highest level of employment and increased rates of pay, as of February 1, 1942. Under the terms of your Directors authorized an increase from $400,000 to $700,000 in the special contributions made annually to the Union pension fund. The meeting of your Company authorized a paid-in capital, of $1,500,000 to absorb the stated period cost of period of pension plan.

The first payment of the increased was made during the year was $490. After allowing for deductions owing to death and discharges from service, the total number of members at the end of the year was 25,000, an increase of 25% above the end of the previous year.

During the year the committee on pensions was as follows:

<table>
<thead>
<tr>
<th>Under age of 60 years</th>
<th>475</th>
</tr>
</thead>
<tbody>
<tr>
<td>From 60 to 64 years of age inclusive</td>
<td>587</td>
</tr>
<tr>
<td>Over 60 years</td>
<td>718</td>
</tr>
<tr>
<td>Total</td>
<td>1,780</td>
</tr>
</tbody>
</table>

War Activities

Transportation requirements were even greater than in the previous year. The continued expansion of Industries and activities in Canada, together with the growth of the armed forces, gave rise to a large increase in traffic. Your Company has performed its function for the proper handling of cargo and maintenance of armed forces. Large numbers of prisoners of war and armed forces were transported.

Operating problems were accentuated by the high rate of inflation and difficulties in the labor market as in normal years. The burden of supervision of effec¬tiveness of your Company's service and the amount of as a result of the large number of new and inexperienced employees which was necessary to hire. In Canada, the increased expansion in Canada necessitated the extension of many railway facilities, and in the United States, the Company has been utilized to serve 105 new plants and undertaking, the provision of which were Government-financed war projects.

Your Company's own steamships and part of its road transportation were requisitioned by the War Department for the movement of men and material. Between the railway lines in connection with which your Company's railway and air lines were used to a large extent in the movement of men and material.

Production of Valentine tanks at the Angus Shops in Montreal continued at the scheduled rate during 1942. Representations of the Government have been made in their commendation of the quality of these tanks and the speed of construction. The entire seven million of the production of tanks is approaching completion, and under arrangements with the Government the shops facilities will be put in part in larger scale use for the manufacture of marine engines. Replacement parts for Valentine tanks will have to be produced in large quantities.

Full production of naval guns and munitions was at the Ontario Armament Works. In addition to the under munitions contracts is also being performed.

The officers and employees continued to give enthusiastic support to patriotic activities and campaigns dur¬ing 1942. Many of the Company's employees have been involved in the war effort, and in the several organizations have been elected as officers and have subscribed a total of $4,832,500. Of this amount $4,725,917 has been taken by your Company and by its Pension Fund and the Pension Fund of the Canadian Pacific Express Company. At the end of the year employees of the Company held the Canadian baconers of Ware Savings Certificates under the pay and the plan.

At December 31, the total number of Canadian Pacific of the armed services of the United Nations was 14,062.

Capital Expenditures

In anticipation of your confirmation, your Directors authorized capital appropriations for the year 1942 amounting to $1,502,489 in addition to those approved at the last annual meeting. Included in these appropri¬ations was an amount of $300,000 for the purchase of five Diesel switching locomotives.

Adquisitions of large and small buildings are requested for capital appropriations of $14,160,440 for the present year.

Replacement and enlargement of structures in permanent

Replacement and additions to structures, replacement of

Additional airfield and terminal space, replacement of

Replacement of rail in main and branch line track with

Replacement of rail in main and branch line track with

Replacement of rail in main and branch line track with

Additions and betterments in communications, facilities,\n
Additions and betterments in communications, facilities,\n
Additions and betterments in communications, facilities,\n
The amount appropriated for automatic signals in¬cludes provision for an installation on the main line between Chapleau and Schreiber, Ontario, where an ex¬ceptionally heavy volume of traffic is moving under most severe operating conditions. New equipment com¬prises 20 Pacific type locomotives for passenger and fast freight service, 20 switchers for yard and freight service, 500 gondola cars and 500 boxcars. Should conditions improve so as to make it possible to procure material for the enlargement of this project, the provision for this enlargement of this programme by placing further or

Agreements

The following agreements made by your Directors were authorized by the Board in December 1941:

1. A lease of the lines of railway and bridges of the Fort William & Lake Superior Railway Company, which the Lion Company has been law authorized to construct, whether or not to be constructed, and be leased to the Lion Company. The said agreement is to be between the Lion Company and the Government of Fort William, for a term of 999 years from July 1, 1942, and that the said company shall pay to the Lion Company on the bonds of the Lion Company may at any time or times hereafter issue at the rate of $1,765,000 for each $1,000 or each $1,000 of bonds of the Lion Company to bear a specified rate not exceeding 5% per annum payable half-yearly.
MR. S. G. BLAYLOCK
HON. HENRY COCKSHULL
Chairman, Committee on
MR. ROBERT C. STANLEY

Your directors desire again to express their pride in their sense of gratitude for the loyalty and efficiency of their officers and employees. In particular, record should be made of the brave devotion of those who, both in Europe and under conditions which often involved great difficulty, were engaged in the work of preparing the whole-hearted co-operation of the shipping and travelling public in meeting the problems of war trans-

uation, and in maintaining the highest standard of the vigilance, endurance and value of the armed forces of the United States. Through the provision of the operations of the United States Government for the operations on its land, sea and in corporate life possible.

Montréal, March 5, 1943.

Canadian Pacific Railway Company

Balance Sheet, Dec. 31, 1942

Assets——

Property Investment—

Railway Stock, Island Inheritance, Hotel, Communication and Miscellaneous

$492,303,387

Investments on Leased Property 8,840,778

Stocks and Bonds of Other Leased and Controlled Companies and Wiry Depreciated Book Value

101,882,969

Other Investments——

Mortgages, Notes, etc. 296,865,859

Advances to Controlled and Other Companies 57,508,377

Mortgages, Collateral and Advances to

3,972,292

Other Companies

Debentures, Debenture Stocks, and Other Properties...... 21,974,848

Maintenance Funds

1,138,668

Insurance Funds

9,281,120

Bills of Exchange

10,080,919

Current Assets——

Material and Supplies 52,017,845

Wages and Taxes... 13,566,874

Cash

45,321,814

Unearned Debenture

9,368,136

Unearned Debenture on Bonds

1,135,130

Other Unearned Debts

2,915,329

$124,798,491

Montréal, March 5, 1943.

UP-TOWN AFTER THREE

BY BILL SMITH

SCREEN

Some months ago John Steinbeck's "The Moon is Down" opened on Broadway. It wasn't a bad play, but for Steinbeck it wasn't a good one. Then 20th Century-Fox bought the screen rights and made a movie out of it. The result is an advertised something. It's neither the novel or the play. The cinema version has action and drama, plus a message it sorely needed. Instead of ending play with great freedom of people and the equal labor expectations for the inability of the nation, the movie ignores them. It tried to show how never to manage to convey. The result is an ex-

plement —

R.D. Holt, and that of Mr. Tilley were also,

Mr. W. M. Neal, Vice-President of the company, was succeeded by the present direct-

Mr. S. G. Blaylock and Hon. Charles Dunnig, P.C., were appointed Directors.

Retiring Directors

The undermentioned Directors will retire from office at the annual meeting. They are eligible for re-election:

Urges Caution In Security Purchases

A warning that "great dangers lie in the purchase of securities represented by certificates, factors pertaining to them are worthless. Mr. Dunning, the President of the New York Stock Ex-

The records of the securities owned by the Company at Dec. 31, 1942, have been certified as correct by the auditor of the company, in accordance with the provisions of the Inland Revenue Act, 1909, the Decree for the Government of Canada in respect of the Income and Loss Accounts, and the Act of the Dominion of Canada for the granting of the said securities for the purpose of the company.

To Pay On San Paulo 7s

Schroeder Trust Co., New York, as Depositary of securities, in respect to the holders of State of San Paulo (United States of Brazil) 7% secured mining fund gold dollar bonds, coffee realization loan 1930, that it has received funds to pay immediately 50% of face amount of the coupons for final cancellation at the office of the special agent, 41 Wall Street, New York, to the bearer of the coupons, which is hereby announced. The acceptance of these payments is optional with the holders.

Holders of Oct. 1, 1941, coupons may obtain payment by the amount of face value at the office of the special agent, 41 Wall Street, New York, to the bearer of the coupons, which is hereby announced. The acceptance of these payments is optional with the holders.

While the maturity date stated in the Decree for the Government of Canada in respect of the Brazilian 5% Mining Fund Gold Dollar Bonds, the holders of the coupons for final cancellation at the office of the special agent, 41 Wall Street, New York, to the bearer of the coupons, which is hereby announced. The acceptance of these payments is optional with the holders.

In stock Index Trend "Upward"

The Macklain, Leggo Insurance Company, a New York insurance company, with the approval of the New York State Insurance Department, has purchased a large block of stock of the New York Central Railroad Company and has stated that the purchase will have a beneficial effect upon the market. The transaction is said to have been conducted in accordance with the provisions of the New York State Insurance Department.

Chicago Ry Looks Good

The First Mortgage 5% of 1927, a mortgage bond of the Chicago, St. Louis, and St. Paul Railway Company, which is due in the year 1927, and which is secured by a mortgage of the Chicago, St. Louis, and St. Paul Railway Company, has been purchased by the New York Central Railroad Company. The amount of the purchase is said to be $5,000,000.

Copies of the circular may be had upon request from Deputy-Tegeler & Co.
The Future of The Gold Standard

(Continued from first page)

and surplus was motivated by the desire to take all steps necessary to assure a continued high position in financing the war. He added that the recommended increase in capital funds is a continu¬ation of a policy which will furnish a sound basis for continued development of the railroad's financial and operating service. He also made known on

April 6 the appointment by the board of trustees of Albert W. Ohn

as assistant to the President. Mr. Ohn was formerly associated with foreign trade, principally in the Far East. Subse¬quent to several years he was connected with the firm of C. B.

Lager & Bros, as Vice-President.

The Norfolk and Western Railway Company

SUMMARY OF FORTY-SEVENTH ANNUAL REPORT FOR 1942

The Norfolk and Western Railway Company handled a record volume of traffic in 1942. This is attributed to the rapid expansion of business and the increased demands of the Government for transportation facili¬ties to move equipment and supplies for war purposes.

Railway Revenue increases $18,423,000, or 16.16 per cent., over 1941. Operating Expenses increased $12,564,000, or 18.36 per cent. Net Income decreased $2,025,000, or 9.44 per cent. Income Balance of $21,007,000 was equal to $14.03 per share of outstanding Common Stock.

Condensed Income Statement

<table>
<thead>
<tr>
<th>Operating Revenue</th>
<th>Operating Expenses</th>
<th>Net Income</th>
<th>Dividends</th>
</tr>
</thead>
<tbody>
<tr>
<td>$189,045,181</td>
<td>$163,377,822</td>
<td>$25,667,359</td>
<td>$15,159,870.48</td>
</tr>
</tbody>
</table>

Condensed Profit and Loss Statement

<table>
<thead>
<tr>
<th>Gross Income</th>
<th>Operating Expenses</th>
<th>Net Income</th>
<th>Dividends</th>
</tr>
</thead>
<tbody>
<tr>
<td>$204,096,000</td>
<td>$175,808,000</td>
<td>$28,288,000</td>
<td>$15,159,870.48</td>
</tr>
</tbody>
</table>

Dividends of $1,000,000 were paid quarterly, a total of $4,000 per share, or $91,000, were paid upon the outstanding Preferred Stock. Dividends of $2.50 per share, or $49,040, were paid upon the outstanding Common Stock.

The Norfolk and Western Railway Company's financial and operating statements are summarized in the table above.

Reserve Fund for Taxes and Contingencies

The Company has established a Reserve Fund to meet taxes, and to provide for future contingencies. The Reserve Fund at December 31, 1942, was $18,226,000, an increase of $23,180,000 over the previous balance. For the year ended December 31, 1942, it provided in the United States Tax Savings and Treasury Notes.

Transportation Rates

The increases in passenger fares and freight rates on key trunk lines and other traffic, necessary to assure a substantial increase in revenue, went into effect early in 1941 as a result of mediations before an Emer¬gent Fact-Finding Board. As of April 1, 1942, the Railway's new rates are $6,400,000, or 14.16 per cent., over the Railway's cost of operation in 1942.

The Financial

The Capital stock held by the public was $163,758,000, or 76.05 per cent, of outstanding stock and bond capital. The total of the Common stock and 1,000 shares of 8% Cumulative Preferred Stock, authorized in the Company's 1942 Annual Meeting, and the 75,000 shares of $100 per share First Mortgage 7%-4% Cumulative Preferred Stock, authorized to be issued to provide up to $6,400,000, or 14.16 per cent., over the Railway's cost of operation in 1942.

Since January 1, 1939, when the war started in Europe, this Company has expanded and authorized more than $75,000,000 for the construction and pur¬chase of new cars and locomotives and expansion of existing cars and locomotives. The war brought an increased traffic demand incident to the war effort.

This policy of preparedness has enabled the Company so far to meet all transportation require¬ments. The Company is now in a position to continue to do so. The Company's existing plant, facilities, and new equipment as required.

In its shops, it now has new cars and locomotives and other equipment for its own serv¬ice, and its continuing activities in locomotives and cars, in repair and service, and for public service, with these new cars and locomotives and equipment for the nation and industries. Also, a substantial amount of work was done for the American and war industries.

Employees

During the year the Company employed an average of 21,810 persons.

Wage Demands

In September, 1942, non-operating employees of the railroad were scheduled for a wage increase of 25%, or $1.25 per hour, with a minimum of 70 cents per hour, and a union hall was established. This was followed in 1943, by a number of wage increases for non-operating employees. The Company's total payroll for 1942 was $175,000,000, an average of $2,315 per employee. The Company's payroll for 1943 is expected to be $266,000,000, or 51% per cent, above 1942.

Employees

During the period of the war, the Company has been affected by demands for higher wages and other working conditions, particularly for the non-operating employees. The Company has been the subject of a number of wage disputes, and has been involved in several wage arbitration cases. The Company has been able to resolve most of these disputes through negotiations, and has continued to operate at a high level of productivity.

The Company's annual payroll in 1942 was $220,000,000, an increase of $42,000,000 over the previous year. The Company's payroll in 1943 is expected to be $266,000,000, or 24% per cent, above 1942.

W. J. JENKS, President.

Nordoff and Western Railway Company

Volume 157 Number 4106

THE COMMERICAL & FINANCIAL CHRONICLE

1927

Federal Reserve Bank of St. Louis
Digitized for FRASER.
We announce the removal of our office to

52 WILLIAM STREET, NEW YORK

H. B. Boland & Co.,
State and Municipal Bonds

April 5, 1942
Telephone Withcliff 3-414

Municipal New Notes

In a recent decision, the New Jersey Tax Court held that the City of Camden, N. J., cannot be required to refund to the City of Philadelphia, bridge which is operated by the Delaware River Bridge Commission, the amount it was said, attempted to assess the bridge. The amount of the current expenses, interest on which is fixed at $9,230,000 in 1942, was $2,380,000. However, the City of Camden had assessed the property as tax-exempt.

In Part II, the court said the inter-State compact under which the commission was organized provided for specific exemption of such bridge property and quoted a section of the compact: "The commissioners, in determining the amount of tolls required to pay any taxes or assessments levied against property acquired or used by it." The court said further no reason was advanced by Camden—support of the assessment and amount paid the School Land Board. Therefore the assessment was be

Bridge Reports Operating Loss

The Bridge Commission had an operating loss in January for the first time in 30 years, according to a report made to the joint commission by Joseph N. Costello, General Manager. Receipts during the month amounted to $306,000, interest on the bonds increased $11,654 to $179,709. The loss was attributed to an increase in sinking fund requirements to $233,800, however, deficit did not increase.

Tennesse's March Gasoline Revenues Sharply Higher

Despite predictions in the commodity market, Tennessee's March gasoline revenues were higher than expected. The March collections amounted to $2,201,530, which were slightly above the $2,194,299 for March, 1942. The increase was attributed to an increase in gasoline prices by 21 cents per barrel. Despite the increase, the revenues are still slightly below the high of $2,211,530 for March, 1941.

Energy costs, which have been expected to show a decided slump because of mileage radiation, came through with an approximate increase of $45,600 for the month, according to estimates of the motor car owners, totaling $1,553,611, compare with $1,506,140 for March, 1942.

Bank of England

The Bank of England's clearing bank has announced that it will continue to operate in the United Kingdom.

The Bank of England is the central bank of the United Kingdom and the bank for the government. It is responsible for the regulation of the monetary system and the supply of banknotes.

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The Securities Salesman's Corner

Treasury's Second Victory Fund Drive Is An Opportunity To Build Up Your Business

One of the most difficult problems most securities salesmen have to overcome is that of making the "right" contacts under favorable circumstances. The American Bankers Association has been launching throughout the country on April 12th, in this respect, the period of its second Victory Fund Drive. There are a number of investors that every salesman would like to meet—but they remain only potential clients. Some of these investors are busy, some of them just do not care to meet any more securities men—there are some you could perhaps turn to tomorrow, but just at the moment they are not being requested to donate its services and its facilities without any recognition. Nothing is a better out of the way to an indifferent opportunity for personal reward, inasmuch as every new contact made through this drive will remain a potential source of future investment business.

THIS IS AN OPPORTUNITY TO MEET MR. "HARD TO SEE AT ANY TIME UNDER CIRCUMSTANCES THAT ARE EXTREMELY FAVORABLE."

During the First Victory Loan Drive we heard of one salesman who picked up a list of several hundred business men in an excellent and professional people in the community. He put a generous number of phone calls through to start out to sell Governments. His approach was "Tell Mr. So and So that a representative of The United States Treasury is here to see him.

Needless to say, that approach got him plenty of doors. After a little experience he learned what here—was a representative of the Treasury. The majority of his prospects were simply that he was a representative of the Treasury. He did tell them some Governments that he had to help his sales considerable. Several of the new contacts he made during the first drive, he has been able to turn into regular selling commissary, and he has earned on regular business consumed since that time.

This is one time when alert salesmen should take advantage of a patriotic opportunity to build up their circle of potential business. The prospect for such this drive can be of unnumbered benefits for many new investors that those of who see way clear to give the time and effort have ever before enjoyed.

Tomorrow's Markets

Walter Whyte Says

(Continued from page 128)

For the inflation-minded, whose mental, whose mind is on the stock market is about the only thing. This doesn't mean that everything is in the market, but there are other things to consider. Among the element the newcomer should consider important. You'll get no satisfaction, for example, in buying a stock at, say, 30 because it's "the stock of the year". You'll have to wait and see it go to 30 before it starts up to the 100 price. The chances are that you will lose your money the lower the price.

The reader who will continue to invest in what seems to be a good stock should try to learn big profits. The chapter on the long run will be a good place to continue with yourself.

All the foregoing leads up to the following conclusions.

Inflationary markets are to be handled no differently than any other advanced market. Holders of stocks bought at lower levels (will resume regular dividends, unless some event should take large profits in part of their holdings and piece stops on the rest. Spe- cial care is also required to see that they do not take large profits in part of their holdings and piece stops on the rest. Special care is also required to see that they do not

Cincinnati Market

Befewith Steel bought at 58 is now about 69. Take part profits at 70 or better and stop rest at 63. Superheater bought at 133 in Canada and selling for a small profit. The price was about 20 and stop rest at 15

In following such a program the only loss you can sustain is mental. If the market continues up without rest, the next day's sale price would be advantage of your position. But there's nothing sure about the market. If you can't protect yourself, expect everything.

More next Thursday.

Walter Whyte

The views expressed in this article do not necessarily coincide with those of the Treasury. They are presented as those of the author only.

Central of N. J. Looks Good

The general mortgage 5% and 6% bonds of the Central R. R. Co. of New Jersey offer a situation with investment, with attractive characteristics. The bonds are now selling at 120, Broadway, New York. A survey of the market shows that there is a market for 120, a small price which remain the same thing.

Survey of the market shows that there is a market for 120, a small price which remain the same thing.

Sentenced

John Woolcott Forbes and Al- fred Ernest Grebe, owners of the Wheaton & Co., 120 Broadway, New York City, were sentenced to 4 years in the State Prison. The case involves a number of defaults in the company, with particular reference to the 5% and 4% bonds may be had from the firm upon request. Ask for Report 542.

Prospects For Advertising

Herbert E. Stern & Co., 20 Pine St., New York City, have issued a circular entitled "Prospects for the Advertising Industry", copies of which will supply upon request.

We offer, subject: $200,000 Dominion of Canada


Price 100.75 and interest

Wood, Gundy & Co.

Incorporated

4 Wall Street, New York

Bell System Telephone N 1-920

SACTIONS

by BRUCE WILLIAMS

Anyone familiar with the Canadian market will agree that there are few, if any, bargains left among strictly high-grade domestic issues or American market. The easy money policy of the Government and the competition of a rapidly expanding volume of funds has been creating a market without precedent in the history of the

Canadian securities have been offered for sale in the United States.

The circumstances referred to are:

1. The bonds are largely payable in British and Canadian dollars and £200,000 of the issue was sold in the United States.

2. The premium on United bond in pounds and Canadian dollars has been fixed for residents of the States. These circumstances are not for the benefit of bondholders of the United States. The Government has sold bonds in the United States.

3. The bondholders of the United States. The Government has sold bonds in the United States.


Curb Group Officers for Year

At the annual meeting of the New York Curb Exchange, the following officers were appointed for the ensuing year:

President, A. B. Neftel, Secretary.

Vice-President, James A. Corcoran, Second Vice-President, William B. Steinhardt, Assistant Secretary.

The annual meeting of the New York Curb Exchange was held at the New York Curb Exchange, New York City, at 12 o'clock noon.

The officers were elected directors, and Messrs. Corcoran, Page, Steinhardt, Neftel, A. B. Neftel, and William B. Steinhardt were appointed members of the New York Curb Exchange Committee to serve with the President.

At the annual meeting of share- holders of the Corporation the following were elected directors:

J. W. Finn were elected directors for 3 years. Fred C. Muffett and H. C. Page. William B. Steinhardt were elected directors for 3 years.

Assistant Treasurer.

C. C. Sheridan, Assistant Secre-}

try, and Treasurer.

James R. Dyer and William Ail were elected directors, and Messrs. Corcoran, Page, Steinhardt, Neftel, A. B. Neftel, and William B. Steinhardt were appointed members of the New York Curb Exchange Committee to serve with the President.

At the annual meeting of share- holders of the Corporation the following were elected directors:

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Assistant Treasurer.
No Currency Depreciation Or Cheaping Of Dollar Planned

(Continued from first page)

TREASURY PLAN FOR STABILIZING CURRENCY OF UNITED NATIONS OUTLINED BY MORGENTHAU

Details of the tentative proposals of Secretary of the Treasury Morgenthau for stabilizing the currency of United Nations member countries were made known by Mr. Morgenthau on April 6, in which he urged the "principled" for a United and Associated Nations stabilization of their currencies, to be approved before their adoption. The proposals are giving herewith the outline of the proposed Treasury plan, as contained in Associated Press wires from Washington, D. C., as published in the New York Times.

I. PURPOSES OF THE FUND

A. The fund shall consist of gold, currency, and securities of member countries. 2.

B. Each of the member countries shall be paid a sum which shall be equal to at least $5,000,000.

The quota for each member country shall be determined by an agreed-upon formula. The formula shall include the important factors relevant to the determination of quotas, e.g., a country's holdings of gold and foreign exchange, the magnitude of its foreign trade, the size of its currency, its foreign exchange, and its current account.

3. Each member country shall provide the fund with at least 50% of its quota in gold, 50% in currency, and 50% in securities, as determined by the board of directors of the fund. The fund shall be entitled to purchase any or all of these securities at its own discretion.

4. The foreign exchange fund shall meet an advance balance of payments on current account with the country whose currency is being demanded. The fund shall deposit with the Secretary of the Treasury $955,000, or such other amount as the Secretary of the Treasury shall prescribe. The proceed of the sale of the fund's gold holdings shall be used to purchase additional gold, and the proceeds of the sale of the fund's currency holdings shall be used to purchase additional currency.

5. The member countries of the fund may be called upon to make payments in gold, currency, or securities in meeting its quota requirements. The member countries shall be paid in gold, currency, or securities as may be necessary to meet the requirements of the fund.

6. Any changes in the quotas of the member countries shall be made only with the approval of a four-fifths vote of the board.

7. The fund shall have the following powers:

1. The fund shall have the power to sell and hold gold, currency, and securities of member countries, to accept deposits and to make such payments as may be required.

2. The fund shall have the power to purchase and sell gold, currency, and securities, within the limits of the member countries' holdings.

3. The fund shall have the power to lend and borrow money, to make and receive assignments and other security, and to purchase and sell paper and currency.
Sletson of Guaranty Trust Presents
ARC Citation To Douglas of Mutual Life

Eugene W. Sletson, President of the Guaranty Trust Company of New York, in his “Address to the Commerce and Industry Com- mittee, 1942 Red Cross War Fund,” presents the “A,” “F” and “C” citations to M. Fletcher Nichols, President of the Mutual Life Insurance Company, and receives from Mr. Douglas a check for $50,000, drawn on the Guaranty Trust Company to the order of the United Nations, and a $500 check to the benefit of the Guaranty Trust Company. The committee is known for its contributions by the Com- pany, its executives and employees. Mr. Sletson’s committee, the Guaranty Trust, was the first bank to receive the ARC citation, and The Mutual Life was among the first companies to report individual contributions from 100% of its employees and executives. Left to right are: Julian S. Myrick, 2nd Vice-President of The Mutual Life; Mr. Douglas; Sletson F. Prater, Chairman of the Finance Section of the Commerce & Industry Committee; Mr. Sletson; Miss Janet Beadle of The Mutual Life’s Red Cross Committee, and H. W. Stewart, the Committee’s Chairman.

President May Ask For Legislation On International Carriage Plans

President Roosevelt told his press conference on April 6 that he may make several legislative requests in connection with international currency plans but that none of these would be put forth until the exploratory talks among the United Nations have been completed. As to this, Wash¬ ington Post correspondent to the “Wall Street Journal” of April 7 said: “The only exception to that rule, according to the President, will be in connection with the exist¬ ing international currency plans which give resident gold powers, including de¬ valuated and_Deficit dollars. These powers are due to expire June 30. The President is considered that in previous times Congress has ex¬ tended the effectiveness of some laws for three months, during which time a study could be continued. That the decision can be dropped at the end of the temporary extension if Congress wants to let it die, then, he said. “The President made it plain that he believes an act of sec¬ tion taken by this Government in combination with other nations and which would affect the gold reserves of the country may be for¬ tified by a Congressional statute. Asked whether he agreed that it is necessary to have his gold powers in existence while the conference is in progress, the President replied that he thought it if it affects the gold reserves he ought to get Congressional action anyway.”

Real Estate Securities

(Costumed from page 1281) Tang profit for the first two months of 1942 was $60,234.24 compared with $24,303.63 for the corresponding period of 1941. This is considerably over a 250% increase. The two-month gross operating profit of $60,234.24 is an interesting comparison with the twelve-month gross operating profit of $102,257,904 for the entire year of 1942—a fair expectation of better interest payments. The Management, in announcing these
Calendar of New Security Flotations

OFFERINGS

SOYBEAN OIL BONDS—290 of 180-year, 3½ per cent cumulative bonds of the Bremen Shipping Corporation, to be sold by Smith, Barney & Co. for $100 per bond. Address—Smith, Barney & Co., Inc., New York, N. Y.

ROYAL COACH BUILDING CORPORATION—Has filed a registration statement for 5,000,000 shares of common stock, par value $1 each. The stock will be offered for public sale by application for a registration statement. Address—Royal Coach Building Corporation, New York, N. Y.

Following is a list of issues whose registration statements were filed less than twenty days ago. These issues therefore will be underwritten at the following 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).

Oferings will rarely be made before the day following.

SUNDAY, APRIL 10

KEYSTONE CUSTOM BOND, INC.—Has filed a registration statement for 10,000 shares of common stock, par value $100 per share. Address—Keystone Custom Bond, Inc., Mercersburg, Pa.

MONDAY, APRIL 11

GLOBE OIL & COAL CORPORATION—Has filed a registration statement for 212,000 shares of stock, par value $100 per share. Address—Globe Oil & Coal Corporation, New York, N. Y.

SMITH, BAINES, & CO., GLOBE, TOGAN & CO.

LEHMAN BROTHERS—THE FIRST BOSTON CORPORATION

BLYTH & CO., INC.

HARRIKAM RILEY & CO. INCORPORATED

Price 100% and accrued interest

Certiﬁcate of the Prospectus may be obtained from each of the several underwriters, inclusively the super intender, and may be obtained from those Banks in the management of the deals, and offers it for sale only as was the Prospectus.

NEW ISSUE

$20,000,000

WILSON & CO., INC. (A Delaware Corporation)

First Mortgage Bonds, 3½ Series due 1958

Dated April 1, 1945

Price 100% and accrued interest
Treasury Plan For Stabilizing Currency Of United Nations Outlined by Morgenthau

(Continued from page 1390)

fund and the member country.

The privilege of the member country to acquire, possess, sell, or convert gold and foreign exchange is without prejudice to its right to establish and maintain an exchange rate, the fixing of which is left to the member country.

As to the question whether the gold and foreign exchange of a member country is to be used for payment of claims to the United Nations in the currency of the United Nations, it must be stated that the member country has full discretion on this question, and such use of its gold and foreign exchange under the United Nations is not to be considered as an admission of any liability to the United Nations.

The United Nations provides for the maintenance of an exchange rate for the present purposes within the range of the member countries.

It is therefore not necessary to establish a gold standard upon which the United Nations will be based, but to establish a fixed and standard rate which can be used for all purposes.

9. In the event of the member country's gold and foreign exchange being converted into the United Nations currency, the member country will have full discretion on the rate to be fixed, and the rate fixed will be the same as the rate at which the member country's gold and foreign exchange is acquired.

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For the second consecutive week, the story in the Government market is the movement of tax-exempt securities. The longer-term, lower-yielding issues are the leaders of the bond market. The gains, in the week, are not so large as those in the first week, but they are still considerable.

Banks, and other non-banking institutions, are buyers of tax-exempt securities. For the week ended March 12, the banks and other non-banking companies bought the bonds on an increasing scale. The reasons for the increase are not detailed. The increase is due to the increased supply of the non-banking institutions. The professionals are optimistic. More and more banks are buying tax-exempt securities. The outstanding total of tax-exempt securities is decreasing steadily. The present make-up of the bonds is a reflection of the effect of the privilege. These are the factors in the background and the effect of them may be seen in the steady advance, in prices of long-term exempt in the last few weeks.

From a technical point of view, the best bonds in the exempt classification are:

(1) The 2 3/4s of 1960/55, selling at 109.17, to yield 1.97% to maturity.
(2) The 2 3/4s of 1959/60, selling at 109.22, to yield 2.05% to maturity, 2.12% to maturity.
(3) The 2 1/2s of 1959/63, selling at 108.32, to yield 2.07% to maturity, 2.21% to maturity.
(4) The 2 1/4s of 1960/61, selling at 102.92, to yield 2.13% to maturity, 2.24% to maturity.

Prices in this longest-terms bond is based on these points:

(1) The bonds are selling closest to their exemption classification and, therefore, the risk of buying the bond is the least.
(2) The bonds are going to be the longest and since tax protection of the bond is the greater, the bond will have more capital appreciation.

In this situation, the rates are reversed and the longest-terms have the best outlook.

BANKS FINDING OUT

For the first time in years, the banks are in the peculiarly favorable position of being able to sell back some of their tax-exempt bonds. And chances are as the months roll by, this situation will be intensified rather than relieved. It's an odd way to look at it—but the fact is when you're talking about taxes, losses are an entirely different meaning that at any other time.

As the banks discover they're moving right into the excess profits tax bracket and more bonds are forced to be sold, the banks will themselves be unprofitable. The fact that they are buying the bonds aren't as closely held as the short-term and intermediate ones which are buying their bonds and they want to be taxed at 2% at $2,611,000,000 while the total of the 2 3/4s of 1965/50 to $1,485,000,000, which for the last week was a sale of both issues, extra cash into the put bonds.

In December, the Chicago Stock Exchange fell to a new low of 10.50. Insurance company sales of high-grade, exempt municipalities have been on a large scale recently, also for the purpose of providing more liquidity for the bonds. Some of the large municipal markets are expected in the remaining days before the end of the year. This market is well supplied now and can't take more at this level.

INSIDE THE MARKET

No talk at all about the effect street these days about changes in interest rates. General feeling is rates have been stabilized at present low levels and will remain where they are—with the most important reason being the continued low of the dollar which, as long as the desire for Treasury financing, Treasury financing needs, and as long as thereafter necessary for Treasury financing needs, has been met, the situation is improving. This is known as the Treasury, the “Treasury will not finance a war after the war is over”.

The Treasury, therefore, cannot afford to finance a war with a magnitude of a period of rising interest rates and declining bond values. It is necessary that it is more, the view that tax rates are not going to be reduced after the war is over.

Some talk around 1965/60 exempt are cheap in relation to 2 3/4s, but at any price differential obviously is due to shorter maturity of 2 3/4s. In this peculiar upside-down section of the market, though, longest-term eventually may sell even with shorter issues because of favor of position of the longest.

Hayedon Chemical Company, 4% bonds of $5,000,000 matured in May, 1943, will be a maximum of $4,237,250, or a minimum of $4,218,601, depending upon the number of coupons to be taken by the underwriters. These coupons are sold for $1,100 each, at $1,080 per bond, and a minimum of $4,218,601.

American Bank Credit “A”

Quaker City Cold Storage Company

Fort Pitt Bridge Works

The Business Man's Bookshelf


United Cigar Whelan

Common & pd.

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How Did We Get This Way?—H. Loomis and John B. Knoe. Reprinted from the "Commercial and Financial Chronicle"—William B. Dana Co., 527 E. 49th Street, New York—paper—$3.00.

K. C. Public Service

Situating Interesting

Kansas City Public Service Company offers interesting position for those who are interested in distinguishing factors affecting the Kansas City Public Service Company. This is a company, formerly Assistant Manager d'Avigdor Co., formerly Assistant Manager of the firm for some time as manager of the firm, and now as manager of the firm, and now as manager of the firm, and now as manager of the firm.

American Bank Credit “A”

Quaker City Cold Storage Company

Pittsburgh Terminal Warehouse & Transfer

1st Refunding $5, 1936

Memoranda on receivables

HILL, THOMPSON & CO., INC.

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