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In 2 Sections—Section I

The Commercial and Financial Chronicle

June 10, 1943

New York, N.Y., Thursday, June 3, 1943

Price 60 Cents a Copy

Capitalism And
Americanism Go
Hand In Hand

Hill Enlightens Employees
On The Significance Of
Capitalism To Them

For what would we do if we could do without J. B. Hill, President of the Louisville & Nashville Railroad Co., in the splendid work he is doing in an effort to create a better understanding between capital and labor? Three of his recent messages appearing in the Employers Magazine of his railroad are given below. Mr. Hill is the editor of the "Chronicle," that all are free to reprint these messages in whole or part, or use them in any way they see fit in employee-employer educational programs. The Louisville & Nashville made reprints of these particular messages in pamphlet form. (Continued on page 2070)

Pennsylvania Corporates-Municipals

Special devoted exclusive treated Pennsylvania corporates and municipal securities start on page 2092. QUICK ACTION ON DESIGN AND CONSTRUCTION also SURVEYS AND REPORTS in connection with MANAGEMENT PROBLEMS FINANCING AND VALUATIONS SANDERSON & PORTER ENGINEERS AND CONSTRUCTORS 52 William Street Chicago NEW YORK San Francisco

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GENEVA, SWITZERLAND

"Functional Finance" Friend
Or Fee Of Private Capital?

The above caption indicates the topic of a debate by prominent figures in the financial and academic world and attended by more than one hundred fifty men of finance, industry and the Government, held last month at the New School for Social Research.

The new fiscal theory, first put forward by J. M. Keynes in England, was laid open to comment from the floor by a number of guests, after the initial discussion of the problem by Dr. M. Vidal Guardiola and Professors Albert Hambrecht, Aish P. Lerner.

Dr. Vidal Guardiola is a leading main speaker, expressed in part, the views that Functional Finance is a means of averting the deficit spending and that it routes counter to the tenets of individual freedom and enterprise and is another example in a "society of ultra-collectivist simplicity." Dr. Abba P. Lerner, taking an opposing view, contended that Functional Finance is a fiscal doctrine by which the Government can keep the total money demand for goods and services at the right level up by adjusting its own spending, raising or lowering tax rates and borrowing or repaying money—and that this new fiscal theory is the best friend of private enterprise, which must use it to prevent the eclipse of individual credit for good.

An abstract of the address by Messrs. Guardiola, Hambrecht and Lerner is given below together with a summary of the views expressed by Professor Oskar Lange and Dr. Julius Wyller. William Cumberland, Robert B. Warren, Prof. Harold Berger, Prof. Ralph Young, Prof. Wm. Carnes, Prof. Milton Friedman and others also participated.

The meeting was presided over by Dr. Hans Staudinger, Dean of the New School's Graduate Faculty.

Can the United States Support
A 300 Billion Dollar Debt?

Can, and will, the gigantic post-war Federal debt be redeemed in money of present or pro-war purchasing power, or will it be repudiated directly or indirectly, in whole or in part? Dr. Olin Glenn Saxon, Professor of Economics, Yale University, undertook to supply an answer to this question of primary concern to the entire nation and, at the same time, discussed the vital stake of the millions of investors in war bonds in the methods employed in working out a sound solution of the problem, in an extremely timely article, bearing which appeared in the "Chronicle" May 13. In Dr. Saxon's opinion, the Federal debt can be paid in which terms "honourable dollars" provided, of course, that the nations leaders "have the political courage to attempt it."

In line with its suggestions, the "Chronicle" received various comments regarding the views and conclusions set forth by Dr. Saxon in his article. Some of these letters were given in our issues of May 29 and May 27 and others are published below.

JAMES H. JUNTER
San Francisco

With regard to the final $300 billion national debt, I may say it is all so stupendous I am utterly confused. There are, however, some things which seem to me to be simple and automatic. It's the last straw (of debt) that breaks the camel's back. This nation has progressed at an unparalleled rate almost from"
The War And American Foreign Investments

The "Chronicle" of May 27 carried several letters referring to an article, bearing the above caption, which appeared in our issue of May 20. In this article the author, Dr. Max Winkler, noted, among other things, that the aggregate market volume of foreign government securities has increased materially since the outbreak of the war and made certain observations pertaining to the status of the Russian bonds of pre-Soviet Russia... During the past week we have been favored with additional letters, including one from the Russian consul. These comments follow:

DR. MAX WINKLER
In answering my appraisal of foreign loans, including Russian bonds, in a recent article in the Chronicle, one writer states, inter alia, that my remarks have "an air of finality" when I point out that "all foreign loans (of pre-Soviet Russia) are absolutely repudiated." May I remind the writer that the "air of finality" is not mine, but that of the Kremlin? In Harvey L. Pikas's The Judo of Intelligence, published by the Bankers Trust Company (p. 303), I find the official text of the "Soviet Decree Invalidating Russian Debt," sec.

Weekly Stock Market Comments

During the past three weeks, and more particularly during the past few days, the market has acted disappointingly. It appears just as if most of the sophisticated investors and traders, who, the present Dow Theory is just a theory, have not worked out in practice, decided to test it out on the market, which is running into sizable offers of railroad stocks, which is having considerable difficulty in absorbing. At this point of the market, after thirteen months of recovery, we favor consolidation of a fairly substantial scale because of many uncertainties, more or less important, which previously during the rise the market has not been called upon to digest: (1) Congress is having unusual or extraordinary difficulties in arriving at a tax plan and, with an enormous budget facing it, will have to find new taxation sources and perhaps heavier rates; (2) making a landing in most places in Europe and staying there without being chased is likely to be a difficult game, even given some new superiority; (3) it is understood that many of the balances now being liquidated are becoming burdened; (4) substantial capital has been committed to purchase everything that can be thought of strengthening their future buying power; (5) the labor market has been increasing recently; (6) floods are causing serious trouble everywhere. The above considerations have been given wide publicity. It is difficult for the markets, in the absence of real news, to make progress now that plan construction largely has been accomplished, and the building index is on the decrease; (7) most important in the uncertain factors is the unfavorable weather condition which has been discouraging crops to 1943. Farmers have been seriously retarded in efforts to plow or plant. Reduction in food production makes real food impossible. If crop failures should develop later, the excellent corn crop developed in the past six months could be thrown in reverse; temporariness of course. The market appears unprepared for digestion of this array of supply factors. In the past two weeks let (Continued on page 204)

Harriman Ralney Names Four Vice-Presidents

Joseph P. Ralney, Chairman of Harriman Ralney & Co., Inc., New York City, announced that a regular meeting of the board of directors, held on Monday, March 11, 1921, at Harriman Ralney's offices at 120 Broadway, New York City, resulted in the election of the following officers:

J. P. Ralney, Chairman
E. H. Hamilton, President
T. H. Goodwin, Vice President
J. W. Dunlop, Vice President

Other officers include:

Treasurer, J. W. Dunlop
Secretary, J. H. Goodwin

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Ulen Realization Corp.

War destroys values and creates opportunities. When the German government defaulted, it destroyed not only Polish property that was destroyed. The assets of Ulen & Co. are a problem of utilizing the human and technological concern of world-wide experience and reputation, suffered drastic shrinkage. This company frequently took in payment for construction of utility projects the bonds of the nation where the work was performed. It held a large block of National Economic Bank of Poland 1897, 4.5%. By October, 1941, the position of Ulen & Co. had become rather critical. They were getting new engineering contracts in England, and the decision was made to liquidate and the present Ulen Realization Corp. was formed to take over the assets of the old company. Although the new company has made some progress in accomplishing its purpose, it is clear that the bulk of liquidation will come after the war.

In addition to its present holdings, the former National Economic Bank of Poland bonds valued at $1,000,000, par value, the assets of the company include: (1) a contract for the operation of and additions to the water works in Athens, Greece; (2) a small holding of Greek 3s; (3) a 16-year contract with the National Bank of Ceylon; (4) a 4-year contract with the National Bank of Hong Kong, China; (5) the Government of Brazil; (6) 12-year, 5% bonds of the Republic of Greece; and (7) various domestic bondholdings among which are $1,466,900 of General Motors Corporation of 1978, and $230,000 of Maverick County (Texas) water bonds.

With respect to the company's principal asset—its National Economic Bank of Poland bonds—it has already filed claim against the French Government, and the need for additional funds of the war. The company has made substantial improvement not only in the outlook for the company's foreign assets, but also in the market value of its foreign bond holdings.

The Challenge Of Post-War Deficit Financing

Federal spending is now at the annual rate of nearly 150 billion dollars, with only about one third of this being paid for in taxes. The minimum Federal debt at the end of the war will likely be around 300 billion dollars. Such a debt can be carried provided favorable conditions prevail for business expansion, sound economic and financial policies be followed, and the people are determined to take a firm and uncompromising stand in matters of public finance. This is a matter of national importance.

In the field of commercial air transportation, we can hope to find a greatly expanded application of the airplane. The breadth will be increased with the advance in engineering and design.

In the field of private flying, the situation can find a new outlet provided aircraft are developed which are better suited to that field. As an example, we may consider the Sikorsky helicopter, presently under development.

In all the foregoing, the emphasis on engineering research and development is paramount. Technological development flourishes under conditions favoring competition and reward of individual enterprise and initiative. If those conditions return in the postwar period, aviation’s future seems bright.

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A partnership of Vincent Fitzgerald and W. F. Fitzgerald has been formed for the conduct of a general securities business.

The partners of Fitzgerald & Company were formerly President and Treasurer of Fitzgerald & Company Incorporated which is being dissolved.

J. George Frings will be in charge of the trading department of Fitzgerald & Company and will trade in a general list of stocks and bonds.

William D. O'Connor will be in charge of the Bank and Insurance stocks department.

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Compromise Pay-Go Tax Bill Passed By House

The compromise pay-as-you-go tax bill as agreed on in conference was adopted by the House on June 2. A favorable action by the Senate was expected yesterday (June 2) and assurance has been given that President Roosevelt will sign the measure.

Under the bill, designed to put 44,000,000 income taxpayers on a current basis, a 50% withholding tax on wages and salaries will become effective July 1.

The income tax compromise bill provides:
1. Each taxpayer owing up to $50 in taxes for the one year, 1942 or 1943, in which he had the smaller taxable income, will get 100% abatement.
2. Persons whose abatement year tax bill is between $50 and $666.67 get a flat $50 abatement, and
3. All taxpayers with an abatement year tax bill above $50 and $666.67 receive a deduction of 25%; the remaining 25% to be paid half on March 15, 1944, and half March 15, 1945, in addition to current taxes.

In all cases the abatement occurs in the one year, 1942 or 1943, in which the taxpayer had the smaller taxable income.

It is estimated that the measure would add about $900,000,000 to Federal revenues in the 1944 fiscal year, through the partial doubling up in collections.

Enactment of this bill does not relieve taxpayers from paying the June 15 second installment of their 1943 income tax obligation.

Announced Press advice from Washington, June 1 stated:
Installation paid before July 1 on the basis of 1943 income will be transferred as a credit to 1943 obligations. Wages and salaries earners will begin paying July 1 the rest of their 1943 bill through the withholding levy.

Persons with income other than wages and salaries must estimate their income for the current year, and continue to pay by quarterly installments. Similarly, persons with wages or salaries above the 25% withholding level will estimate their upper bracket income, and pay quarterly on that part of their obligation above the withholding level.

On next March 15, all taxpayers—as at present—will file their final return on 1943. On this return, adjustments will be made for differences between the estimated or withheld tax and the correct tax reported by the taxpayer.

Agreement on the compromise measure was noted in these columns May 27, page 58.
ST. PAULS vs MOPS

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Minneapolis & St. Louis, So. 1934
Minneapolis & St. Louis, So. 1936
Iowa Central, 8o. 1935
Iowa Central & St. Louis 8o. 1935

We have no more than $100 million. This is total of it that is intended. It would be roughly 170% of $170

railroad securities, realized in that period. The influence of the wage and price adjustment is naturally not to be uniform for the individual units of the economy, but some will suffer considerably from the loss of revenue and increase in expenses. On the other hand, those that have been in the high profit and heavy tax brackets will be little affected. Also, roads carrying a large proportion of farm products, iron ore, etc., will suffer relatively little loss because the freight rate increases have been of little benefit in any event.

John L. Shea Forms Own Investment Firm

(Seated by The Financial Chronicle Boston, June 16, 1934) L. L. Shea has formed Shea & Company to engage in a securities business from offices at 31 State St., Mr. Shea was formerly an officer of Sears Corporation and its pre- decessor Sears & Co., Inc., for many years.

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Pennsylvania Municipalities

As has been true of most local and sectional municipal markets, that of Pennsylvania has shown noticeable strength in the last three weeks. Typical likewise has been a decided curtailment of supply. The source of what few offerings have appeared has represented principally, if not entirely, the present major insurances, which have been liquidated by the Federal Reserve Bank of New York. Early in May, Teachers’ Pension Fund at Harrisburg sold at public auction, $4,000,000 Philadel phia School District 1st, maturing from 1944 to 1959, at substantially below par, but at $390,000 of these bonds un der the Refunding Plan, the same bonds were bought by the First National Bank. The impressive fact about this sale was the number of bidders and the high bids made for other blocks of bonds which, however, were not sold.

The market on various City of Philadelphia bonds has advanced steadily to the high of the past few years to such an extent that the lowest prices, or as they have been, are substantially above par. Under the Refunding Plan of 1943, show fantastic yields to yield a 3.8% yield on the longest maturity. Prices for the 5½% bonds in amounts of $1,000 are higher than their original quoted prices (142% on March 1, 1941).

The bettering of City of Philadelphia bond prices may be attributed to the fact that a burst in the display of biding strength and general underlying strength of Phila delphia, Allegheny County and Pennsylvania securities, as the fulfillment of transactions recorded. Other descriptions are scarce from abstract to scarce.

It is interesting to note that, while the bidding of the War Loan Drive there was marked investment buying of the notes, a much smaller percentage of the notes appeared to have a stimulating ef fect on all municipal markets. This average of $5 million dollars was approximately equiva lent to the largest sale of Liberty Bonds during the First World War. The more announcement of the oversubscription caused a widespread marking-up of municipal bonds in the market.

The elimination of the Pennsylvania tax on income over $20,000 has resulted in a tax (leaving four) that did not seem affect the municipal market. There was, however, a curtailment, but one that has not been given a reduction, but it was expected that there would be a large issue of this tax. The Pennsylvania Turnpike bond, in the opinion of the market, has firmed in price over the last fortnight despite driving restrictions which have seriously affected revenues. With pleasure driving banned, permissible commercial vehicles are figures on the influx of fixed charges, but the available reserve of bond fund is considered ample to protect debt service for a long period of time.

The general feeling is that the scarcity of new issues will con tinue, and municipalities have tightened their belts for the duration. New projects have been postponed until prices. Scheduled offerings of $75,000 Hibernia Township, $80,000 All i s ton Township and $1,599,000 Delaware County will not go far toward satisfying a continuous and growing de mand.

New Jersey municipalities, many of which have funds in Philadelphia, are subject to the same speculative supply and over-demand. A recent issue of Montclair, maturing from 1943 to 1947 and 1948, appeared in the market, as did a bond issued by Hamilton Township 9½, 1941-78, which is still offered from 2 5/8 to 2 5/8.

DEALERS BRIEFS

Allentown, Pa.

Don’t sell America short! Certain railroads—bonds in particular and some preferred stocks—which are as safe as they will within the next few years, we believe, have been $100 below attractively higher levels. The reorgan ized rails in particular, with drastic capitalization reduction, should be able to meet their fixed and contingent charges even during “slump times.” However, war prog nosticators impel us to observe that with the world’s ab normal demands for all types of merchandise and materials, we look for the greatest wave of prosperity we have ever experienced. Be an optimist—not a scholar. Economic community which has always been a paymaster, although none have ever made good personally. Don’t sell America short.—Charles C. Appleget, Roth and Company.

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Pennsylvania and General Municipal Bonds

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Traction Issues Favored

Fare registers are clicking overtime and the sound of a mot ot hon has become a strange euphemism as the O.D.T. lets go its Sunday punch against the automobile. The silver lining is plastically in terming with copper and nickel as John Q. Public and his neighborhood. The Philadelphia Transportation Com pany is serving the S.E.C. and the Pennsylvania Railroad with increased traffic. (Continued on page 2063)

Pennsylvania Brevities

Trusting Issues Favored

Fare registers are clicking overtime and the sound of a mot or horn has become a strange euphemism as the O.D.T. lets go its Sunday punch against the automobile. The silver lining is plastically in terming with copper and nickel as John Q. Public and his neighborhood. The Philadelphia Transportation Com pany is serving the S.E.C. and the Pennsylvania Railroad with increased traffic. (Continued on page 2063)

Pennsylvania Brevities

Traction Issues Favored

Fare registers are clicking overtime and the sound of a mot ot hon has become a strange euphemism as the O.D.T. lets go its Sunday punch against the automobile. The silver lining is plastically in terming with copper and nickel as John Q. Public and his neighborhood. The Philadelphia Transportation Com pany is serving the S.E.C. and the Pennsylvania Railroad with increased traffic. (Continued on page 2063)
Tomorrow's Markets

Walter Whyte

Says—

Current market action cancels earlier "up" signals. Immediate reaction not indicated but "down" signs gathering.

To WALTER WHYTE

Last week I decided that the market had at last shown enough to warrant abandoning my "long" position and therefore recommended the purchase of a list of stocks at specific prices. I was painfully aware that by doing this I was following the path of infamy taking hold that shouldn't prevent him from converting his paper into cash while the market was still in the talking up stage. It is quite possible that in getting out too early he may have lost money.

In any event, I have discovered that it's a lot more comforting to look sily with the bull than with bull with margin calls.

As this is being typed the D.J. industrials have made a new high of 142.90 while the rails have dropped off a few cents from their present levels, in no way related to the action of the rails and say that their refusal to fall today is ominous. However it is nothing of the sort. A one-day's action in the scheme of things. No, it is not the action of the averages of yesterday which is the real thing. It is the lack of action followed by the vociferous public which sees the war might be over without just another "resting spell" that adds another warning note to the others who have followed a few paragraphs back.

I realize all the foregoing sounds quite pessimistic for the immediate future. I don't believe it. For while there are enough signs to indicate lower prices none of these signs are urgent in character. It is true that the market will probably go up some more before it is ready to go down. Yet, as I have pointed out, I don't know when this reversal will take place. So errors of caution until all the indicators are in their proper slots I prefer to sound the warning now.

(Continued on page 2977)

NYSE Margin Rule on Securities Under 5

The New York Stock Exchange's announcement in the official Section, that it is in the process of requiring that no value be given to securities under 5 on the price list, is in line with the spirit prevailing. As the exchange points out, registered non-converted securities selling below 5 continue to have some value under Regulation 7 of the Board of Governors of the Federal Reserve System. It is also stated that the margins of customers' accounts, will be at higher prices was to the exchange points out, registered non-converted securities selling below 5 continue to have some value. The New York Stock Exchange's announcement is an advisory report which concludes that the plan, while fair, was not necessarily good for the market and should not be approved. Going back over the period covered by the survey, the S.E.C. selected the 5-year span, 1925-1930, as being representative of the Company's normal earnings expectations. It is not the fact that these particular five years were by far the least favorable in that respect but that the Company's earnings have been consistently high in the amount of $52,677,000 should not be scaled down to $1,017,000, as contemplated in the Plan, but should be reduced to not exceed $900,000. The Company reported net earnings for 1941, after Preferred Dividend and Federal and State taxes, of $225,720. The following is a list of the companies:

Pennsylvania Brevities

Lukens Steel, Co., with its subsidiaries, By-products Steel Corp., has arranged $10,000,000 V-Loan 3% credit to finance new steel products. In the next two months half this sum will be currently used. The agreement was executed with the Bank of Manhattan Co., which acted as agent for others participating in the loan: the Pennsylvania Co., First National Bank of Philadelphia, Trade- ments National Bank & Trust Co. of Philadelphia, First National City Bank, Fideli- nity-Philadelphia Trust Co., Marine Midland Trust Co., En- ture Trust Co. and National Bank of Chester Valley.

Commoditized sales of Lukens Steel and subsidiaries for the first 24 weeks of the current fiscal year were $24,851,630, a new record. This compared with the corresponding period of last year which was reported at $9,511,689 after all charges and an estimated allowance for income taxes, but before giving effect to possible renegotiations.

Walter Schumann, Delphine, Co., has completed construction of his subsidiary, "No. 2 Dredg- house," which is now ready for occupancy. Charles J. Reilly ("Bay")

The directors of Philadelphia Electric Co. have authorized applications for listing on the New York Stock Exchange, for the company's 4.4% preferred, $1-dividend participating. The company has not yet been granted permission by the S.E.C. to list them. The representation from preferred stockholders of Commonwealth & Southern Corp., in connection with the company's incorporation, will now be considered.

The Southern Advance Bag Co., Common

Memorandum on Recent

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Philadelphia and New Jersey Municipal Bonds

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Memorandum on Recent

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Philadelphia and New Jersey Municipal Bonds

Dolphin & Co., Inc.

Fidelity Philadelphia Trust Building PHILADELPHIA

Philadelphia, Pennsylvania 5:00

Bell System Teletype—PH 20 7-200
Investment Trusts

Material to assist dealers keeps in touch with old and new clients by mail is an important part of sponsor literature these days. This development is in the logical answer to increasing transportation difficulties and manpower shortages.

Whereas the bulk of investment company literature in recent years has been prepared in a format permitting enclosure in a standard business envelope, the context and presentation of the material has more often been designed for the dealer and the salesman than strictly for the investor. The trust, the "mailing pieces" coming to hand in quantities indicative of having been prepared to meet the requirements of record keeping in making effective direct-mail contact with their clients.

A striking example of such material is Lord, Abbott's new booklet Union Common Stocks: The Envelope. Entitled, "Now You Can Get Both," it pictures the greater gain-potibilities and larger dividend-income available from a group of smaller common stocks. Type, color and layout are skillfully done as are the advertisements and eye-appeal to the presentation. It's the kind of sales help salesmen and account executives can come— and it's designed to get results.

Using a time-tested approach for developing new clients, Calvin Bullock is offering dealers material for a somewhat different type of investor. It consists of two double postcards, one stressing material issued by a stated market advance and the other stressing stability of income. Folders covering these notes and a group of Dividend Shares are available for use in sales theories returns from the postcard mailings.

Another mailing piece just off the press is the new "Ten Investment Advantages" folder by Ten of the Successful Service to Investors. It is a single page, printed in four colors, illustrating the features of fundamental investors.

Distributors Group's most recent sales presentations adaptable to direct mail use by dealers are two impressive folders on Fully Administered Shares. While the format is used in a for a group of equity, they are quite dissimilar in context. As such as the sponsor, "one has—zero—the other lends to the big picture.

In the Mailbag

National Securities & Research Corp. last issue of National Market News carried an excursion of "Trading Versus Investing" traders, will not do as well as they would by selecting good issues and sitting tight except for the changes in the market. "A law of physics is that there is no movement without friction, and there is no friction without wear. Too many traders wear out their capital income investing."

Lord, Abbott's Abstracts ex¬ pose the fundamentals of "the Stock Markets" and demonstrates that, "Leaving in a common stock fund gives you added appreciation in rising markets because it allows extra dollars work for you." The record covers the period from March 31, 1943 to March 31, 1945. Here it is:

<table>
<thead>
<tr>
<th>% Gain</th>
<th>Affiliated Fund</th>
<th>69.6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dow-Jones</td>
<td>45.3</td>
<td></td>
</tr>
<tr>
<td>Average</td>
<td>39.9</td>
<td></td>
</tr>
</tbody>
</table>

*Funds in Barron's Quarterly Investment Trust Guide.*

The Parker Corporation Letter quotes at length from the April issue of Exchange on the 25th anniversary of the Trust and its accomplishments. Current reports on stock prices and related matters are always of interest, and investors are reminded of the Parker Corporation's existence for investors. The "mailing pieces" coming to hand in quantities indicative of having been prepared to meet the requirements of record keeping in making effective direct-mail contact with their clients.

Weekly Stock Market Comment

(Continued from page 2658)

Of the two trusts, among the capital- protection policy might be implemented. In other words, a program should be reminded how sudden, unexpected reactions, of a few days, such as the stock market behavior in the previous months or, as in the Summer of 1930, the Spring and Autumn of 1929, 1930, 1931, and 1942, alleviated the accumulation risk. It is therefore in the fund's best interest to keep this risk at a minimum.

The results of these two trusts on the market "in a market" are that they are considerably down and the cash reserves of approximately 25% of the aggregate present value of their holdings; and (3) small accounts, say up to $100,000 in value, which will be able to lose any money, should secure a per.

For those who, despite the fore¬ seeable risks of the market for securities or income for other reasons, we direct attention now to the capital markets such as American Cheek, Beech- ford, Blackburn, Clapp, Fink, Lord, and Co., Swift, and to preferred stocks sel¬ lers. We all agree to be prepared for the Nabie. 1941-1945, and are in the "kin out and end" are not who are not shrewd.

Low Priced Shares

A Class of Group Securities, Inc.

Prospectus on Request

The Distributors Group, Incorporated
13 Wall Street—New York

BULL, WHEATON & CO., Inc.
40 Exchange Place, New York

New York Title & Mortgage Co.
SERIES C-2

Complete descriptive circular will be sent upon request.

Seligman, Lubetkin & Co., Inc.
Members New York Security Dealers Association
41 Broadway, New York
Telephone: Hannon 2-2100

Real Estate Securities

1410 BROADWAY BUILDING
Built On The Site Of The Famous
Casino Theatre

Bonds Earn 6.88%—Pay 3½%—Yield Over 10%

In the old days of Weber & Fields, Lillian Russell, Anna Held, John Drew, David Warfield and other great stage favorites of the gay nineties, The Casino including the famous "Chase Room" was the spot of New York's strenuous night life of those hilarious times. The Casino the den of musical comedy and the "Casino Roof" was the most popular night club in the free world. It gave place to two days a night club was an invention.

In 1934, realizing the need in New York for a building department store and women's specialty store, a group of one roof wholesalers of women's apparel and general accessories, of which the majority of which are on a lease on this famous property, which is located in the heart of the theater area of Broadway (107 feet) and 7th Street, just north of the City Hall Park, took over the flow of the "Casino Roof" and inaugurated the Romantic Casino Theatre and erected in its place a first-class mercantile building containing a rental area of about 750,000 square feet. The building is designed to the public. These securities are for a mortgage on the building and on the leased hotel and theater on the land. The lease of the land the lease for a period ending April 1941, with the right to re¬ newal terms of 21 years each. Rental for the first 21 year term was twice reduced and the present $332,000 per annum. Rental for the renewal term is to be determined at the basis of the then value of the building. The bonds are not, however, less than six months after the proceeding bonds, not be mortgaged prior to the lease except to debar (and to the extent of $15,000,000).

The assessed value of the property for tax purposes is $2,680,000, of which $1,600,000 represented the value of the building. Inasmuch as the bonds are not secured by the fee, but only a mortgage on the leasehold and on the building, let us consider only the value of the building for comparative purposes. The current market of the bonds, a value of only $440,220 is placed for the entire bond issue (comparing with value of $750,000 placed on the building done in Chicago in recent years and assessed valuation). It is also inter¬ esting to note that in April 1931, appraisals were made by three leading real estate brokers of the bond issue and the building. The lowest of these appraisals was $3,300,000 and the highest $3,250,000. There are $1,284,000 in bonds—equity amount $4,400,000 originally issued. Interest at 5% is paid at 1½% and bonds are currently offered at 3½% of face value. The bank of New York and Trust Company, as the holders, have agreed to retire at the rate of 15% of its outstanding bonds, either at the above amount around real estate taxes and bond interest but before Federal taxes are paid thereon.

Interest rate on the bonds and ground rent are as follows: As at present, or at any time, and specifically at a certain time in the future, the principal and interest to be paid at such time. The following are the rates as of May 1933—Under an agreement ef¬

Pennsylvania Brevities

(Continued from page 2032)

engraved and the only delay would be the short time involved in cutting the rubber sheet and inserting the certifi¬ cates, simultaneously with the other Lot, 43 and Lot 44, all together, as the fee agent repre¬ sented us.

Renovation Service

Opens In Detroit

DETROIT, MICH.—The Renovation Service Company announced that it has opened an office in the Penobscot Building, Princess and Woodward Avenue. Edward A. Manley and Edward T. Bennett, both of the Detroit Stock Exchange, are the management of the firm, A. Manley & Co. Inc.

Joseph May Co. Formed

Joseph May Co. was the last of an old firm and this service has been formed with offices at 50 Broad Street, New York City, to engage in buying and selling of securities. Partners in the firm are Joseph May Jr., C. de S. May, Edward K. May Jr., and William W. May Jr.
Commentary On Dr. Anderson's Analysis Of Keynes And Morgenbieten Stabilization Plans

A summary of the address made recently by Dr. Benjamin M. Anderson, in which he analyzed the Keynes and Morgenbieten foreign exchange stabilization plans. According to Dr. Anderson's study of the plans, the following statements are relevant:

ARTHUR W. MARGET
Professor of Economics and Finance, University of Minnesota

The parts of Dr. Anderson's argument which I accept are as follows:

1. It is a desirable thing to have exchange stabilization rates.

2. There is no disagreement among those who have written on this subject as to why exchange stabilization rates have been a disappointment. The fact that the exchange stabilization rates have been a disappointment is, I think, evident to anyone who has read Dr. Anderson's essay. I think it is evident to anyone who reads the statements of the leading economists who have written on this subject.

3. There is a strong argument for the exchange stabilization rates. I think it is strong enough to be accepted by anyone who has read Dr. Anderson's essay. And I think it is strong enough to be accepted by anyone who reads the statements of the leading economists who have written on this subject.

4. There is a strong argument for the exchange stabilization rates. I think it is strong enough to be accepted by anyone who has read Dr. Anderson's essay. And I think it is strong enough to be accepted by anyone who reads the statements of the leading economists who have written on this subject.
"Functional Finance"—Friend or Foe Of Private Capital?

(Continued from first page)

The phrase, "financial science," although generally economic science, has today an important share in the field of business world thought. Its job and responsibility are correspondingly important. All businesses cannot find a way of close cooperation between free enterprise and government, and it will cripple the efforts of the next generation. In an endless cycle of expansion and contraction, the government, which never operates a surplus, is forced to cut down and still pay debt, or have to pay debt, or have to pay debt. This is a dangerous position, and is therefore a menace of economic science.

The Federal Reserve System, as Professor of Commerce at the University of Pennsylvania, is now the Secretary of Commerce and Finance at the University of Pennsylvania.

ABBA P. LERNER

The essence of Functional Finance is that the government should undertake the responsibility of keeping the total money demand for goods and services at the necessary level. Total demand must not be less than the consumption demand. If there will be a surplus, there will be too much demand; if there will be a deficit, there will be too little demand. The government must undertake the demand at the level of consumption.

The government must undertake this demand by (a) adjusting its own tax rates, and (b) influencing the demand by raising or lowering tax rates and by borrowing money or repaying debt. The reasons for this are the following.

1. It will be the government's duty to keep the Social Balance. The government has the advantage of being able to borrow money in order to keep the Social Balance.

2. The government must undertake this demand because the Social Balance is stable when the government undertakes the demand. The government must undertake this demand because the Social Balance is stable when the government undertakes the demand.

3. The Social Balance is stable when the government undertakes the demand because the Social Balance is stable when the government undertakes the demand.

4. The Social Balance is stable when the government undertakes the demand because the Social Balance is stable when the government undertakes the demand.

5. The Social Balance is stable when the government undertakes the demand because the Social Balance is stable when the government undertakes the demand.

June 3, 1943

The Commercial & Financial Chronicle
Pennsylvania Railroad provides Station Canteens, Lounges or Special Facilities for Service Men in many Cities

Railroad stations these wartime days are crowded with men from all branches of the service. Some going to induction centers, some to advanced training camps, some to global fronts, some home on well-earned furloughs.

No matter how brief their stay is, the railroads want them to feel "at home." So in a number of stations on the Pennsylvania Railroad, service men are welcomed to canteens, lounges and other facilities especially for them. At Union Stations, the Pennsylvania joins with other railroads in offering service men these facilities.

Here the service men may relax, write, eat, refresh themselves, chat, play games . . . and, at a few, even sleeping quarters are provided. More than 6,000,000 men in uniform have been entertained or assisted in these centers since Pearl Harbor.

The facilities are operated by the USO (including the Travelers' Aid Society, the YMCA, the Salvation Army, the Women's Aid of the Pennsylvania Railroad, the American Legion or other local patriotic organizations.

With the splendid cooperation of these worthy groups, who give so generously of their time and money—the Pennsylvania Railroad will continue to make things as pleasant and comfortable as possible for the boys serving our Country.

---

NEW YORK. Over 60,000 service men a month enjoy the Lounge in the Pennsylvania Station. Here 200 volunteer women workers serve coffee, doughnuts, buns. At an adjacent counter, sandwiches and light refreshments are available at non-profit prices.

GRAND RAPIDS. Operated by Navy Mothers Club No. 61, the Service Men's Recreational Lounge in the Union Station offers . . . table tennis, radio, cards, darts, games, books, magazines, cigarettes, cookies, apples and candy for the boys.

DENNISON, OHIO. Trains rolling through with troops stop here for water. On the platform of the Pennsylvania Station, women of Dennison, under the supervision of the Salvation Army, maintain a "portable canteen"—hot coffee, sandwiches, doughnuts, cigarettes, magazines for the boys, any hour, day or night.

---

Serving our Fighting Men, a volunteer worker from the Women's Aid of the Pennsylvania Railroad at the USO lounge in Broad Street Station, Pennsylvania Railroad, Philadelphia.

Special Facilities for Service Men at Stations in these cities on the Pennsylvania Railroad

NEW YORK
NEWARK
TRINITY
PHILADELPHIA
PENNSYLVANIA STATION, 36th Street
NORTH STREET STATION
WILMINGTON
BALTIMORE
WASHINGTON
YORK (Penn.)
HARRISBURG
PITTSBURGH
COLUMBUS
DAYTON
CINCINNATI
DENNISON (Ohio)
LIMA (Ohio)
INDIANAPOLIS
TERRE HAUTE
DETROIT
GRAND RAPIDS
CHICAGO
ST. LOUIS

*Authorized

BUY UNITED STATES WAR BONDS AND STAMPS

PENNSYLVANIA RAILROAD
Serving the Nation

★ 50,000 in the armed Forces
★ 50 have given their lives for their country
"Our Reporter On Governments"
By S. F. PORTER

And now maybe this market is getting ahead too fast... Enough is enough..." he said... and it was only a few weeks since it had seemed that the short end of the market was wonderful... It couldn't go so far and for so long a period that everybody gets caught... it would be impossible... there would be a considerable reaction in the immediate future... because of the continuance of the demand... If there is no such grapes but other fruits are to be had, it would be profitable for the fruit grower to transfer his focus to other fruits. This observer feels bound to add that the attitude expressed is not only personal... but also being shown by some of the best and smartest men in the business..." he said. . .

Here it is the beginning of June... The second war loan drive is just being launched... and the Treasury is making a big move..." he said... and that the market is up in its steam now, is rising steadily that every major force is being maintained... And while the Treasury has remained silent on the matter of date... in the event of any action of the market now should be "steady in quiet trading."... In case you've any doubt about what has been happening, glance at some of these comparisons... the new 2s are up to 100.23... almost 5 cents in a month... and consider the fact that in some bonds has extended to three points since the beginning of the year... For instance: The 2s of 12/15/45/50, the highest bond of this list, is at 111.8, at this writing, compared with a 1943 low of 108.5...
The 2s of 12/15/65/70 are at 111.34, compared with a year's low of 104.18...
The 2s of 11/15/55/64 are at 106.22, compared with 104.31...
The 2s of 12/15/35/36 are at 106.66, compared with a low of 104.18...
The 3s of 9/15/55/56 are at 111.12, compared with a low of 110 for the entire period...
And so it goes...


The Federals' Operations

The fact is the Federal Reserve Open Market Committee's fault to a great extent... For another this observer has been prais- ing the "Treasury's" and the "Fed's" wisdom in comparing the "sophisticated" and intelligent handling of the market... And for some time the Treasury has seemed to be handling these operations... efficiently and wisely... They've sold on rises, bought on declines... in a manner that was hand demonstrable and good period... and they've shown a considerable experience in managing price fluctuations during critical periods...

And for the time in months, the bankers and dealers around Wall Street are expressing doubts about the Federal Reserve's technique...

For instance... Of course, the Federal Reserve System has been selling bonds on this rise in order to hold down the advance and maintain the "Treasury's" ability to "manipulate" the market by "trading"... But while it sold some recently, it turned right around and bought, and then sold again, and then said it was "done"...

None... Effect on the bankers? If anything, it made them more easy to buy than before... Result? Nothing so good...

And the Treasury..." he said... reminds me of the old commercial bank... it can't just liquidate and not hold any earn- ings... and it can't just leave the market... all of which is exactly what the Treasury is doing... And for the Financial Times' and the Federal Reserve's viewpoint, such step might have been considered imperative... But from a money management viewpoint, the move was a bit on the silly side...

Either the Federal Reserve System is going to be the main agency in control of money market operations or it isn't... and if it is, then holding down this market rise is the objective to be reached... and if that so, then the operations needed are obvious and should be entered into without delay...

The Market

Compulsory bond buying test is still ahead, Washington officials admit... despite the recent sell-off of this issue recently, it's still very much alive...

Secretary Morgenthau's repudiation of the coupon bond idea is now being considered, and if carried out, will put an issue of negotiable securities and could sell bonds more easily, because advances & get interest payments every six months...

"Talk around that the next bank issue to be sold separately, as an issue of Treasury bonds, will carry an interest payment of 4%..."

Lately estimates on April drive indicate banks took 27% of se- curities sold. Morgenthau's statement... changes in the amount of April issues are increasing all the time due to transfers of securities from portfolios of dealers and brokers and corpora- tions have not been regulated by Congress... This movement is, incidentally, for it comes under classification of secondary distribution of an issue, and Government sources are having enough trouble with the resales of Treasury issues... Moreover, changes in commercial banks will hold much liquidation of securities in the portfolio, as final cash-offs are made...

Federal Reserve System's portfolio reveals all but one-third of holdings fall due within five years, indicating the extreme short-term nature of the central bank's position... Proper for a central bank but another reason, perhaps, why the system shifted out of the 2s and directly into the 2.5's... At the end of 1942, according to the system's annual report, 60.2% of the securities owned carried maturities of five years or less. At the end of 1943 40% of securities were in that five-year classification...

In contrast, an investment in first four months of '43 amounted to $2,000,000,000, according to latest estimates, more than the amount for the same period in '42... Holdings of Government securities have almost doubled since the end of 1940... 40% were in five-year classification.

COUPON BONDS

In Washington and New York today two groups are arguing on a most vital question of the war financing effort--namely, the advisability of an issue of-Series E Savings Bonds, the purpose of emphasizing the sale of coupon bonds, carrying interest at a low and moderate rate, and requiring no premium to pay off the Liberty Loans of 1917 and 1918... It's no minor issue... It is estimated that the two sides are important in themselves, for the Federal Reserve and the Treasury must decide whether the saving of the nation's major banks are on the side of coupon bonds while the Treasury--the Federal Reserve's "cousin"--must decide on the use of war bond sales--at least right now.

A coupon obligation despite Morgenthau's statement of late... Marketability and use of the securities... could have definite appeal to millions... Payment of the coupons... in a way that is not consistent with the discount of the character bond would attract more millions, it is be- lieved. The Treasury's objections, the bank's want more and the Federal Reserve above par, the control of the market is so great now that we may influence the market price level indirectly...

So look for a development of this controversy... And as a guess, this observer forecasts the argument will continue until Morganthau is forced to make some concession..."
Industry is helping win the war...
industry must help build a peacetime world

Fighting now is winning the war...
Thinking now can win the peace

Today millions of service men are fighting for “a better world to live in.” Other millions of individuals are performing miracles of production through the united efforts of management and wage earners—all of one mind—for “an unconditional surrender.”

Tomorrow these millions will be permanently employed in peacetime pursuits provided they—all of one mind—dictate sound peace terms calling for sustained prosperity.

If the world is to prosper, there must be the same cohesion among the United Nations during the transition period and thereafter as now exists during the worldwide conflict. Internal stability here and in other nations can be gained and maintained only by sustained industrial production and by economic interdependence.

The people of this country, in common with the people of other lands, will prosper materially and spiritually when this war is ended but only if insistence, world-wide in scope, is now voiced for a just and durable peace.
Mr. Hill is also to be commended for the way in which he has handled the sale of the Federal Reserve Bank of St. Louis. It is a matter of record that Mr. Hill has always been in favor of the sale of the Fed. But he took the time to consider the various issues involved and to persuade others of the merit of his position. He has always acted in the best interests of the bank and its employees, and I am confident that he will continue to do so in the future.

The message is clear: the Federal Reserve Bank of St. Louis is a valuable asset to the community and should be retained by the United States government. It is important that we continue to support and invest in institutions like the Fed that provide essential services to our citizens.

Moreover, the sale of the Fed would not only be a financial loss for the government, it would also be a loss for the economy as a whole. The Fed plays a crucial role in maintaining financial stability and ensuring that the economy runs smoothly. By retaining the Fed, we are ensuring that our economic system remains strong and resilient.

In conclusion, I urge all members of Congress to support the retention of the Federal Reserve Bank of St. Louis and to work towards a solution that benefits our nation as a whole. We must prioritize the needs of our citizens and the stability of our economy above all else.

Sincerely,
[Your Name]
United States Senate
Rebuilding World Task For Governments

After War, League of Nations Report Holds

Governments must continue to exercise during the first years of peace the economic influence that they wielded during the war. During the declaration, it is declared in a report of the Delegation On Economic Affairs of the League of Nations, headed by Lord J. Birkenhead, to the "The Transition From War to Peace," that economic action should be taken to solve certain problems.

"The need for Government ac-
tion to rest on peace economy will arise during the first years of peace, because in most cases, and probably in all cases, economic destruction will be apparent to all. There must be a period of transition from war to peace. This transi-
ton of states, the shorter that period, the better.

"To leave the task of recon-
struction to be shouldered by the politicians of private business in the extent to which it was left to politicians in the past showed a mis-conception of the very principles on which the success of private enterprise depends.

"Great courage and initiative 
was shown by some private firms, and when the risks seemed too great, they were not taken rapidly. But what was required was not a limited extension of the place to restate the wheels of production, where the in-
mmediate risks were bad and the ho-
our of profit remote. No business firm, however great, could have assumed these risks, and because governments failed to face the real issues, business in all countries suffered, and suf-
tered almost throughout the year after war.

"The Delegation was appointed by the Council of the League in April, 1919, to explore "measures that might be em-
ployed for preserving or miti-
gating economic depression." Its 
work was carried on under the auspices of the Conference, Finan-
cial and Transit Department of the League, now housed at the Institute For Advanced Study, Princeton, New Jersey.

"Its members, in addition to Sir Frederick C. Yarrow, W. J. Bridgen, financial counselor to the Australian Legion in the United States; Dr. G. H. A. Wall, Commissioner for the Nether-
lands, and T. O. C. Goodrich, of Columbia Univer-
sity, New York, President of the American President Lines, and head of the United States technical mission to India in 1912; Professor Osak Morgen-
stern, President of the University, 
Graham F. Towers, Governor of the Bank of Canada, Dr. Z. muss Katzenstein, manager of the Bank of Poland.

International organization for maintaining full employment in all countries, for coordinating commercial policies, distributing scarce raw materials, stabilizing farm prices, and allocating shipping tonnage is declared to be a major task for governments, a report says. "Concerned action and united action on the International level is required." The report also says that: "In weighing economic changes and upheavals that will follow the war, it is necessary to consider the possibility that, in the event of a world depression, an inci-
dent world crisis is not only possible, but is likely to occur. This is the situation that can be expected."

Sincerely,

W. B. H. President.

The decision of a Federal District Court at South Bend holding un-
constitutional the Emergency Price Control Act of 1942 and Con-
congresional delegation of rent control powers, under the act, to the 
Price Administrator. The Court emphasized, however, that it was not ruling on the consti-
tutional issues raised by the suit.

The Associated Press advice reviewed:

"Edward McKeel filed the suit under the rules of Edward Beach, 
claiming that his landlord, Dick M. Johnson, had charged him $4 a month rent when the Office of Price Administration had set the ceiling at $35 a month. He sought $430 damage for four months' rent on which he contended he was overcharged.

"The Supreme Court said the record of the case showed Mr. 
McKeel instituted the proceedings as a friendly suit at Mr. Johnson's 
request; that he did not pay law-
ners' and court fees and that he did not even read the complaint prepared by attorneys whom he had never seen.

"Under such circumstances, the court ruled, the case is 'collusive' and for the real controversy is in-
olved.

"The decision of the Supreme Court to review this case was re-
ported in The Commercial and Financial Chronicle, column Age-
15, page 1602.

High Court Dismisses
Rent Control Suit

The U. S. Supreme Court dis-
mis on May 24 a suit challenging the Price Administrator's au-
thority to fix rents on the grounds that there is "collusive" be-
tween the landlord and tenant in filling the lit-
igation. This is a report of the Associated Press accounts which press.

The Supreme Court, in its decision, the Court also put aside the

Telephone Exchange on Guadalcanal

Marine communications men built it under fire. and it has been kept built. The "Guadal-

canal Tel Tel" covers well over a thousand miles of telephone exchange.

That is where some of your tele-
phone exchange is. There's fighting on the front and there. We're getting along with less here so they can have more over there.

Telephone lines are life-lines and production lines in a war. Thanks for helping to keep the Long Distance wires open for vital calls to war-fronts every day.

BELLS TELEPHONE 
SYSTEM

WAR CALLS COME FIRST
What a treat . . .
I’ll save it for special occasions.

Schenley Industries, Inc.

NY War Bond Sales
Total $7,051,765,000

A final statement of sales of U.S. Government securities in the Second Federal Reserve District for the
serve District during the Second War Loan,
April 12 to May 1, 1943, ends the
ings Bonds as tabulated through

Schenley Industries, Inc.

SEC Amends Rule For Qualifying Accountants

The Securities and Exchange Commission has amended Rule 2-1, in effect since October 1, 1942, to clarify the adoption of two amendments to Rule 2-1 of Regulation S-K, concerning the qualifications of accountants certifying financial statements made compulsory by the

3074 THE COMMERCIAL & FINANCIAL CHRONICLE
Thursday, June 3, 1943
### BANK STOCKS

#### New York Bank Earnings Increasing?

(Continued from page 2963)

The weekly report of the Federal Reserve Board shows that the earnings of New York banks for the week ended May 19 increased by $1,601 to $5,616,000, or 1.9 percent. The earnings of the large banks, which are mostly commercial banks, increased by $1,503 to $5,093,000, or 30.8 percent.

<table>
<thead>
<tr>
<th>Bank</th>
<th>Earnings Increase</th>
<th>Earnings Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chase Manhattan Bank</td>
<td>$1,503</td>
<td>$150</td>
</tr>
<tr>
<td>Chemical Bank</td>
<td>$1,503</td>
<td>$150</td>
</tr>
<tr>
<td>Continental Bank</td>
<td>$1,503</td>
<td>$150</td>
</tr>
<tr>
<td>First National Bank</td>
<td>$1,503</td>
<td>$150</td>
</tr>
<tr>
<td>National City Bank</td>
<td>$1,503</td>
<td>$150</td>
</tr>
<tr>
<td>Provident Bank</td>
<td>$1,503</td>
<td>$150</td>
</tr>
</tbody>
</table>

The earnings of the large banks are computed on the basis of the average weekly earnings of the last three months of the year before the current year.

**Tomorrow's Markets Walter Whyte Says**

(Continued from page 2963)

The earnings of the large banks have increased by $1,503 to $5,093,000, or 30.8 percent.

**Insurance Stocks**

Comparative analysis with consolidated results and ratios.

Available on Request

Laird, Bisell & Meeds

376 Madison Ave., New York

Special Bulletin and Salesman service.

Telephone: Franklin 2-1125

At your request we will be pleased to send you our Bulletin, free of charge.

Bank and Insurance Stocks

This Week

Bank Stocks

By E. A. Van Deursen

The term "leverage," as it applies to bank stocks, is defined by integration. For the definition of this is the fact that deposits, which are several times capital funds, are represented as part of the funds which are theoretically available to a bank for earning purposes. However, this ratio is not entirely satisfactory as a measure of leverage, because it does not necessarily reflect the close relationship of the stockholders' equity to the capitalization of the bank, as determined by reserve requirements which are not uniform among all Federal Reserve District banks, banks and general credit and investment conditions. Capital funds, which comprise capital, surplus and undivided profits, represent the stockholders' equity or the book value of the stock.

The "leverage" ratios of leading New York bank stocks have increased over the past few years at a very rapid rate, as the following tabulation shows. As of Dec. 31, 1942, the average ratio for the fifteen banks was 10.65:1. For the previous year, the average ratio was 7.93:1, which is significantly lower.

<table>
<thead>
<tr>
<th>Bank</th>
<th>Leverage Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chase Manhattan Bank</td>
<td>14.46:1</td>
</tr>
<tr>
<td>Chemical Bank</td>
<td>10.52:1</td>
</tr>
<tr>
<td>Continental Bank</td>
<td>9.12:1</td>
</tr>
<tr>
<td>First National Bank</td>
<td>8.63:1</td>
</tr>
<tr>
<td>National City Bank</td>
<td>7.93:1</td>
</tr>
<tr>
<td>Provident Bank</td>
<td>6.72:1</td>
</tr>
</tbody>
</table>

In view of this increase in the leverage of approximately 71%, the action of the bank stock market is not easy to understand. Standard and Poor's weekly index of New York Bank stocks was 95.8 on Dec. 27, 1939, when the average leverage of fifteen large banks was 6.23:1; on Dec. 30, 1940, when the average leverage was 7.93:1, which is still lower than today.

For the week ended May 19, it has moved up to 92.4, but this is still below the 1939 year-end level.

The wide variation of the leverage ratios for New York bank stocks is due to the fact that various banks have large and small amounts of securities, which explains the wide range of the ratios. This is particularly true of the New York banks, which have many smaller amounts of capital, and many different amounts of securities.

The New York banks have a large number of securities, and the leverage ratios of these banks are much higher than the averages of the New York banks. The average leverage ratio of the New York banks is 9.12:1, while the average leverage ratio of the New York banks is 6.72:1.

It is interesting to examine the changes in the leverage ratios of the New York banks, and to compare this with the market value of the New York banks.

The leverage ratio of the New York banks was 10.52:1 on Dec. 31, 1942, and 7.93:1 on Dec. 30, 1940. For the year, the leverage ratio has increased by 42%.

This record does not seem to make much sense. The New York banks have many more than double the amount of the New York banks, yet their leverage ratios are much lower. Central Hanover's leverage has almost doubled, but it is still only 2.0% lower. On the other hand, the New York City banks have increased their leverage by 42%, while their leverage has increased by 85%.

The matter of the fact is, in the study of bank stocks, no single ratio is significant or comprehensive to be conclusive. Many students of bank stocks attach much weight to leverage, especially deposit leverage. It is not always the most misleading as can readily be shown. The average leverage of all banks net operating earnings in 1942 was 6.87%, while its leverage was 7.56%, which is considerably below the 1942 average of 7.24%.

### NATIONAL BANK OF EGYPT, LIMITED

Located in all the principal towns in Egypt and the Sudan

**Only One Day For Work?**

**FULLY PAID CAPITAL $1,000,000**

RESERVE FUND $3,000,000

LONDON AGENCY

6 7 King William Street, E. C.

Prominent in all the principal towns in

EGYPT and the SUDAN

Only One Day for Work?

There are days in the year... 365
You sleep 8 hours a day... 122
You rest 8 hours a day... 122
You balance 242
You balance 242
You balance 131
You balance 131
You balance 131
You balance 131
You balance 131
There is a widespread error that bank earnings are not affected by the low interest rates received. That is demonstrably not true. Assume that a bank has $1,500,000 capital and, any $500,000 of its $2,000,000 assets are of such stock. This means that the stockholders' earnings would be $50,000, or $2 only. A bank with $2,000,000 capital and, any $500,000 of its stockholders' earnings would be $50,000, or $2 only. A bank with $2,000,000 capital and, any $500,000 of its $3,000,000 assets are of such stock.
The Challenge Of Post-War Deficit Financing

(Continued from page 2069)

other words, a system would be adopted whereby the State would provide a basic assured income to the nation's poor and the capitalist system would not work as the components are mutually antagonistic. The net result is that the public sector, in the form of government activities and a nationalized economy, would need to be kept alive by an international food reserve agency and an international food organization, for the purpose of stabilizing the international food situation and ensuring that food would continue to be available to the world population in time of need.

According to this theory, full employment would be possible under the use of Federal Reserve funds to buy food. The government would be able to keep all industries and all occupations at full capacity and full employment, substantially at full capacity because of the international food reserve agency and the food organization for the world's poor, and pay for all of its purchases by buying and selling international food balances with the International Bank of Germany and other countries, and then converting these food balances into funds and circulating the funds back into the economy.

Furthermore, in the event of an international depression, such as we had in the 1930's, we would be able to use the international food reserve agency and the food organization to keep the economy going and to turn the deflationary time of the crisis into a period of full employment.

In theory, this looks very attractive. The fact that Government deficits provide quite a short-term stimulus to the economy, principally to consumers' goods. But because of the fear and uncertainty that chronic deficits, long-term capital is kept in hiding.

Then, what is the alternative? It seems to me that providing a high level of employment and wages, as well as international food and public spending and more and more relief for the unemployed, might be a way of making the private enterprise could be encouraged to produce more and more goods.

The fact that the tax structure will have to be substantially changed from the sloughed back into national activity and thus provide a backlog for conversion to peace-time operations, and then eventually to a post-war industrial economy.

The nation which wishes a high commercial and industrial standard of living must regard innovation, experimenters and a starts of enterprises as peculiarly important, not willing to go out of its way to encourage them with the shelter of a national wise fiscal and monetary policy.

The future is therefore a period of increasing material well-being for the world's people. This is the real opportunity that we have to overcome the economic depression and to create a prosperous world economy for the future.
We were willing and able to take tough jobs

Nearly everybody seems to know that the Chrysler Corporation makes Army tanks and that those tanks give a good account of themselves in battle, throughout the world.

For well over a year these big fighting machines have been produced in ever increasing quantities, but they are, after all, only a part of the total war production of this corporation.

That total war production includes twenty-one distinctly military products, for the use of our armed services and for the protection of civilian populations.

For the soldier we not only make tanks in which he engages the enemy in battle, we also make the trucks and combat vehicles which haul him and his equipment about.

We make the stoves that heat his tents and barracks and the field kitchens on which his meals are cooked. We make refrigeration units which preserve his food in camp and in the field. We make the ammunition to defend him and the guns and cannon with which to shoot the ammunition.

For the Air Service we make bomber fuselages for the Army, and major bomber sections for the Navy. We make landing gear for planes. In Chicago we are just completing a very large plant to make big airplane engines for long range bombers. We make the bomb racks to carry the bomb loads of the planes. We are making thousands upon thousands of Duralumin forgings and castings for all types of aircraft purposes.

For the Navy we are making vital parts of searchlights that the Navy uses to spot its targets. We are making the gyroscopic compasses that steer the ships of the Navy and Merchant Marine. We make pontoons for lighters and for the raising of ships that have been sunk. We make both pusher and puller types of tugs which are used all over the world from Iceland to Guadalcanal, on the rivers of South America, India and Russia. We make thousands of marine engines for many purposes—some of them for commando boats and things of that nature.

When we saw the war coming we knew that it would be a mechanical war and that no concern the size of the Chrysler Corporation would remain out of the picture.

We felt that institutions like ours should hold themselves free and in readiness to take tough jobs—those things that require intense cooperation on the part of scientists, metallurgists, engineers; the volume jobs that require intimate knowledge of the tooling and mechanical processes necessary to make duplicate equipment in large volume.

Today finds us employing over eight thousand subcontractors. Fifty-eight cents of every dollar we receive for our war effort is passed on to somebody else who supplies us services, materials or parts. We are not only prime contractors ourselves, but we are also subcontractors for a number of other companies, ranging from such concerns as General Electric and Westinghouse, employing great numbers of people, to small and remote outfits of a few hundred men.

Many people ask “What about your post-war plans?” Our only plan is the present urgent one to win the war and win it quick. For every moment that we can shorten this war we feel that, as a people, we are lucky, and, as a Nation, fortunate.

Of course we think that after the war people will be driving automobiles and eating bananas, washing their clothes, wearing shoes, and that the styles of ladies’ hats will change. We feel that business is an economic thing and that it tends to follow cycles. We think that if we keep our minds on the fact that we are sailing a boat on an economic sea, and that if we sail it according to the charts and the weather, and to the conditions we find, that this Nation can go into its post-war effort with the same enthusiasm and the same desire to do a service to our 135 million people that is now being exhibited in this all-out war effort.

President, Chrysler Corporation

WAR PRODUCES OF CHRYSLER CORPORATION


In the production of this war equipment Chrysler Corporation is assisted by 6,379 subcontractors in 818 cities in 39 states.

[War Bonds Are Your Personal Investment in Victory]
Can The U. S. Support A $30 Billion Dollar Debt? (Continued from first page)

SEC Amends Rule on Removal Of Securities

The Securities and Exchange Commission on May 29 announced in the Federal Register a proposed rule (paragraph 4(a) of Rule 10-d2-2 under Exchange Act of 1934, Paragraph 4(a) of the Rule beforeherein has permitted an exception to the general requirements of a registered security to be removed from public trading, the amendment will permit an exchange to remove the entire class of a registered security. The amendment would permit the security to be removed if the exchange or any instrument representing the security is subject to the exchange's right to repossess the security by operation of law or otherwise, or if the security was sold in a split-up, merger, consolidation, or reorganization.

Real Estate Securities

(Continued from page 204)

Real Estate Securities

The bonds are unconditionally guaran-
teed by the Farmers and Merchants
Company and seven affiliated companies jointly and severally.
Comparative earnings for the past two years were as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Diversified Income, etc.</th>
<th>U.S. Real Estate</th>
<th>Great Lakes</th>
<th>Ohio</th>
<th>Total Real Estates</th>
<th>East Texas</th>
<th>Illinois</th>
<th>Kansas</th>
<th>Indiana</th>
<th>Iowa</th>
<th>Minnesota</th>
<th>Missouri</th>
<th>Nebraska</th>
<th>Kansas</th>
<th>Texas</th>
<th>Ohio</th>
<th>Wisconsin</th>
</tr>
</thead>
<tbody>
<tr>
<td>1934</td>
<td>-1000,000</td>
<td>48,911</td>
<td>31,587</td>
<td>11,011</td>
<td>207,353</td>
<td>20,131</td>
<td>-2,419</td>
<td>53,132</td>
<td>1,011</td>
<td>60,011</td>
<td>44,611</td>
<td>1,011</td>
<td>220,011</td>
<td>12,011</td>
<td>64,587</td>
<td>11,011</td>
<td>230,011</td>
</tr>
<tr>
<td>1933</td>
<td>-1000,000</td>
<td>48,911</td>
<td>31,587</td>
<td>11,011</td>
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<td>11,011</td>
<td>230,011</td>
</tr>
</tbody>
</table>

In. Stocks Attractive


Mr. Ripley, in addition to serving as chairman of Harriman Ripley & Co., is also president of the Board of Directors of the Crump Shipbuilding Company of Philadelphia. He was born in Indiana, and at the opening of this shipyard which is now actively engaged in the construction of ships for the United States Navy.

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DIVIDEND NOTICES

AMERICAN BANK NOTE COMPANY

Preferred Dividend No. 119
A quarterly dividend of 7.50 per share for the quarter ending March 31, 1943, distributed April 15, 1943, and payable May 5, 1943. Shareholders of record at close of business March 20, 1943. The transfer books will remain open until May 1, 1943.

D. Josephs Succeeds James As President Of Teachers Ins. Ass'n

Henry James, President and Chairman of the Board of the Teachers Insurance and Annuity Association of America since 1932, has resigned his office of President and Chairman of the Board to accept a part of his time to other activities. After having accepted his resignation with regret, but understanding the need of the Association, he is pleased the Association has called upon Mr. D. Josephs, a long-time member of the Board, to share the responsibility for the Association's leadership.

A part of Mr. James' policy has been to build a vigorous group of administrative officers. The trustfund has been able to select from this group, as the new President, Devereux C. Josephs, who joined the Association in 1938 as Financial Vice-President in charge of its investment work.

Mr. Josephs was born in 1889 and was graduated from Harvard in 1911. From then until 1919, except for the war year which he passed in the service, he was engaged in the investment business in Philadelphia. He devotes part of his time to the preparation of two of the Carnegie foundation volumes on the history of life insurance.

The new administrative arrangement has had the careful consideration of the Association, and its members can have confidence that they are in the best interests of the Association.

STANFORD AMBULANCE Fund Is Strongly Supported

The Security Traders Association of New York is receiving excellent support of its drive for funds to purchase耍s of War work for the U.S. Armed Forces.


Checks and drafts on the Security Traders of New York Ambulance Fund and may this circuit may be made to the Committee.

The Fund has 55 members in the armed forces.

"Industries Of Tomorrow"

The New York Stock Exchange first closed its doors to the public with the beginning of the District Bond Co. to which all issues are transferred. The New York Stock Exchange was formally opened on June 26, 1943, and prior thereto was with White, Bishop & Co. The firm of B. Richard & Co. and Mr. Adkinson was with Paul J. Marche & Co. San Francisco Stock Exchange.

John F. Dunn Now With Staff Of Davies & Co.

San Francisco, Calif.—John F. Dunn has become associated with Davies & Co., House Building, members of the New York Stock Exchange. Mr. Dunn was formerly with the San Francisco Stock Exchange. He was a partner in Russia-Civil & Co., and was San Francisco manager for Stephenson, Leydecker & Co.

CLOTHING STOCKS LOOK GOOD

An interesting descriptive cir-

DIVIDEND NOTICES

COMMERCIAL INVESTMENT TRUST CORPORATION

Common Stock, Dividend

A quarterly dividend of 15 cents per share has been declared on the Common Stock of this Corporation, payable July 1, 1943, to stockholders of record at close of business June 20, 1943. The transfer books will close on June 25, 1943. The check will be mailed to the address shown on the books of record at close of business June 20, 1943.

JOHN J. SNYDER, Secretary.
May 25, 1943.

CANCEROUS AMERICAN CAN COMPANY

PREFERRED STOCK

On May 31, 1943, a quarterly dividend of 7 1/2 per cent was declared on the Preferred Stock of the company, payable July 1, 1943, to stockholders of record at the close of business June 15, 1943. Transfer Books will remain open until July 1, 1943. The check will be mailed to the address shown on the books of record at close of business June 15, 1943.

E. D. ACKROYD, Secretary.
May 25, 1943.

The electric storage battery company.

WILMINGTON, DELAWARE: May 27, 1943. The Board of Directors has declared a quarterly dividend of 12 1/2 cents per share on the outstanding common stock of the company, payable June 10, 1943, to stockholders of record at close of business May 27, 1943. Checks will be mailed to the address shown on the books of record at close of business May 27, 1943.

STEPHEN K. GENTRY, President.
May 27, 1943.

IRVING TRUST COMPANY

The Board of Directors has declared a quarterly dividend of fifteen cents per share on the outstanding Preferred Stock of the company, payable June 10, 1943, to stockholders of record at close of business June 1, 1943.

G. C. ALLAN, Secretary and Treasurer, May 31, 1943.

NATIONAL DAIRY PRODUCTS CORPORATION

A dividend of 15 cents per share on the Common Stock of the company will be payable June 10, 1943, to stockholders of record at close of business May 7, 1943.

R. H. HOLLINGER, Trustee.
May 7, 1943.

GUARDIAN TRUST COMPANY OF NEW YORK

The Board of Directors has declared a dividend of 35 cents per share on the outstanding Preferred Stock of the company, payable July 1, 1943, to stockholders of record at close of business June 15, 1943.

D. O. WILSON, Trustee.
May 31, 1943.

UNION CARBIDE AND CARBON CORPORATION

A cash dividend of Seventy-five cents (75c) per share on the outstanding common stock of this Corporation has been declared by the Board of Directors and is payable July 10, 1943, to stockholders of record at the close of business June 1, 1943.

ROBERT W. WHITE, Vice- President.
Municipal News & Notes

Holders of the $56,500,000 Revenue Bonds of Triborough Bridge in New York, in the amount of $24,700,000, to be sold under circular letter of May 29, 1943 from John E. Hurd, General Manager and Secretary, may submit offers to the Authority at its office, as authorized by the letter, to purchase such bonds. The Authority is authorized to sell such bonds to the bids of the lowest holders, in minimum amounts of $1,000, and to carry on such sales, if necessary, until the bonds are all sold. The Authority is not obligated to sell all or any portion of the bonds if such sale is not in its best interest, and will not be liable for any costs or expenses incurred in connection therewith. The Authority is authorized to make such sales at any time and in such manner as it may determine, and will not be liable for any such costs or expenses if such sale is not in its best interest. The Authority is authorized to sell such bonds to the highest bidder, in the amount of $1,000, or any part thereof, and to carry on such sales, if necessary, until the bonds are all sold. The Authority is not obligated to sell all or any portion of the bonds if such sale is not in its best interest, and will not be liable for any costs or expenses incurred in connection therewith. The Authority is authorized to make such sales at any time and in such manner as it may determine, and will not be liable for any such costs or expenses if such sale is not in its best interest.

The Authority's program, as outlined in the letter, is subject to modification of some of the limitations in the Revenue Bond Resolution to make funds available to avoid the impending interest default and cover interest and principal requirements during the emergency period. It involves consent by the holders of two-thirds of the outstanding bonds to the amendments to the Bond Resolution, which was originally adopted on May 29, 1943, when the bonds were issued.

The Authority may, if necessary, during the emergency program, with the consent of the holders, issue additional bonds under authority of the New York State Comptroller owning over $40,000,000 of the outstanding bonds, and with Dillon, Read & Co., as the underwriters. A guarantee group, according to Government and bondholders informed officially that the program would receive their consent.

The amendments contemplate a program of taxation to create funds under which the Authority would be empowered to advance operating funds for debt service, to hold eligible for redemption, an additional $500,000 annually out of the bondholders' net income. The bondholders secured thereby, may be suspended for the time being.

An ordinance enacts that the additional operating fund for redemption of bonds will amount to $279,000, which can be used for the original redemption of bonds with the arrears.

Names of holders of slightly less than 5 per cent of the revenue bonds promissory to the attention of other holders, in order that default of interest would be preceded by notice, as required by the Revenue Bond Resolution, is accordingly being made public. Holders of at least two-thirds of the bonds will be affected.

Los Angeles, Cal., Plans Large Refunding Operation

Los Angeles is to be accompanied by representatives of the New York investment bankers, who are expected to be present in Los Angeles recently in New York City and are now engaged in conversation with New York investment bankers and the city's bond counsel, Thomson, Good & Hoffman of New York, for the purpose of formulating plans for a refunding of outstanding bonds of the city's Department of Water and Power, for which the Authority is subject to be within the 10 years of ripeness.

There are approximately $60,000,000 of bonds of this category which the Authority has not made over, and it is expected that the proposed operation will be extended to provide for the refunding of these bonds under the terms of the Authority's Resolution of 1943, and the $60,000,000 will be subject to prior redemption on Oct. 1, 1943, at a price of $104.125, which will not be required to be replaced by serial bonds. The Authority has an offer of the amount of the bonds, and will have the city to the extent that it is necessary to be able to meet the obligations of the city and the Authority.

One of the important features of this bond operation is the sale of electric power to the Authority, which will not be required to be replaced by serial bonds. The Authority has an offer of the amount of the bonds, and will have the city to the extent that it is necessary to be able to meet the obligations of the city and the Authority.

W. E. Clegg in Cleveland

The Cleveland office of the Commercial & Financial Chronicle is being established by W. E. Clegg, formerly of the Chicago office of the Journal of Commerce.

NY Analysts Elect: To Hear O'Brien Of SEG

At the annual meeting and election of officers of the New York Society of Security Analysts, Inc., the following officers were elected: President: Lucien Hooper, W. F. Hooper & Co. Vice-President: Pierre Breite, Goodwin & Co. Treasurer: Lancaster Greene, Lancaster, Greene & Co. Secretary: Oscar Miller.

Executive Committee: Schroeder Brothers, John J. Coon, B. L. Butterworth, Seth Seeley, and William Low. On June 10 the New York luncheon meeting at 56 Broad Street, at which Mr. O'Brien, a Vice-President of the Phoenix Insur¬ ance Co., restored attention to the mention of the executive.

Bonds, none as quoted in the press, handled the pay¬ ment of the Authority on its callable bonds, and operating reserve funds now held by the Authority will be re¬ stored to the principal amount due during the emergency period. The esti¬ mated amount of funds that will be available is the best we can get. No one, however, reckons with any estimate of funds that may not be available. A letter to recent letter reported to have been received from B. D. Hurd, Treasurer of the Phoenix Insur¬ ance Co., "to the attention of the Montreal executive committee.

"The company's bonds, however, are quoted in the press and the price of the bonds, at $79,500,000 in the Dominion Government, is the fourth victory issue, but at the same time in the year 1931. Mr. Taylor, in reply to the city officials that the funds would have been applied still more appropriately to pay¬ ment of some of the city's de¬ layed payments, has been strongly urged to have observed that his com¬ pany's bonds, however, have been in default over two years on account, as it would be a "pleasure, indeed, to pay the company to put the money back into the city's loan's victory bonds "of the City of New York, New York," has been referred to the insurance company official presumably was voicing the atti¬ tudes of all of the city's creditors, but it is a matter of grace¬ fulness with which the "Mr. Taylor, in reply to the city of New York. While the city has con¬ tinued to pay interest on the bonds in default, the city in fact that it was woefully difficult to get a single savings bank to make a general refinancing which would be necessary in order to rehabilitate its credit and place its obligations on a sound basis.

Names of holders of slightly less than 5 per cent of the revenue bonds are being made public to avoid the attention of other holders, in order that default of interest will be preceded by notice, as required by the Revenue Bond Resolution, which is accordingly being made public. Holders of at least two-thirds of the bonds will be affected.

Wright In Armed Forces
chapin N. Wright, Vice-Presi¬ dent of the Company, 1928, South La Salle Street, Chicago, Ill., to whom he has been associ¬ ated for the past six years, is leaving the Armed Forces.

Hansons Acquitted
Arnold R. Hanson and Baven W. Hanson, partners in Hansons & Hanson, Inc., City Bankers, New York City, were acquitted in United States District Court in New York, after an indictment charging mail fraud and violation of the Securities and Exchange Act. John W. Hession was convicted on similar charges, and will be sentenced on June 1 if he faces possible imprisonment of 15 years and a fine of $10,000 on each of the 29 counts of the indictment.

Action was brought in connec¬ tion with a transaction which had manipulated the price of bonds of the Wisconsin Central Railroad Co., in the Duluth Division, which rose on the New York Stock Exchange from 13 in January, 1943 to 36 in January, and subsequently dropped to 12.

John R. W. Presprich Co.,
Miss Louise Watson, who for¬ merly conducted an investment management business with her own name, has become associated with the New York Stock Ex¬ change firm of R. W. Presprich & Co., 68 William Street, New York City, as investment supervisor.

Buys Associates' Interests
Sheboygan, Wis.—Homer C. Denison announces that he has purchased the interest of his associates in the H. C. Denison & Co. stock exchange corporation effective May 29, 1943, and that the business of the firm will be continued as an individual dealer from offices in the Security Bank Building.

To Continue As Individual
Boston, Mass.—Charles A. Leavitt, formerly of the Security Stock Exchange, and a partner in the firm of B. H. & L. Bro¬ ers, & Co., is continuing as an individual from offices at 65
Following is a list of issues whose registration statements were filed less than twenty days ago. These issues are not subject to the fifteen-day waiting period, but the registration statements will in normal course become effective, that is twenty days after filing except in the case of the securities of certain authorities which normally become effective in seven days.

SUNDAY, JUNE 6

**PRESIDENT APARTMENTS CORPORATION.**

Registration No. 7-1511,

An amendment registered with the SEC under S323(b) of the Act filed May 28, 1941, for the purpose of including an additional undersubscription of 6% of the common stock of the company, at the price of $120 per share.

Address—18 West 42nd St., New York City.

Business—Undertakes to acquire and operate apartment building, and the lease and rental of such buildings.

Undertaking—The shares of common stock of the company will be offered to the public at $120 per share. The undersubscription to the common stock will be offered to members of the company's organization at the same price, and will be invested in the capital of the company by the undersubscribers.

The undersubscription to the common stock is authorized by amendment to the registration statement.


Registration Statement No. 7-1511, Filed June 3, 1941.

MONDAY, JUNE 7

**INTERSTATE BAKING CORPORATION.**

Registration No. 7-1511,

An amendment registered with the SEC under S323(b) of the Act filed May 28, 1941, for the purpose of increasing the number of shares of preferred stock from 100,000 to 300,000 and of increasing the par value thereof to $100 per share.

Address—1466 Fifth Ave., New York City.

Business—Incorporated to manufacture and sell bakery products.

Undertaking—The undersubscription to the preferred stock will be offered to the public at the par value of $100 per share. The undersubscription to the preferred stock will be offered to members of the company's organization at the same price, and will be invested in the capital of the company by the undersubscribers.

The undersubscription to the preferred stock is authorized by amendment to the registration statement.


Registration Statement No. 7-1511, Filed June 3, 1941.

TUESDAY, JUNE 8

**GULF OIL CORPORATION.**

Registration No. 7-1511,

A registration statement covering 1,250,000 shares of preferred stock, with a par value of $100 per share, has been filed with the SEC under S323(a) of the Act.

Address—22 South Wacker Drive, Chicago.

Business—The company is engaged in the exploration, manufacture and sale of crude oil and petroleum products.

Undertaking—The shares of preferred stock of the company will be offered to the public at the par value of $100 per share. The undersubscription to the preferred stock will be offered to members of the company's organization at the same price, and will be invested in the capital of the company by the undersubscribers.


Registration Statement No. 7-1511, Filed June 3, 1941.

TUESDAY, JUNE 8

**HEATREX CREAMERY COMPANY.**

Registration No. 7-1511,

A registration statement covering 9,217 shares of preferred stock, with a par value of $100 per share, has been filed with the SEC under S323(a) of the Act.

Address—1315 South Main St., Chicago.

Business—The company is engaged in the manufacture and sale of dairy products.

Undertaking—The shares of preferred stock of the company will be offered to the public at the par value of $100 per share. The undersubscription to the preferred stock will be offered to members of the company's organization at the same price, and will be invested in the capital of the company by the undersubscribers.


Registration Statement No. 7-1511, Filed June 3, 1941.

WEDNESDAY, JUNE 16

**ALL AMERICAN AVIATION, INC.**

Registration No. 7-1511,

A registration statement covering 1,500,000 shares of common stock, with a par value of $5 per share, has been filed with the SEC under S323(a) of the Act.

Address—800 South Michigan Ave., Chicago.

Business—The company is engaged in the manufacture and sale of aircraft.

Undertaking—The shares of common stock of the company will be offered to the public at the par value of $5 per share. The undersubscription to the common stock will be offered to members of the company's organization at the same price, and will be invested in the capital of the company by the undersubscribers.


Registration Statement No. 7-1511, Filed June 3, 1941.

THURSDAY, JUNE 17

**SIXTY SEVEN HOLDING COMPANY.**

Registration No. 7-1511,

A registration statement covering 3,143 shares of preferred stock, with a par value of $100 per share, has been filed with the SEC under S323(a) of the Act.

Address—360 South Dearborn St., Chicago.

Business—The company is engaged in the manufacture and sale of building materials.

Undertaking—The shares of preferred stock of the company will be offered to the public at the par value of $100 per share. The undersubscription to the preferred stock will be offered to members of the company's organization at the same price, and will be invested in the capital of the company by the undersubscribers.


Registration Statement No. 7-1511, Filed June 3, 1941.

WEDNESDAY, JUNE 16

**ARMOU & CO. CONNECTICUT.**

Registration No. 7-1511,

A registration statement covering 3,000 shares of common stock, with a par value of $100 per share, has been filed with the SEC under S323(a) of the Act.

Address—1122 Sylvan Ave., Bridgeport.

Business—The company is engaged in the manufacture and sale of insurance.

Undertaking—The shares of common stock of the company will be offered to the public at the par value of $100 per share. The undersubscription to the common stock will be offered to members of the company's organization at the same price, and will be invested in the capital of the company by the undersubscribers.


Registration Statement No. 7-1511, Filed June 3, 1941.
Markets; depression; political increases (at during of these constructive awakenings.) The fact is that the United States is in between two conflicting trends. These trends are as follows:

1. If free enterprise is given a fair opportunity and the United States enjoys a peace settlement, then we may expect a return to normal business conditions with no political influence. The 1920s of our history are a proof of this.

2. If the State socialism is given the reins and the United States increases its spending orgy with greater political benefits to labor, then the farmers and other groups involved in business will be pushed aside.

A less intrepid man might have written that last sentence by the name of Babson. "As a practical matter," he says, "the trend is toward government control of all these of which we have been so proud of our past."

The author, I assume that political and industrial conditions are the determining factors. It is certain that the United States will be in a position to take advantage of its industrial might and will continue for a certain number of years, but during which period any business depression which will be followed by a general depression or war will result in wiping out most of the foolishness of the present and push us into a far more intense condition."

"As to business, looking ahead a year or two I feel that this great bull market will be very high, but during the first years I am greatly opposed and feel that in the long run the business will be much better than the past seven years."

"The author is an optimistic for two reasons: first, the deluge will come as "well as the deluge which has developed since 1929. Second, it is felt that the world will be getting along without some necessary commodities of the people."

"The deluge does not attempt to predict what this deluge will strike him. It is a fact that a long time ago, and the war, or during any "temporary" strikes for the "permanent" hostilities. If a boom follows, the author suggests that it will be a "temporary" one, and the duration of the "boom" will be short.