Financing War Contract Terminations

Estimated war contract terminations are running now at the rate of perhaps one and one-half billion dollars per month, according to George S. Dively, Secretary-Treasurer of the Harris-Seybold-Potter Company, Cleveland, in a paper presented April 3 before the Fourth War Conference of Controllers, at the Waldorf-Astoria. Speaking on the subject of Termination Financing, he estimated that cancellations at the end of the war may amount to $75 billion, with resulting cancellation claims estimated at $15 billion.

Dr. Dively stated that there are (Continued on page 1616)

In This Issue

Special material and items of interest with reference to dealer activities in the States of Connecticut, Michigan and Missouri appears in this issue.

For Contents see page 1618; Michigan see page 1619; Missouri see page 1620.

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Volume 150 Number 4274

New York, N. Y., Thursday, April 20, 1944

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Financing War Contract Terminations

By Dr. RAY K. WESTERFIELD

Professor of Political Economy, Yale University

Member Economists' Committee on Reconversion Problems

Dr. Westerfield states that General Inflation Due To An Excessive Supply Of Money Cannot Be Obviated By Price Control And Reconversion Devices In Time Of Peace

Next to winning the war with maximum possible speed and with minimum possible sacrifice of life, of greatest concern to our people is the reconversion of our economy to peacetime basis. The intense interest in this subject is evident in the universal so-called "post war planning" by public industry, education, state and national governments. Among the rearrangements that are bound to exert profound influence upon the reconversion principles and technique, as well as upon the character of the postwar economy, are the Board-Hanover Report on War and Postwar Policies and the "Report of the Senate's special Committee on Postwar Economic Policy and Planning." In both of these reports, however, there is one striking omission, namely, that something is said specifically about the abandonment of the war-time price-controls—nothing as to the best timing, methods or principles that (Continued on page 1623)

Commodity Price Regulation and Reconversion

By RALPH S. DAMON

Vice-President of American Airlines

Airline Executive Envisages Six Mile A Minute Flying Speed Which Will Permit Non-Stop Flight From New York To Chicago in Two Hours

In the days of early air transportation whenever an airline was started it was the result of a combination of imagination and gullibility, the imagination being supplied by the men and the engineers and the gullibility was contributed by the angel who apparently was either touched in the head or just didn't care. This was followed by the original investment of the money. For hundreds of years our streets and waterways were the only means of travel had been confined to land and water, so that if the novel form of transportation was to succeed countless obstacles had to be overcome.

The embryonic development of the aviation industry...

The Outlook For Rails Now And In The Post-War Period

By W. WENDELL REUSS

Brokers Foresee Eventual Return Of Investor Confidence In Railroad Securities To The Extent Where They Will Again Command The Same High Respect And Compensatingly Low Yields As Experienced In Yesteryear

There are available many bases from which a forecast of railroad freight revenues can be made; some of the data which could be used well-known statistical factors as automobile output, steel ingot and electrical kilowatt-hour production, retail sales, construction activity, and farm implement output—to mention a few.

The writer holds that basically the automobile industry is more favorable than for, after all, before an automobile has left the assembly line—ready for sale at retail—numerous lines of industry and employment have been created by the process of manufacture of a CAR! First of all, iron ore must be mined, primarily in the Minnes.

"The substance of an address delivered by Mr. Reuss at a meeting of the Association of Commodity Brokers on April 11, 1944. (Continued on page 1628)
The answer to the question as to whether fixing and rationing should be extended into the post-war period and, if so, how far, depends upon a number of factors. In the first place a question of paramount importance is "For what purpose or purposes are such controls to be extended if, extended?" If the purpose of such controls is to build up a government- controlled economy under bureaucratic domination for an indefinite period, or to bring about thereby a measure of re-

Why Interest Rates Remain Low

Stephen M. Foster, Economic Advisor to the New York Life Insurance Co., presented to the Mortgage Committee of America at its Second Mortgage Clinic of 1944, held at the Biltmore Hotel, New York, April 14, a detailed analysis of the conditions which affect the rise and fall of interest rates. After pointing out that there has been, for a time in the history of the world when any country has raised as much new money as the $84 billion that have been raised in this country during the past thirty-nine months, without caus- ing a financial de b a c e , a some kind of a tightening of interest rates, Mr. Foster described the “very fundamental ease in money conditions” that first, the mainten-

Alanissue exy bank reserves de-
spite heavy war financing, and secondly, that the increased supply of money, and the sale of securities by commercial banks and the sale of their securities to investors other than banks. Lit¬
tile by little therefore, we have become conscious of the fact that there are two great reservoirs of funds..." (Continued on page 1618)

American Cyanamid Pfd.
Botany Pfd. & Common
Remington Arms
Warren Bros. Class "B" & "C"
Walworth Pfd.

Should Price Fixing And Rationing Be Extended Into The Post-War Period?

By DR. FREDERIC E. LEE

Dr. Frederic E. Lee, Economist Consul at American AnalysisCo. to newspaper, has been named chairman of the committee which is to hold on arrangements. Meetings of the group’s municipal and corporate committees have also been sched-

Mr. Evans’ association with the Florida Securities Company was previously reported in the Financial Chronicle of April 13th.

B. L. Connelly joins Loewil & Co. as Comptroller

MILWAUKEE, WISC. — B. L. Connelly has returned from War Service as manager of the Bank Department of the Milwaukee office of Post, Mond, And Ba¬bcock. Mr. Connelly has joined Loewil & Co., 225 East Mason Street, as Comptroller.

HENRY HOLT

Deb. 5’s 1969

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Poll Indicates That Nearly 85% Of NASD Members Are Opposed To 5% Mark-Up Rule

Current results of the “Chronicle” poll of all members of the National Association of Securities Dealers regarding the Association’s 5% mark-up policy indicates that approximately 85% of the membership are opposed to this attempt of the Board of Governors to force acceptance of a regulation that threatens to bring about, among other disasterous consequences, the ultimate extinction of the market for the securities of the nation’s smaller enterprises.

As noted in previous issues, this publication sent a questionnaire to every member of the NASD in which they were asked to indicate whether they approved or disapproved of the so-called “philosophy.” In addition, a similar inquiry was addressed to non-member dealer firms.

Here are the results of the poll as of April 19:

**RETURNS FROM NASD MEMBERS**

<table>
<thead>
<tr>
<th>Total Ballots Returned</th>
<th>978</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number Favoring 5% Rule</td>
<td>149 or 15.1%</td>
</tr>
<tr>
<td>Number Opposed to 5% Rule</td>
<td>829 or 84.9%</td>
</tr>
</tbody>
</table>

**RETURNS FROM NON-MEMBER DEALERS**

<table>
<thead>
<tr>
<th>Total Ballots Returned</th>
<th>228</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number Favoring 5% Rule</td>
<td>15 or 5.6%</td>
</tr>
<tr>
<td>Number Opposed to 5% Rule</td>
<td>213 or 94.2%</td>
</tr>
</tbody>
</table>

**Resisting A Dangerous Pattern**

“5% Spread Philosophy” Encroaches Upon Our Democratic Institutions

We think the recent formation of the Securities Dealers Committee, having, for all of its avowed purposes the abolition of the “5% rule,” constitutes a courageous and healthy indication that securities dealers are determined not to take this NASD usurpation without a fight.

The “5% spread philosophy” is based upon Article 3, Section 1 of the NASD Rules of Fair Practice, which provides:

“A member, in the conduct of his business, shall observe high standards of commercial honor and just and equitable principles of trade.”

This Committee has taken the stand, as has the “Chronicle” right along, that this vaguely phrased rule does not vest the Board of Governors of the Association with the

(Continued on page 1618)
In reporting to stockholders on the road's operations during 1943, Ernest E. Norris, President of the Southern Railway, again stresses in tenor the present record of the road, pointing out that the railroad industry must bear in mind that much of its present success was built on after the war, and it also cautions that stronger emphasis should be placed on what will undoubtedly be a more permanent, namely, consumer's increasing penses and taxes. In the conclusion of this letter to his road's stockholders, Mr. Norris also admonishes "It is equally important that Government and management also give these matters proper recognition when dealing with the vital function of transportation, to assure for the future a sound, efficient and essential railroad industry." In view of the present situation, the war traffic and the permanent nature of many of the increased costs, Mr. Norris advises that the conservative financial policy must be continued. He remarks in full text on the results of the Company's operations in 1943 will be found elsewhere in these columns.

Despite the warnings of less easy days to come, stockholders will find much to be optimistic about in the annual report. Basically, and given the standpoint of permanent results, the most striking feature of the report is the strong evidence of the high rate of efficiency which the present management has been able to realize. In the face of serious shortages of many strategic materials and the strained manpower situation the road has been able to maintain new peaks of both passenger and freight movements. This has been accomplished through prompt dispatch, attesting to the well maintained and the efficiency of the program of new equipment purchases instituted a number of years ago.

Wages were higher, but, nevertheless, the road was able to re­ port a further drop in the transportation ratio to 22.25%, the lowest in the company's history. Maintenance of equipment ratio was virtually unchanged from a year earlier and maintenance of way ratio was only moderately higher. Costs of the operations were affected not only by increased wages but also by higher costs of materials. The marked transportation efficiency and the fact that the ratios of bad order freight cars and locomotives at the year-end were lower than all previous records afford adequate proof that these expenses were not curtailed at the expense of the properties. It is a tribute to the quality of the management and general personnel that Mr. Norris believes the road's financial position is so strong. Despite the terrific strain on all railroad facilities last year, Southern showed the lowest percentage of ton mile in the company's record.

It is from such messages as Mr. Norris' that stockholders that one gets the full picture of the tremendous task that the railroads have made to meet the war effort. Were it not for the sharp increase of only 2.2% in aggregate tractive power of locomotives as compared with 1939, there would be a higher, in the increased unloading necessary to maintain the very highly favorable conditions for maintenance of substantial earning capacity of equipment. A number of these influences were mentioned by Mr. Norris. The most severe blow to Southern's earnings last year came from the rapid rise in taxes to a level almost as high as the road's gross earnings and the very high rate of the depression. Taxes amounted to an increase of only 9.9% over the year-end figures last year, supporting the record load of freight and passengers. While the increase in fuel necessitated a considerable reduction of the number of train departures, this may have a significant effect on the earning capacity of the railroad. A number of these influences were mentioned by Mr. Norris.

In our issue of April 13, we published a number of the comments made by members of the National Association of Securities Dealers in answer to the following question: "Please answer the question on the reverse side of the questionnaire sent to both members and non-member firms in which they were asked to indicate whether they approved or disapproved of the Association's 5% mark-up rule. "What Effect, If Any, Do You Think The 5% Mark-Up Rule, If It Stands, Will Have On The Market For Securities Of The Smaller Corporations Of The Country?" Again, because of space limitations, it is only possible to give at this time a small number of the large volume of letters that have come to hand. These are given further on and, as in the case of those given in the week, they express the view that the rule will have the effect of virtually isolating small business enterprises throughout the country as to the capital market. Expressions to the contrary were made by those firms who favor the 5% mark-up policy and, in this connection, it may be noted that, as indicated in the current 5% mark policy followed by the "Chronicler," (which are given on page 1611), only a relatively small percentage of members have disapproved.

An indication of the following additional expressions on the subject of the effect of the 5% rule will have with respect to the ability of small business to obtain capital accommodations, it should be noted that the name of the community would tend to identify the firm (as in places where only one firm exists), the point of origin is indicated by the phrase, "A Small Maine Town," as an example, or its equivalent.

**SYRACUSE, N. Y.**

We believe the 5% mark-up rate would greatly lessen interest in the market for securities of smaller corporations. The Company is engaged in NASD and we believe NASD can help small business after the war by making it worth the efforts of the road's management to secure needed capital.

**BOSTON, MASS.**

It is our opinion that if the 5% mark-up rate is not revoked the market for the securities of smaller companies in the United States will be greatly handicapped.

We have brought out, it is customary to pay the dealers in excess of 5% for the distribution of same, in order to get the distribution completed.

To our stockholders that dealers are entitled to more than 5% in trading these securities on secondary markets, and if they are not permitted to do so it is plain to be seen that the secondary market will suffer and that prices for the issues will decline materially as soon as the 5% mark-up line is reached.

**SOUTHERN MICHIGAN TOWN**

In our opinion, the 5% mark-up rule, if enforced, will undoubtedly put every small dealer, such as ourselves, out of business. With salesmen covering a radius of approximately 50 miles, it is impossible for them to properly service their accounts on such a restricted basis.
I wish to announce that effective April 1st, 1944, I have resigned my own office to conduct a general security business as a broker-dealer.

I will have a continuous interest in TEXAS BANK and INSURANCE STOCKS
PUBLIC UTILITY and INDUSTRIAL Preferreds and Common
CITIZENS HOTEL Common (TEXAS HOTEL)
WORTH PROPERTIES 3-6% of 1954

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FORT WORTH 2, TEXAS

Security Association of New York, Inc., will act as hosts to over 1,100 members and guests at their Annual Spring Dinner to be held at the Waldorf-Astoria this Friday evening, April 21, 1944. It was announced by the committee in charge headed by Michael J. Henney, of Joseph McManus & Co., and Frank A. Pavis, of Chase, Ewing & Co.

The Security Traders Association of New York, Inc., that the following officers: William Perry Brown, Newman, Brown & Co., New Orleans; President: Edward H. Welsh, Sinecure & Co., Chicago; Secretary; Russell M. Dotta, Bloicov & Co., Philadelphia; Treasurer; George Muller, Janney & Co., President of the Philadelphia affiliate; James B. Maguire, E. H. Billsin & Sons Incorporated, President of the Boston affiliate; Preston A. Taylor, Mead, Irvine & Co., President of the Baltimore affiliate; James E. Coolie, & Co. Vice-Presidet of the Hartford affiliate; also Frank Dume, Dunne & Co., President of the New York Security Dealers Association; Emil Schram, President of the New York Stock Exchange; Fred C. Moffett, President of the New York Curb Exchange; Frank L. Scheffer, Executive-Secretary of the NASD; James A. Treanor, Jr., Head of the Trading Division of the SEC in Philadelphia; and John J. McFerryn, Regional Chairman of the SEC in New York.

An elaborate entertainment has been arranged which will immediately follow the dinner which is to be informal. Subsequent materials are $8, including tax. Attractive identification labels are being provided for guests.

What Is A Conference? A conference is a group of men, but that group can meet and decide that nothing can be done. Anon.

Fashion Park Attractive A detailed study of Fashion Park, Inc., is contained in a special circular prepared by Simons & Linburn, C. & K. Broad Street, New York. Copies of this interesting study may be had from the firm upon request.
Real Estate Securities

By JOHN WEST

Hearts-Brisbane Properties Bonds Appeared Underpriced In Relation To Earning Power

Hotel Warwick Newt About 5% On Entire Issue

The original $7,000,000 issue of mortgages on six properties, one of the most important being the 36-story Warwick Hotel on the northeast corner of 51st Street and Sixth Avenue, New York City, and the Ziegfeld Theatre at the northwest corner of the same streets, had been issued in 1940.

A Corporate Trustee took possession of all properties on Aug. 1, 1940 and have been operating it since that time. In the foreclosure action, the Trustee presented a reorganization plan under the Schreck Act, whereby title to all assets were transferred to a new company, the benefit of bondholders, the income distributed, and the assets liquidated, the proceeds paid to bondholders as return of principal. Other plans were under consideration, but up to present time, the court has made no decision other than to approve the sale of the Ziegfeld Theatre by the Trustees for $600,000, all cash, which has recently been distributed to bondholders, reducing each, $1,000 bond to $500. Through a settlement with William Rappe and under his guarantee, the sum of $375,000 principal bonds was prepared to aim for cancellation which reduced the outstanding amount to approximately $4,000,000. This $4,000,000 was received on the sale of the Theatre, and the $4,000,000 bonds outstanding with the public; so at the present time the outstanding amount is only $4,000,000.

The remaining properties are as follows:

John Stillwell Joins Kidder, Peabody Co.

(Story by The Financial Chronicle)

CHICAGO, I.L.—John David Stillwell has become associated with Kidder, Peabody & Co. at 33 South La Salle Street. Mr. Stillwell was formerly with Continental Republic and F. S. Mossely & Co.

Carter H. Corbey Forming Own Firm

(Story by The Financial Chronicle)

CHICAGO, I.L.—Carter H. Corbey has formed Carter H. Corbey & Co. with offices at 135 South La Salle Street. Mr. Corbey was formerly Vice-President of Joseph F. Dixon & Co. and is a former employee of Peabody & Co.

Reorganizing Potentials

McLaughlin, Baird & Reus, 1 Wall St., New York City, members of the New York Stock Exchange, have prepared an interesting circular pointing out the signs of the running in the Financial Chronicle, the circular was prepared by the New York Stock Exchange.

Available On Request

Schenley Distillers Corporation have prepared an attractive booklet containing the first arithmetic and other indications that efficient advertising has been kept up. The booklet contains information in approximately $175,000 after taxes, or slightly better than 5% on the $3,500,000 investment.

The present reduced bond of $850.00 quoted at around 40 or $340,000 seems underpriced in relation to the income available and in relation to future liquidations through sale of other properties.

Louisiana Power Issue Placed On Market

A group headed by Halsey, Stuart & Co., Inc., is offering today $17,000,000 of Louisiana Power & Light Co. First Mortgage Bonds 8% Series D, 1946, at $63.25, after receiving sec- ered interest from April 1, 1944. Net income from this issue is from the sale of the bonds, to- gether with additional cash from gains on the $63.25 issue, will be used to redeem all the $17,500,000 of First Mortgage Gold Bonds, 5% Series D due 1957, outstanding at the end of 1943. The redemption price is the principal amount, plus a premium of $75,000, and accrued interest to the redemption date. Operating results for 1943 were $12,323,206 compared with $10,421,751 in 1942, and net in- come for the period was $9,413,187 against $2,068,261 in 1942. Ac- cording to the prospectus, Exchange- ment, the decrease in net income for the period was $21,845,431. The amount of $256,930 miscellaneous amortization. The funded debt as of Dec. 31, 1943, adjusted to reflect the redemption of the bonds, is $24,000,000. The company will pay, as a sinking fund for retirement of the First Bonds, $50,000 from earnings in the years from 1945 through 1948, ½% of the principal amount each year, and cancellation of the Second Preferred Stock as well. Each holder, includes, $17,000,000 of First Mortgage Bonds; 60,000 shares of the preferred stock; $1,200,000 shares of the common stock.

The company shall pay, as a sinking fund for retirement of the First Bonds, $50,000 from earnings in the years from 1945 through 1948, ½% of the principal amount each year, and cancellation of the Second Preferred Stock as well. Each holder, includes, $17,000,000 of First Mortgage Bonds; 60,000 shares of the preferred stock; $1,200,000 shares of the common stock.

Theatrical Properties

The properties which have been identified for a number of years as being most desirable for government securities business.

Knies Predicts Higher Prices For Bonds

A prediction of much higher prices for bonds was made yester- day by Arthur Knies, of Vilas & Hickey, 12 Wall Street, New York City, members of the New York Stock Exchange, who expressed the opinion that credit is the answer to the strength in the securities markets over the past several months. Higher prices for bonds would arrive, he said, when institutional and bank buying broads out with credit. He also pointed out the great era of confidence in railroad securities.

Gimbord To Manage Harriman Ripley Dept.

G. H. Armstrong With Firm

F. N. J. Gimbord has been ap- pointed manager of the railroad division of the president and directors of Harriman & Co., Incor- porated, at 31 Broadway, New York City. Mr. Gimbord was for- merly with the investment depart- ment of J. P. Morgan & Co. from 1925 until 1940 when he became associated with his present company.

George H. Armstrong is also now connected with the firm in the United States Government bond department.

Grishaw Washington Mgr. For Kirchofer

WASHINGTON, D. C.—Kir¬ chofers & Arnold, Inc., announce that Elliott W. Grishaw, formerly vice-president of G. W. While & Company, Inc., has been appoint- ed resident manager of their office at 729 15th Street, N. W.

"SUGGESTIONS"
We will be pleased to make suggestions to dealers who are interested in the recall distribution of Real Estate Securities.

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Minneapolis, St. Paul & S. Marie

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Bought & Sold
PFLUGEFelder, BAMPTON & RUST
Members New York Stock Exchange
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New York 6
Bell Telpeoy—NY 1-1200

Railroad Securities

- There was some disappointment over the remarks of the President of Chicago, St. Louis & San Francisco, who, in discussing the credit standing of the road and the necessity for further debt refinancing by railroads, expressed the belief that the plans which have been in accord with the management's policy of diverting all available cash to the retirement of debt from such a program, are becoming revenue. They have lived through five successive years of depression, losses operating and now a total of $104,14 a share has been earned on their stock, and visualize the certainty of high earnings again at least in 1944, and still retain the ability to pay any return on their own investment.

- Granting that such a policy of non-payment of interest was justifiable when the company was faced with potentially unrelated near and intermediate term situations, the fact remains that the debt retirement already accomplished has moved the company into a potentially eliminated, this problem.

- As an indication of the road's credit today, it is to the fact that the two underlying matters, maturing in 1947 and 1948, are selling on a money basis, with markets governed by 1st, 4th, 10th, 15th and that the Refunding $5,928,200 have recently been selling at a premium over New York, Chicago & St. Louis $4,454 1/2s have been moving steadily into the middle 90s.

- It is the feeling of many investors interested in Nickel Plate securities at that this time has now arrived to engage in a comprehensive PLUGGING which will eliminate the underlying losses operating, and allow a further substantial saving in annual interest requirements.

- Arbitrage Possibilities
Chicago, Indiana & Southern Railroad Co. has attractive arbitrage possibilities, according to a circular issued by Sturo Bros. & Co., 120 Broadway, N. Y. City.

- Arbitrage
Chicago, Indiana & Southern Railroad Co. has attractive arbitrage possibilities, according to a circular issued by Sturo Bros. & Co., 120 Broadway, N. Y. City. Members of the New York Stock Exchange. Copies of this interesting memorandum may be had from the firm upon request.

The bank loan, two divisions, and Refunding $5,928,200 aggregate $48,746,000. The company should be able to retire as much debt this year as last so that the refunding could be accomplished with a new issue of no more than $43,000,000. Even if it were necessary to extend to maturity, such as $1,000,000 a year this would be $83,000,000, but $4,000,000 would be left to retire debt. This distributed among the preferred stockholders would amount to over $10 a share which would at least mark a beginning of liquidation of the substantial dividend arrears.

Faced charges have been reduced by the end of last year to $5,300,000 which would have been covered in every year of the depression except 1931 and 1932, adusting non-operating income in the former, year down to current levels. By a comprehensive refunding it is indicated that approximately another $750,000 even could be cut out of this charge which would go far towards compensating for any serial payments that would have to be made in periods of subsaher 9 years. Under present conditions the high tax rates would naturally absorb any interest that could be paid, but at the same time, the serial payments lie under no threat, not even by any strain while business remains good. In fact, principal payments would be covered by a wide margin by depreciation and amortization charges. Serial equipment amounts to less than $111,850,000 while operating equipment amortization and equipment depreciation and amortization alone amounts to over $6,000,000 last year. Total amortization and depreciation amounts to more than $4,800,000 in 1943. It is quite possible that considerable pressure will be brought to bear to have a refunding effected some time this year.

Fed. & N.Y. Transfer Taxes
On Bank & Ins. Stocks
Trester, Carrère & Squires, 74 Trinity Place, New York, have prepared for distribution a schedule of Federal and New York transfer tax in serial payments on sales of the more actively traded bank and insurance stocks. Copies of the schedule may be had from the firm upon request.

We believe the I.C.C. approval of the Reorganization Committee in the SEABORAD SEABORAD case is the first step in the long awaited financial reconstruction of this road.

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Commercial & Preferred

ADAMS & PECK
63 Wall Street, New York 5
Boston Philadelphia Hartford
Resisting A Dangerous Pattern

(Continued from page 1611)

power to change trade custom and usage in the securities business as it is attempting to do through the medium of its "5%" spread philosophy. A spokesman for the Securities Dealers Committee said that among the many grounds upon which this philosophy is opposed by the Committee, the following may be a few:

The Committee has been advised that there is considerable doubt whether the Maloney Act is constitutional, and hence feels that its creature, the NASD, is without authority to modify the customary and monopolistic practices of the securities business.

If in fact it had such authority, the 5% rule should have been submitted to the NASD membership for its action as provided for in the constitution and by-laws. Its origin at least should have been legal.

The poll we conducted made it clear that if so submitted the proposed rule would have been defeated, and further, that spokesmen of the NASD who have widely circulated their opinion that this rule is legal, are of the membership favored this philosophy were in error.

Representatives of The Securities Dealers Committee particularly condemn the trials before Business Conduct Commissions of the NASD which, frequently charged with violating the "5% rule" are judged by their business competitors. Being judged by a jury of one's peers is an American institution; being judged by one's competitors never was, and is not calculated to arrive at a just result.

The Committee contends that although ostensibly voluntary, membership in the NASD is in fact compulsory by reason of certain special and monopolistic privileges which the NASD enjoys under the Maloney Act. This, they say, is unfair to non-members, and to those who have resigned in protest against the arbitrary action of the Board of Governors of the NASD. It interferes with every man's fundamental right to pursue his lawful trade.

The Committee has also been advised that in practice the "5% fee" constitutes an unreasonable restraint on interstate and foreign commerce, and is, therefore, outlawed by the Sherman Act.

The unjustified forays by means of questionnaires and audits have also met with unwarranted interference. Even in cases of governmental bodies these should be limited to instances where complaints are lodged.

In these columns we have repeatedly expressed our hope that the NASD Board of Governors would, if of its own volition revoke the "5% rule." We have cautioned them that if they fail to do so would have far reaching consequences threatening NASD existence. There may yet be time.

In the interim, the security dealers of the nation are being circulated in an effort to gain support for the Securities Dealers Committee. Dealers and brokers, whether members of an existing association or not, cannot do other than function as a unit with all their available support in a liberal manner. For our part, our opposition to the "5% philosophy" as an un-American doctrine is well known, and we intend to do all in our power to erode it.

N. Y. Stock Exchange

Weekly Firm Changes

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

James L. Croton, partner in Boecker and Company, Denver, Col., died on April 5th.

Interest of the late Harry J. Croton, member of the Exchange, in Richard J. Buek & Co., New York City, ceased as of March 30th.

Associated Gas and Electric Corporation

(Under Reorganization)

DEBENTURES

(All Issues)

NEW YORK HANSEATIC CORPORATION

120 Broadway

Telephone: Barclay 7-5600

New York 3, New York

Teletype: N Y 1-584

Federal Water & Gas common

Associated Gas & Electric 3¾% & 4s 1978

Federal Utilities 6s 1938

GILBERT J. POSTLEY & CO.

29 BROADWAY, NEW YORK 6, N. Y.

Direct Wire to Chicago
Women at work

I think that all of us are aware of the present gold rush among women changing their civilian clothes to army uniforms. And those women are doing a swell job, just as they are nobly backing up the war effort of our Country and our Allies.

Of course we are on this subject there are some other interesting figures. The chairman of the public National Committee was recently quoted as saying, "Women can have no more work while women indications are they will be on a 20 per cent basis with wages in 1914." And why not? They labor under the same man's right to vote; they are doing man's work, and there's no reason why they can't see that they are more conscious than today, of the responsibilities and the risks of franchise.

During the past time has healed the wounds of heart and flesh, America will have to face the fact that a good part of its women stepped out of the home into other fields, during a temporary emergency period, to gain a realistic perspective of what has always been considered, exclusively, a man's world. Let's hope that it won't be long before the job at hand is finished so that these emergency periods may begin again to practice their main line—house-making.

And we, in business, must see to it that we boys, who return from the boys of World War II, find their homes as they leave them, with the women of their women-folk assisting in providing the necessary household life. Men assist their women in the home...they've so nice to come home to.

Mark Mark

FREE

- A booklet containing reprints of earlier articles in this series will be sent free to all by the new customer.

Schenley Distillers Corp.

Should Price Fixing and Rationing Be Extended Into The Post-War Period?

(Continued from page 1610)

World War II is to make a home again. And in the time of post-war inflation we had it in 1918 and early 1920, then some extension of price controls is not only essential but highly desirable. The cost of living there is a general wholesale price level of 220 in 1923. This has been high with some items such as building supplies, gasoline, and real estate two or three times its "normal" value—or more specific, with eggs at $0.10 a dozen and beefsteak at 80c to $1.00 a pound. Now it is apparent that a return to such conditions would not be well accepted by most citizens. It is true that such controls are exercised as a sincere attempt to prevent disastrous inflation but an entirely different thing is that they are necessary if control of the economic system is to be a fact of life. In view of some of the recent pronouncements of members of the business community, it would seem that what they require is not control, but the latter is the paramount objective.

British Bankers' Views

The chairman of a somewhat similar situation as that prevailing in the U.S. recognizing that a controlled economy in Great Britain is the only way to handle the post-war period. He has recently expressed his views on the control of the London Exchange meeting of the stockholders of these banks.

The Chairman of Barclays Bank

"We need scarcely to say that our own Bank, in company with the other British banks, will add its full weight to the forces of restoral in the East. "Our does not expect a sudden or violent curtailment of our efforts, but the period following the war will be dominated by scarcity. Emphasized by the latent demand which will then spring to life. For reasons we must anticipate a measure of control, with the experience of the manner in which machine acts itself to the new conditions. It is the only way to continue the existence of any control which has outlived its purpose, for all those means that are safeguarded to protect the interests of the State to the utmost, the same interests are best served by retaining the full flow to all those priceless assets, individuality and enterprise, which can flourish only in an atmosphere of freedom. (italics added by writer.)"

In a somewhat similar vein the new Chairman of the Midland Bank Limited added:

"During this war the Government, facing the problem, has, to a large extent, been able to avoid the evils of inflation, partly by direct control of the price of purchasing power, partly by controlled distribution of credit, and partly by the use of subsidies to hold the check on the spiral of prices and wages, and the methods will be called for on a gradually diminishing scale. The method that will be judiciously judged to be is a free market. (italics added.)"  

The problem is, that if we are going to maintain an established equilibrium of wages and prices against the perils of both inflation and depression.

It is thus apparent from these two statements that the British Government is of the opinion that our own and that the methods used by the British Government of restrictions on purchasing power, rationing of supplies, and subsidies to hold prices and wages in check, have been similar to those which the British Government has tried under OPA. It is hoped that we can proceed just as strongly as we do the British that we return to a free market, and a system of free individuality and free enterprise as soon as the period of scarcity is passed.

Factor of Time Vital

Recognizing as we do that such controls must be continued as long as the war lasts, the time for which they may be extended is a vital matter. It is not so much a matter of calendar time as it is the time that it takes for "normal" demand and supply to reach a state of equilibrium. When that period will arrive depends upon the degree of scarcity and dis¬equilibrium which will have been created by the war and its after¬math, and upon the length of the war itself. If the legitimate desire of whatever administration may be in power is to keep the British the quantities of purchasing power as will be available, then an extension of such controls and the recognition of the control should be encouraged. Perhaps the first extension of such time should be for a period not exceeding three months after the cessation of hostilities in Europe and the Pacif¬ic; in order that immediately after the war the whole situation with regard to supplies, prices, and wages be reviewed. Some measure of control might be gradually diminished, abolished others entirely, and still others strengthened if good use is made of purchasing power gets out of hand. But, in the opinion of the writer, such extensions of time for such controls in the post¬war period should not be for more than six months at a time, in order to give frequent opportunities for careful review and appraisal of the whole situation.

Who Shall Control?

Who shall administer and exercise such extended controls as are granted is also a vitally important matter. If, as Vice-President Wal¬lace has recently intimated, the "New Deal" is not dead but to be revived, with a social security program for the "under¬privi¬leged" of more far-reaching scope than any yet set in motion, then it would be better to entrust such controls for the rest of the war and for the immediate post-war period to a man or men who know what it means to earn a dollar and who know that debt is not a public or private, never enforces a man or a nation. If such controls as are granted are to be made possible the control of our economy in such a way as to carry out the post-war road building and pub¬lic works program under an en¬larged war-time or Reconstruction, or WPA, as recently suggested by President Roosevelt, then the freedom of the market will be something. And while we are not about the evils of inflation and conse¬quent deflation than a loss of eco¬nomic freedom for a generation of longer a "loss of those priceless assets, individuality and enter¬prise" which are essential to free men to live in a democratic society.

"-C.F. Readers' Digest, Jan. 14, 1944, p. 80.
Security Traders Club
Post-Easter Party
ST. LOUIS, MO.—As described in the "Post-Easter Fowl Dinner (toxie to youse)" the Security Traders Club members and guests relaxed at the Hotel Mayfair, Thursday, March 28. President Coleman Brennan's remarks were brief and added to the "fowl atmosphere of "boozing." Announcement was made that two New York members have been admitted:
Albert E. Bland, Manager, and Frank C. Miller, Captain S. Newhard, F. Dempsey, Dempsey-Tegeler & Co., through George A. F. Dempsie, and Allen B. Tiltman, A. G. Ed¬
wards & Sons, and Joe H. K. Rinkella, Brennan, Kinnella & Co. Bill

Currently, the principal amount of Connecticut bonds are maturing, for approximating all-time highs for charges.

in fixed charges. These charges were covered at $11.2 times in the preceding year. 
Total assets increased from $269,045,973 to $270,412,518 per share advanced from $38.62 to $39.56. 

Peter Paul, of Naugatuck, has reported subject to renegotiation adjustments. The year for 1942 was $700,093, compared with $524,383 the preceding year. Based upon 122,504 shares in 1942, the earnings per share were $3.65 compared with $3.18 per share in 1941.

The United States Rubber Co., has plans to enlarge its Naugatuck plant this year through an expansion program involving the expenditure of some $1,300,000. Independent contractors will manufacture rubber solids, these new facilities will enable the company to expand its operations greater than half of the country's present output of synthetic rubber. 

The 1943 year-end report of The Hartford Times, Inc., shows net income of $206,014 or earnings of $2,532 per share on the common stock amount against $279,292 or $2.15 in 1942. Earnings on the preferred stock was $2.15 compared with $1.85. Fixed charges of the notes and preferred dividend were covered 2.82 times against 2.80 times.

Two Hartford industrial con¬
ders, have issued an interesting report on railroad securities. Their plan on railroad operations may be had from Vilas & Hickey.

Also available is a circular on railroad securities, by Holland, with possibilities for appreciation, Vilas & Hickey be¬

Stoddard With Putnam
HARTFORD, CONN. — Allyn Dennis Stoddard, formerly with the National City Bank of New York, has been associated with Putnam & Co., Putnam & Co., of Stoddard, Putnam & Co., of New York.
John H. Chaplin, the Executive Vice-President of Veeder-Root, was elected to the presidency of the Chamber of Commerce Club.

Cuburn & Middlebrook
49 Paul St., Hartford 1, Conn.
Handy 3-1352
40-51-30


National-Candy Plan
A special meeting of National Candy stockholders has been called for March 14, 1944, for the purpose of establishing redemption prices on the common stock present outstanding. The 7% first preferred shares will have a call price of 140 per share and the 7% second preferred a call price of $105 per share in each instance. The proxy statement indicated that investment dealers would be compen¬sated for the services furnished.

An interesting summary of the progress made by Seullin Steel Co. in debt retirement and de¬scribed in the 1943 annual report of which it is evident from the standpoint of progress in the business and the policy of management with respect to disclosure of information. Condensed comparative, balance sheets and earnings statements for the year with a detailed balance sheet as follows:

Stockholders of Gaylord Container Corp. have received copies of the 1943 annual report of which it is evident from the standpoint of progress in the business and the policy of management with respect to disclosure of information. Condensed comparative, balance sheets and earnings statements for the past year with a detailed balance sheet as follows:

Champion Shoe Machinery
CHANGES IN MANAGEMENT
Recent annual stockholders' meeting of Champion Shoe Machinery Co., has expressed dissatisfaction with the financial policies of S. A. Dobrine, President, and has directed the Board of Directors to elect Robert A. Walsh, of Dempsey-Tegeler & Co., present Execu¬tive-Vice President and John B. Hough, formerly a member of the company, was elected Vice-President and Treasurer. The officers and Secretary have been left open temporarily. The new officers are Robert D. Jones, Edward D. Jones & Company; Robert B. Boyd, John B. Hough, and Robert A. Walsh. Confronted with a receiv¬ing situation, operating losses under the old management, the new group is hopeful that changes in management will result in improved operations.

Local Market Activities
Earnings report for 1943 shows $5.17 per share (before recon¬stitution) has resulted in increased trading activity in Universal Match at advancing prices. Main Street Bank, St. Louis, Missouri. A recent sum¬mary is available at Scherck, Birkheier Co., St. Louis, who also are distributing a new detailing description of Steel Products En¬velope.

Aeronautical Products Inc.
Common
Latest Information on Request

MERCIER, McDOWELL & DOLPHIN
Nashua, N.H.
Telephone 2750

Bell System Telephone: IIF 502

Missouri Brevities
Gaylord Container Report

Stockholders of Gaylord Container Corp. have received copies of the 1943 annual report of which it is evident from the standpoint of progress in the business and the policy of management with respect to disclosure of information. Condensed comparative, balance sheets and earnings statements for the past year with a detailed balance sheet as follows:

The Banking Department has issued revised list of 85 different railroad bonds that now exempt from any tax for "legal" investments for savings banks. The revised list are the revisions of the Connecticut State law. This law provides that a sav¬ings bank who invests more than $5,000 on a road if in the year immediately preceding the filing of its annual report, and in three of the past four fis¬cal years the income available for fixed charges shall not have been less than one and three-quarters times such fixed charges as set forth in the annual report to the Interstate Commerce Commission.

The Pierce-Arrow Manu¬

ufacturing Co. of Waterbury showed an increase in net in¬come in 1942, a year of a $3,298,478 profit and a year of $3,083,700 profit. Actual figures were $159,491, which is more than double the $70,000 post-war refund against a current year earnings of $183,748 on the production of $1,263,468.

Many undetermined factors re¬


Result in it, impossible to calculate earnings of Scovill Manufacturing Co. of Waterbury for the past year. The company has made an incipient financial report, the interpretation of which will be subject to con¬


tion of war contracts for the Government. Earnings of $148,517 shares in 1942, $2,896,084. Total receipts for $1,148,517 shares in 1942, $2,896,084. Total receipts for receipt for tax purposes, $23,016. The company paid dividends of $1.25 per share, or a total of $.25 per share.

Net sales for the year were $124,340,977 after $2,994,604 vol¬
tary retroactive price reduc¬


tions. The previous year the company reported sales of $89,479,571 after a deduction of $10,000,000 for reduction of Government contract prices resulting from renegotiation.

Net income was fixed charges was $8,147,855 against $8,026,805 in 1942. Meanwhile, the year the company reported $8,026,805. Fixed charges of the outstanding debentures which, of course, resulted in a substantial reduc¬

FIFTIF BROTHERS
Associate Member New York Stock Exchange
Primary Markets in Hartford and Connecticut Securities
Hartford 7-2911
Bovine Tel. 9-2111
Bell System Telephone: IIF 592

Hartford 7-2911
Bovine Tel. 9-2111
Bell System Telephone: IIF 592

Aeronautical Products Inc.
Common

MICHIGAN & General Market Municipal
Corporate Bonds & Bank Stocks

DEPT OF MICHIGAN CORPORATIONS
Member State Stock Exchange

Detroit 26, MI

Mallman, Moreland & Co.
Member State Stock Exchange

1651 Penobscot Building DETROIT 26, MICH.

Boston 28

Hollis Electric Motors
Mich. Oil & Theatre, L. T. C.
Ind. Brownstock, 1st Pld.
L. A. Daring Co.

Battle Creek

3151 Penobscot Building DETROIT 26, MICH.

Detroit 26, MICH.

Aeronautical Products Inc.

Common

Latest Information on Request

Mercier, McDowell & Dolphine

Buhl Bldg. Cadillac 5752

Detroit 26

Buhl Bldg. Cadillac 5752

Detroit 26

Detroit 26, MICH.

Detroit 26, MICH.

Detroit 26, MICH.

Detroit 26, MICH.

Detroit 26, MICH.

Detroit 26, MICH.
Why Interest Rates Remain Low

(Continued from page 1016)

The Business Man’s Bookshelf


Petroleum and American Foreign Policy—Herbert Feis—Food Research Institute, Stanford University—$3.00.


Steel Wave, a National Issue—Steel Case Research Committee of the Steel Industry—paper.

Bond Club of Detroit Holds Dinner Tonight

DETROIT, MICH.—A. C. Allen, of Byrth & Co., President of the Bond Club of Detroit, on Monday, announces that the Club’s 28th Annual Dinner will be held on Thursday, April 20th, in the Wayne Room of the Statler Hotel. At 6:45 p.m. feature of the evening will be a debate on the subject—Manage- ment and Labor in Relations to the War Post Period.

John L. Lovett, General Manager of the Michigan Manufacturers Association, will speak for the management and H. W. P. Miller, Assistant Director, War Policy Division, A.W.W.C.I.O., will speak for Labor.

Douglas H. Campbell, First of Michigan Corporation, is Chairman of the Entertainment Committee.

PROSPECTS FOR RETURN TO GOLD STANDARD AFTER WAR

Abraham Co., 13-23, New York City, is announcing that the New York Stock Exchange and other exchanges have issued a call for a meeting of all members of the New York Stock Exchange and other exchanges, to be held on the 21st day of April, 1933, for the consideration and vote on the return to the gold standard. The vote will be taken by proxy, and all members are requested to participate.

The vote will be taken on the following questions:

1. The return to the gold standard.
2. The ratification of the proposed amendment to the constitution of the New York Stock Exchange, providing for the return to the gold standard.
3. The ratification of the proposed amendment to the constitution of the New York Stock Exchange, providing for the return to the gold standard.
4. The ratification of the proposed amendment to the constitution of the New York Stock Exchange, providing for the return to the gold standard.
5. The ratification of the proposed amendment to the constitution of the New York Stock Exchange, providing for the return to the gold standard.

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4. The ratification of the proposed amendment to the constitution of the New York Stock Exchange, providing for the return to the gold standard.
5. The ratification of the proposed amendment to the constitution of the New York Stock Exchange, providing for the return to the gold standard.
Insurance & Bank Stocks

Bank and Insurance Stocks
This Week—Bank Stocks
By E. A. VAN DEUSEN

First quarter statements of leading New York City banks fulfilled the generally optimistic expectations of well informed observers. Compared with the first quarter of last year, indicated earnings per share for the first quarter of 1944 are 23.8% higher. Leading banks, averaged approximately 24% greater, and book value per share 5.6% greater. The market has given some recognition to this favorable development and, in general, Stock values have been firm. Poor weekly index of New York City bank stocks, currently stands at 82, as compared with 72 a year ago, or 8.6% higher.

In the accompanying tabula-
tions, Table I and Table II, comparative figures for 13 banks are given for the two periods. In Table I indicated earnings and book value are shown, and in Table II, deposits and earning assets are listed.

Comparative Analysis
Leading New York City Bank Stocks

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Trading Markets:
First Boston Corp.
First Nat. Bank Boston
National Shamrock Bank

New Jersey Bank Stocks

J. S. Rippel & Co.

Established 1863
18 Clinton St., Newark 5, N. J.
Marlatt 5-310
N. Y. Phone—Rector 5-4383

Future of Air Transport

(Continued from first page)

In 1943 mail provided 82% of all revenue and passengers 7%. Today air mail accounts for only approximately 20% of the mail handled by the major airlines, while passenger fares provide about 75% of income with air-ex press accounting for the balance. While these are the average figures, many of the smaller domestic air lines picture naturally there are a number of the smaller airlines still dependent upon air mail for a large part of their income.

In spite of the fact that air mail service had been instituted in 1918, or was in existence by 1926, that aviation entered the transportation field, this was brought about by the passage of the Air Commerce Act and establishment of the Aeronautical Branch of the Department of Commerce. It was in this same year that Congress authorized a five year plan to provide our military services with aircraft, noting how the plan was lost in the shuffle.

In 1926 there were in the United States 11 airlines and they carried 1,262 passengers. The number of airlines increased each year and in 1934, there were 20 airlines which carried 374,935 passengers in 471,643 miles. The total number of individual companies making domestic air transportation available to the public increased in 1937 there were only 17 domestic airlines, while to this number we have added, today, 15 airlines in 1941 had 558 planes, Better than a decade before when we had only 4 planes.

Today, with a larger and more complex equipment, the airlines have made great strides in efficiency. The number of airplanes of various sizes run by the airlines increased 24% greater, and the air mail carriers as a group, were in order of the 12,633 miles. With the new and improved equipment ordered, the flight time was reduced, and the planes used today, are efficient and well designed.

The airlines, which are now a force in the transportation of cargo, have a potential for cargo traffic which has not been fully realized.

In the six preceding years there was a reduction in the number of companies as consolidations and mergers occurred, but in 1937 there were still 37 small airlines, which in number and in size, are to be compared with the large agencies of today.

American casualty company
American Casualty Company of Reading, Pennsylvania
Price 11 1/4 Per Share

Copies of the Prospectus may be obtained from any of the undersigned.

Huff, Geyer & Hecht
Paine, Webber, Jackson & Curtis
McDonald-Coolege & Co.
Reynolds & Co.
Cohi & Torey
Buckley Brothers

The prospectus accompanying this advertisement will consist entirely of an offer to sell or solicitation of offers to buy any of these securities. The offering is made only by the Prospectus.

M. A. SCHAPIRO & CO., INC.

American Casualty Company of Reading, Pennsylvania
Price 11 1/4 Per Share

This advertisement is neither an offer to sell nor a solicitation of offers to buy any of these securities. The offering is made only by the Prospectus.

The Capital Stock is (Par Value $5.00 per Share)

Do Bank Stocks Move Uniformly?
Few people realize the extent of the divergence, in market performance, among New York City bank stocks. The following table reviews price trends for 12 leading banks over an 11 year period. You must invest the need for discrimination; and the present of opportunely—on this date.

You may have a copy on request.

M. A. SCHAPIRO & CO., INC.
One Wall Street
New York S, Y. N.
The future of air transportation is dependent upon many factors, one of which is the ability to develop a profit on invested capital. With the growth of the number of air transportation companies it was natural that not all of them would be profitable. There are few industries in which all companies are successful, yet the profits shown by the money-making lines, beginning in the fiscal year of 1939, exceeded the losses suffered by those other lines yet to establish a profit. Of the 14 air-lines whose financial statements in Moody’s Manual are shown for 1941 six operated at a combined profit of almost $8,000,000 and the other eight lines showed an aggregate loss of a little more than $1,000,000.

ROYAL BANK OF SCOTLAND
Incorporated by Royal Charter 1727
HEAD OFFICE—Edinburgh
Branches throughout Scotland
LONDON OFFICES:
1 Bishopsgate, E. C. 3
8 West Smithfield, E. C. 1
49 Cheapside, S. W. 1
Burlington Gardens, W. 1
64 New Bond Street, W. 1
TOTAL ASSETS £106,717,066
Associated Banks:
William Deacon’s Bank, Ltd.
Glyn Mills & Co.

AUSTRALIA AND NEW ZEALAND

BANK OF NEW SOUTH WALES
ESTABLISHED 1817
Paid-Up Capital £4,000,000
Reserve Fund £8,780,000
Reserve Liability of Preference £5,870,000
£23,750,000
Aggregative Total of Assets £68,722,010
Head Office: George Street, LONDON
LONDON OFFICES:
26 Bishopsgate, E. C. 3
5 London Street, E. C. 1
11 Cheapside, S. W. 1
56 Bond Street, W. 1
TOTAL ASSETS £118,572,642
Head Office: George Street, LONDON
SIR ALFRED DAVIDSON, K.B.E., General Manager

NATIONAL BANK OF EGYPT
Head Office Cairo
Commercial Register No. 1 Cairo
FULLY PAID CAPITAL £3,000,000
RESERVE FUND £2,000,000
LONDON AGENCY
6 and 7 King William Street, E. C.
Branches in all the chief ports of EGYPT and the SUDAN

NATIONAL BANK OF INDIA, LIMITED
Head Office: Calcutta
Branches in Patna, and Bombay
Head Office: Bombay, Calcutta, and Madras
Branches in Calcutta, Bombay, and Madras
Subsidiary Capital £45,000,000
Paid-Up Capital £25,000,000
Reserve Fund £2,000,000

THE COMMERCIAL & FINANCIAL CHRONICLE
Volume 159 Number 4274
1621

age length of passenger trip. In 1930 that trip was 224 miles and in 1941 it was 220 miles.

The future of air transportation is dependent upon many factors, one of which is the ability to develop a profit on invested capital. With the growth of the number of air transportation companies it was natural that not all of them would be profitable. There are few industries in which all companies are successful, yet the profits shown by the money-making lines, beginning in the fiscal year of 1939, exceeded the losses suffered by those other lines yet to establish a profit. Of the 14 air-lines whose financial statements in Moody’s Manual are shown for 1941 six operated at a combined profit of almost $8,000,000 and the other eight lines showed an aggregate loss of a little more than $1,000,000.

Royal Bank of Scotland
Incorporated by Royal Charter 1727
HEAD OFFICE—Edinburgh
Branches throughout Scotland
LONDON OFFICES:
1 Bishopsgate, E. C. 3
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TOTAL ASSETS £106,717,066
Associated Banks:
William Deacon’s Bank, Ltd.
Glyn Mills & Co.

Australia and New Zealand

BANK OF NEW SOUTH WALES
ESTABLISHED 1817
Paid-Up Capital £4,000,000
Reserve Fund £8,780,000
Reserve Liability of Preference £5,870,000
£23,750,000
Aggregative Total of Assets £68,722,010
Head Office: George Street, LONDON
LONDON OFFICES:
26 Bishopsgate, E. C. 3
5 London Street, E. C. 1
11 Cheapside, S. W. 1
56 Bond Street, W. 1
TOTAL ASSETS £118,572,642
Head Office: George Street, LONDON
SIR ALFRED DAVIDSON, K.B.E., General Manager

NATIONAL BANK OF EGYPT
Head Office Cairo
Commercial Register No. 1 Cairo
FULLY PAID CAPITAL £3,000,000
RESERVE FUND £2,000,000
LONDON AGENCY
6 and 7 King William Street, E. C.
Branches in all the chief ports of EGYPT and the SUDAN

NATIONAL BANK OF INDIA, LIMITED
Head Office: Calcutta
Branches in Patna, and Bombay
Head Office: Bombay, Calcutta, and Madras
Branches in Calcutta, Bombay, and Madras
Subsidiary Capital £45,000,000
Paid-Up Capital £25,000,000
Reserve Fund £2,000,000

These and other questions are answered in “The Pension Trust Plan” — an easy-to-read booklet that is yours for the asking.

Send your request to

Massachusetts Mutual
LIFE INSURANCE COMPANY
SPRINGFIELD * MASSACHUSETTS
We take pleasure in announcing the election of

JOHN A. STRAILEY
as Vice-President in charge of
Dealer Relations

HUGH W. LANG AND COMPANY
15 Exchange Place
634 So. Spring St.
JERSEY CITY, N. J.
LOS ANGELES, CAL.

Mutual Funds

"What Industries In 1944?"

Hugh W. Lang & Co. has followed up its announcement of the results of its "Industry Selection" contest with a tabulation of the individual votes in the recent New York Letter. This tabulation reveals that although the rails led the list for first place with 83 votes as against 37 for railroad steel and 46 for steel, the railroad equipment industry was actually the favorite in total votes scored.

The contest called for the naming of the first seven groups in performance for 1944 and, in total votes scored on this basis, the railroad equipment industry received 257 votes to top the list, as against 327 for the rails and 37 for the steel, which ran a close third in preference.

The Contest also contains a chart showing the market action of various Series of New York Stocks, Inc. during the first quarter of 1944. This chart reveals that the Railroad Series far outdistanced all others for the three months' period, with Railroad Equipment and Steel scoring only moderate gains. However, the Letter hastens to point out that "the leader at the first furlong doesn't necessarily win the race."

Low Priced Shares
A Class of Group Securities, Inc.

Prospectus on Request

"How Much Further Profit in Preferred Stocks?" is the title of a new eight-page folder from Lord, Abbeit, and Company, Undated Preferred Stock Fund. This study is based on the Dow-Jones and Standard 

Floor of the New York Stock Exchange. For the Dow-Jones Industrials, the 15 preferred issues averaged 285 points higher on April 30 than on March 31, the first three months of the year, a gain of 

10%. For the Standard 

Floor of the New York Stock Exchange, the 25 preferred issues averaged 261 points higher on April 30 than on March 31, the first three months of the year, a gain of 

9%. After paying his individual tax, the shareholder had from 

360 to 

310 out of the 

10 of earnings.

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10 of earnings.

Investment Literature

George Putnam Fund—A portfolio folder showing invest- 

ments owned on April 30, 1944, and including a 

list of George Putnam's inimitable speeches to shareholders. Massa- chusetts Distributors—Current issue of Breviss discussing "Planned Economy and Private Enterprise." "Eaton & How- ard, Inc.—A folder showing the latest company reports of the 'Railroad Industry' with respect to Eaton & Howard, Inc., common shares, and a memorandum named "How Important Is the Railroad Industry" to shareholders. The folder also contains information on the New York Stock Exchange. National Bond and Share Corp.—A current issue of the National Bond and Share Corp. stating that "the interesting facts about the railroad industry are applicable to both the public utility and general industries."

We are pleased to announce that

MR. HERBERT LAWRENCE
formerly Assistant Editor of

BARRON'S

is now associated with us.

The KEYSTONE CORPORATION OF BOSTON
59 CONGRESS STREET
BOSTON 5, MASS.

"Gold in Demand" and "Farm Security" are just two of the interesting paragraphs headings in this month's "The Stock Exchange" of Bar- ron's. "The Nation's Gold Supply," for example, is one of the most important. With respect to gold it is pointed out that last week the Reserve Bank of India sold gold in Bombay to eager pur¬ 

chers at a price of 78 rupees, 8 annas per tola. Translated at the present London gold rate, this means the people in India were paying more than $10 an ounce of gold, bringing only 2% an ounce in the U. S.

End Multiple Taxes On Trust Shares

Governor Dewey signed on April 4 the Bewley bill, designed to prevent double and occasionally triple taxation of the same trans¬ fer of ownership in one person's certificate. Reporting this ad¬ 

vance from Albany to the New York "Tribune" staff, he said: "The new law exempts from the transfer tax any certificate of an investment trust and will not affect the investment trust and will only underwrite, between an underwriter and a dealer in securities or between an underwriter or dealer and an investor."

Situation Of Interest

A circular analyzing the problems of the Boston Terminal Company during the present depression has been prepared by E. W. Clu¬ cass & Co., 79 Pine Street, New York City, members of the New York Stock Exchange. Copies of this interesting analysis may be had upon request from E. W. Clucas & Co.

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The KEYSTONE CORPORATION OF BOSTON
59 CONGRESS STREET
BOSTON 5, MASS.
Commodity Price Regulation And Reconversion

(Continued from first page)

should govern this important ele-
ment of the Con¬
sumer's Budget. Reports are singularly silent even as to the checks placed followed in the reconver¬
sion proc¬
cess. Is the rationing of manu¬
factures, the reallocation of mate¬
rials, in order to keep the economy on a sustain¬
able basis and use of the various approved in¬
dustry to operate "under broad principles laid down by the Con¬
gress"? No such principles are even suggested with respect to "price contro¬
lis" or "rationing of the use of materials," and apparently none is laid down except and until the agencies recommended.

Quite plainly neither of these Reports was mindful of the intercon¬
nections among them with the basic question whether the demand for production and prices should be increased or reduced after the war. The Senate Report did declare that the "premise con¬
tinues to be that the problem of de¬
mobilization problems should be the first consideration," a passing men¬
tion of the American System of free enterprise. The House, in the other Report in a sentence tells how the productive capacity of the nation exceeds that of Communist, Fascist, or Fascist-Communist type states combines, it is speedily to extricate our Continent from the military effort and to close "the books on the war as quickly as possible." Is the "government after the war," a jack¬
pot of controls which invites every pressure group to bid. Nevertheless, the Reports are re¬
pelled to the idea that that really require long continuity of the "military" operations and that truly not too much to do if the controls are removed. These are the very few questions in theory and in precedent, but not in this practical situation to the necessities of the indi¬
vidual enterprise system. If the unique program of the Senate, the price of the Industrial Mobilization Act, in the House, the so-called "price control" is one of the shipboard, there is still talk and self-correction: it is prices that directly production and distribu¬
tion; it is prices that unroll the wall, how the controls are free, instead of the dictator in the form of the Chairman of the Council of Director in our economy. On the other hand, how the prices make for production, are wages, profits, the other hand, they cut the demand, making the money supply. If in supply and demand soon bring prices into line.

If it be general inflation that is to be kept in check by an ex¬
cessive supply of money— it cannot be obviated by price control and rising prices. Nor is it likely that it can be obvi¬
ated by increasing the supply of goods. Without the tolerance and cooperation of the people, at the time of war, the control devices are doomed to break down; and if the money supply has been jumped two, three, or more fold, it be physical impossibility to jump the volume of production to the corresponding inflation. Efforts to hold down the price level will only delay the inevitable. The question would be the imposition of very high taxes on the income and accumulation of the destruction of the money itself. The present existence of the rest of the world and for a long time after the war, wages may be cut, prices will be destroyed, and inflation will proceed willy-nilly. In other words, if the price controls are kept after the war ends with no means of achieving something there can be no stopping— we must proceed to a totalitarianism. It seems the greater wisdom to discard controls and let the market forces themselves to the supply-demand situation quite free. The coming deprecation of the dollar will merely allocate and

distribute the monetary cost of the war after the manner pre¬
vented during the war by the re¬
sort to price ceilings, rationing and other controls. Recently the Price Administrator has boasted that his price controls have saved the people of our country $67 bil¬
lion; even grander estimates of alleged savings from price con¬
trols by more imaginative advi¬
ces have appeared. This is a distortion of the people saved in expenditure what another lost in receipts; as a na¬
tion there was no saving. What really transpired that, so far as time being and to the degree prices were stabilized, all credit¬
s, receivers of fixed incomes, owners of money and bank bal¬
ders were not deplored by debt¬
ors, employers, and owners of equities and land. At the best the price controls merely postponed the reflationation. The allocation of materials, tools and equipment may be a matter of indirect price control, and it too will make for totaliti¬
anism if continued far into peacetime. In free markets prices will distribute these items in such a way as will accomplish the op¬
timum advantage from our re¬
sources, the fullest employment of our people, and the maximum production of the goods and services. No Fuehrer, surrounded by a staff of advisors and direc¬
tors, can do the job so well. A healthy competitive economy, encouraging production and em¬
ployment will assure all its citi¬
dens full freedom of contract and the right to enjoy the fruits of their toil. When a government tries to promote the welfare of all groups of the people by restricting the free¬
dom of the market, the freedom of contract of sale or hire, and supplying goods; taxes laws and con¬
jectives so that the individual enterprises are denied the oppor¬
tunity to provide for his needs by using his talents in the fittest way and as his ambitions and desires may direct. Scarcity anything could be worse in defeating reconversion of industry from war to peacetime basis than Stabilization Director is the nation's recent "2% profit direc¬
"59-

pay us the month

many persons find it most convenient to pay their life insurance premiums a month at a time. so we have a wide choice of policies on that basis.

Ask for our descriptive folder

The PRUDENTIAL
INSURANCE COMPANY OF AMERICA
A mutual life insurance company

HOME OFFICE
NEWARK, NEW JERSEY

pay us by the month

Newark, New York City; Copies of this interesting table may be had upon request from the New York Hanseatic Corporation.
The revenue from the operation of the railroad in 1943 was $245,532,051, an increase of $4,926,470, being 2% more than in 1942. This was, in part, due to the high level of economic activity of the United States Government, but, unfortunately, must be contrasted with the unceasing increases in wages, taxes, and the cost of materials.

Detailed account of the year’s activities follows:

The property, way, and equipment, was kept in good repair. The passenger car, freight train, and roadbed—though by no means the ideal—nevertheless, were the best we believe can be obtained in the circumstances. The passenger cars, which were well equipped in the main, were kept in first-class order. The average annual cost per passenger was 2.295 cents, as compared with 2.879 cents in 1942. As a result of these improvements, the average cost of crossties over the past few years which has been as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Cost Per Tie</th>
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<tbody>
<tr>
<td>1938</td>
<td>$1.09</td>
</tr>
<tr>
<td>1939</td>
<td>$1.17</td>
</tr>
<tr>
<td>1940</td>
<td>$1.15</td>
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<tr>
<td>1941</td>
<td>$1.16</td>
</tr>
<tr>
<td>1942</td>
<td>$1.19</td>
</tr>
<tr>
<td>1943</td>
<td>$1.21</td>
</tr>
</tbody>
</table>

The free cash balance (after eliminating, from cash shown in the balance sheet, items already outstanding and released for current payment) as of December 31, 1943, amounted to $10,014,430, but, compared with this cash there remained unpaid as of that date, not including the Federal Income Taxes mentioned above, repossessions and various other obligations, and that portion of the dividends, mentioned below, payable in 1944.

Dividends Dividends aggregating 5% on the Preferred Stock, $42,976,491, and 3% on the Common Stock, $30,200, were declared payable in 1944. The dividends on the Preferred Stock were paid out of income, being $1.25 per share, paid and payable, respectively, on December 15, 1943, and March 15, 1944, an additional aggregate payment of $1,500,000 having been made in 1943, which was in addition to the new 5-year Mortgage Bonds, the Company’s first mortgage bonds, which were issued in 1943 at an interest rate of 5%. The total dividends declared for the year amounted to 15%.

The total dividends declared for the year amounted to 15%.
Southern's effective fixed charges of $400,000, as comp-
pared to the $250,000 of five years ago, indicates that the
company is in a strong financial position. The report also
notes that the company is continuing to make progress in
modernizing its facilities and equipment.

The cancellation of the company's program of reduc-
tion of debt and fixed charges, beginning in 1943, is not
followed by any interruption in this practice. The com-
pany's fixed charges are now at a level that is comparable
to the amount of dividends paid to stockholders.

The mobilization of the nation's resources for war is
resulting in an increase in the demand for materials and
supplies, and the company is meeting this demand by
increasing its production.

The Cotton Growing, with 75.7% of the total cotton
production in the United States, is working at full capacity
with reference to the requirements of the United States
Army. During the year, Southern's War Department
contracts were approximately 6,400,000 bales—being 60% of
the total production of the Cotton Growing. The company
is operating many of its mills on a three-shift daily opera-
tion, and the entire textile industry has met the demand and
therefore have no problem of excess plant capacity after
the war.

The rayon industry made another record with an in-
crease of 8% over 1943 production. During 1943 five new
cotton mining developments were established. A number of
such developments are taking place in connection with the
war effort, and the demand for raw cotton is being
met. The year 1944 was the second year of the second
new construction plan, and during 1944, and 1945
existing plants at points served by the company.

Public Relations

The public relations program inaugurated in Septem-
ber, 1943, has shown rapid and continued expansion during the
year, and will continue to be further intensified in 1944,
as a sound investment for the future, and as a recogni-
tion of the need of the country to keep its industries,
the people, the government, and the public, informed of
the progress being made in various fields, and of the
important matters. This is being done through the
medium of advertising in newspapers and magazines,
in direct mail, by word of mouth, and through the
organization of information in various forms, as well as
in the Annual Report, and elsewhere.

Conclusions

As stated in the Foreword, the railroad industry must
bear in mind that much must be done in the years that
fall off after the war ends, while its units costs of opera-
tion will be higher than those of the pre-war years.

In view of these tendencies a conservative financial
policy is necessary.

It is equally important that Government also give some
recognition to the future when dealing with the vital
function of the railroads in making possible for the
future a sound, efficient and progressive railroad indus-
try.

Southern Railway Company, in serving the South,
has an outstanding and a growing advantage and territory,
but its stockholders must appreciate that the success of
the company is closely associated with the progress of
the whole country.

Respectfully submitted by order of the Board,
ERNEST E. NORRIS, President.

SOUTHERN RAILWAY COMPANY

The company received from freight, passenger,
and miscellaneous operations & total, $143,248,532
and $440,954,834, respectively, in 1943.

The indemnity covering the issue would limit the principal
amount of bonds outstanding at any time to $30,000,000,
of which $13,000,000 would be reserved by the current
issue.

Proceeds of this issue, together with the proceeds
from the sale of both issues of $46,265,818, will be
employed for the following purposes:

1. The capitalization of the capital stock of the following:

   a. Southern Railway Company
   b. Southern Pacific Company
   c. Mississippi Central

   and the utilization of $40,000,000 of the proceeds
   for the capitalization of the Alaska Railroad.

2. The payment of the capital stock of the following:

   a. Southern Railway Company
   b. Southern Pacific Company
   c. Mississippi Central

   and the utilization of $40,000,000 of the proceeds
   for the capitalization of the Alaska Railroad.

3. The payment of the capital stock of the following:

   a. Southern Railway Company
   b. Southern Pacific Company
   c. Mississippi Central

   and the utilization of $40,000,000 of the proceeds
   for the capitalization of the Alaska Railroad.

4. The payment of the capital stock of the following:

   a. Southern Railway Company
   b. Southern Pacific Company
   c. Mississippi Central

   and the utilization of $40,000,000 of the proceeds
   for the capitalization of the Alaska Railroad.

5. The payment of the capital stock of the following:

   a. Southern Railway Company
   b. Southern Pacific Company
   c. Mississippi Central

   and the utilization of $40,000,000 of the proceeds
   for the capitalization of the Alaska Railroad.

6. The payment of the capital stock of the following:

   a. Southern Railway Company
   b. Southern Pacific Company
   c. Mississippi Central

   and the utilization of $40,000,000 of the proceeds
   for the capitalization of the Alaska Railroad.

7. The payment of the capital stock of the following:

   a. Southern Railway Company
   b. Southern Pacific Company
   c. Mississippi Central

   and the utilization of $40,000,000 of the proceeds
   for the capitalization of the Alaska Railroad.

8. The payment of the capital stock of the following:

   a. Southern Railway Company
   b. Southern Pacific Company
   c. Mississippi Central

   and the utilization of $40,000,000 of the proceeds
   for the capitalization of the Alaska Railroad.

9. The payment of the capital stock of the following:

   a. Southern Railway Company
   b. Southern Pacific Company
   c. Mississippi Central

   and the utilization of $40,000,000 of the proceeds
   for the capitalization of the Alaska Railroad.

10. The payment of the capital stock of the following:

    a. Southern Railway Company
    b. Southern Pacific Company
    c. Mississippi Central

    and the utilization of $40,000,000 of the proceeds
    for the capitalization of the Alaska Railroad.

The proceeds of the sale of the bonds will be used to
finance the construction of new lines and to make
improvements on existing lines.
Canadian Securities

The strong demand in the past few weeks for Canadian dollars in the "free" exchange market has reopened the old controversy with regard to the economic responsibility of the Canadian currency returning to parity with the U.S. dollar. The idea continues to meet cold resistance in circles in Ottawa, but this is understandable.

Less comprehensible, however, is the virulently widespread public discussion in Canada of the possibility of making Canadian dollars available for an exchange rate somewhat below parity.

There is, of course, the simple fact that the main problem now of the Foreign Exchange Control Board is the disposal of an abundant surplus of the hitherto vitally necessary U.S. currency.

(d) Since the war there has been a revolutionary change in the Canadian economy. Huge industrial exports have been added to the already almost colossal surplus of agricultural produce available for shipment abroad. As a result, the assurance of freedom of exchange for many export markets, the Dominion's tremendous favorable balance of trade has, of course, been translated into a demand for Canadian dollars.

(e) Foreign trade is aware that the Board's new position in the fight against inflation means that Dominion interest and trade balances can be assured of freedom of exchange. The Board has resolved to sell a much larger volume of dollars than during the war.

(f) However, the Board has now determined to reduce the size of the balance of trade deficit. It is, of course, vitally necessary to support the present exchange earning power of the dollar. The Board is determined to proceed with measures to that end.

It is, of course, vitally necessary to maintain an artificially depressed exchange rate and that the Board is now determined to do.

Taylor, Deale & Company

41 WALL STREET.
NEW YORK 5, N. Y.

W. W. BROWN
President

Wright, Moore & Co.
Incorporated
41 WALL STREET.
NEW YORK 5, N. Y.

W. F. U. SMITH
President

Canadian Securities

We Are Pleased to Announce

MAY J. HERBERT EVANS
Formerly With
EDWARD W. COCHRAN & CO.
Is Now Associated With Our Firm As Manager
MUNICIPAL BOND DEPARTMENT

FLORIDA SECURITIES COMPANY
691 Florida National Bank Bldg.
St. Petersburg, Florida

Municipal News & Notes

Among the several factors responsible for the overall situation which characterized the municipal bond market in general during the past several years is the impressive reduction in the amount of industrial securities issued.

Among the several factors responsible for the overall situation which characterized the municipal bond market in general during the past several years is the impressive reduction in the amount of industrial securities issued.

The new trend is marked by an unbroken series of announcements of bond issues by industrial concerns resuming the financing of operations on the local market. The new trend is marked by an unbroken series of announcements of bond issues by industrial concerns resuming the financing of operations on the local market.

The decision to publish an announcement of a long withholding bond issue was made by F. E. L. Lynch, Pierce, Fenner and Beane, the results of which were published in the New York Times, March 21, 1944. The figures cited in the various comments listed in the report are more generally significant than the total of the whole period, as the percentage of decline was computed on the basis of the much larger issues. The figures cited in the report are more generally significant than the total of the whole period, as the percentage of decline was computed on the basis of the much larger issues. The figures cited in the report are more generally significant than the total of the whole period, as the percentage of decline was computed on the basis of the much larger issues. The figures cited in the report are more generally significant than the total of the whole period, as the percentage of decline was computed on the basis of the much larger issues. The figures cited in the report are more generally significant than the total of the whole period, as the percentage of decline was computed on the basis of the much larger issues. The figures cited in the report are more generally significant than the total of the whole period, as the percentage of decline was computed on the basis of the much larger issues.
Future of Air Transport

(Continued from page 1021)

there is little on the horizon at this time to indicate that domestic air transportation will carry more than the permissible, the specialties, the samples, and the emergency items which some savant can properly evaluate against an increase in the transportation cost. I do feel that all long haul first-class mail will soon be carried by air as it has always been the policy of our Post Office Department and the Congress to expedite the passage of mail. And probably this will be done without charging any premium for air mail as is done today.

I feel satisfied with excepted a few days ago that the railroads, who today rely mostly on the labor and income for freight, will not until after the railroads had been in operation approximately two decades that the income from commodities exceeding that of passengers. Therefore, while I do not share the enthusiasm of many mail transportation from commodities will out-distance passes for passenger service. If any thing, it is the opposite way.

Courses, of the air transportation in the commodity business which is the backbone of our surface transportation such as coal, ore, lumber, cement and the like where proper conditions do not exist, there is little to gain in the air because the airplanes can carry mail to the remote corners of the earth under special circumstances where no other transportation is available.

I have challenged a number of railroad executives recently to prove the statements that they are losing the traffic to the airlines which they do not regain fully in other ways as a result of the increases in the operation of all industry due to the airlines. While, of course, the proof would be hard to obtain, it is n't firm belief that if air transportation continues to expand and to take from existing surface carriers certain lines that it will by and large reach such a situation as the airlines will need a new plan of merchandising of commodities achieved by the quickening of our entire economic picture.

In the expansion of air transportation, which will come in the few years, after the war many problems present themselves. We have no exact agreement within the industry regarding the probable amount of growth. It seems likely that the 44,000 routes-miles of airways in 1941 will be expanded within the next few years to something on the order of 100,000 routes-miles or a number of flights per day per each mile of route in the order of two or two-three fold and, therefore, we may well anticipate an increase in service within the first decade of commercial aviation.

In 1941 the airways regularly served 771 cities. With the additional of a small number of existing routes and with the addition of even more new routes to be established we expect to be serving a total of 1,000 communities within the United States during the same five-year period. We shall have not only the present standard Douglas DC-3 but also passenger airplanes but, just as we shall have the DC-4 seating between 40 and 50 passengers and shortly thereafter other models, the largest of which will probably be able to carry 100 passengers. Our present flying speeds of three miles a minute will be still further increased as the result of technical advantages achieved during the war to four miles a minute and probably with in the five-year period to between five and six miles a minute. Of course, these higher speeds will be practical only on the longest hauls. The six mile a minute flying speed will permit us to operate non-stop schedules to Chicago in only a little over two hours thereby providing a very practical service whereby a man in New York may sleep at home, spend a day in Chicago, and sleep at home the next night in New York as he now does when going to Philadelphia or New York.

What the airlines financial picture will be following the war is one of conjecture. Most of the domestic airlines already have or are formulating plans of expansion. In each instance additional expansion is being incurred as what methods of financing will be used are in various stages to be worked out. Some will undoubtedly provide for the issuance of new stocks while others may rely upon equipment trusts and some may be able to take the expansion off the books. To what extent the airlines will lose the operating money, have some bearing upon the future financial management. The whole policy of earning money, expansion and invested capital will be a factor.

Aviation has largely been called the conclusive weapon of the Axis. Lack of it in the early days caused our Allies practically all their defeats. Possession of it has today given to the United Nations practically all their victories and with the weakening of the Luftwaffe we can count on closing in for the kill in Europe.

Today there are two American flag airlines with certificates for commercial operation to Europe. Both of them have done a fine job. We have Captain Blbeck-er's recent suggestion that the American military commands will not release their flying routes to many parts of the world until such routes can be established for American companies on a commercial basis will be seriously studied by our Government so that we shall not lose landing rights at the many bases we have established and which are now operating. If this can be done and we can establish American competitive principles in international air transportation we shall have done much to secure the future peace of the world through rapid transportation and the closer contacts which it will establish so that the peoples of the world can have a sympathy and a understanding of each other's point of view.

Interesting Situation

Steady and substantial growth in earnings of the “Utility Group” have increased the speculative attraction of both the Prior Line and Plain Preferred Stocks of New England Public Service Company according to a detailed report the situation prepared by H. & Co., 111 Broadway, New York City, members of the New York Stock Exchange and other leading national exchanges. Copies of this interesting circular may be had from E. Unterberg & Co. upon request.

Public National Attractive

Stock of the Public National Bank and Trust Company of New York offers interesting possibilities for investment, according to a memorandum issued by C. K. Unterberg & Company, 61 Broadway, New York City. Copies of this memorandum outlining the situation may be had upon request from C. E. Unterberg & Co.

Moore-McCormack Lines, Inc.

60,000 Shares

$2.50 Cumulative Preferred Stock

(Convertible until December 31, 1930)

PRICE $48.50 PER SHARE

(plus accrued dividends from April 1, 1944 to date of delivery)

60,000 Shares

Common Stock

PRICE $15.50 PER SHARE

Copies of the Prospectus may be obtained in any State from only such dealers participating in this issue as may legally offer these Securities under the securities laws of such State.

Kuhn, Loeb & Co.

Ladenburg Thalman Corporation E. H. Rollins & Sons Schroder Rockefeller & Co.

A. C. Allyn and Company Central Republic Company

Maynard H. Murch & Co. Grubbs, Scott & Company

Johnston, Lemon & Co.

New York, April 18, 1944.
The Outlook For Rails Now And In The Post-War Period

(Continued from first page)

Each of these workers consumes the usual run of household and personal living needs, besides food, etc., so the ever-widening spiral of demand spreads to the run of Sears-Roebuck, Montgomery Ward, C. P. Company and the A. & P. (just to mention a few of the retail outlets, so as to better illustrate this point); each of these organizations tends to replenish its shelves, so their orders and re-orders spread on and on the layer of expanding business and employment.

While being shipped in such form to Detroit, St. Louis and Pittsburgh for other refinements, or assembly into an automobile body, the trend of expanding allied industry and employment grows apace, for in the intermin workers are being hired for work in the related plate glass, electrical equipment, rubber and kindred industries.

In other words, the sum of all forms of business flowing because of, and in line with, the rate of automobile production (as totalled in Class I freight revenues, and as divided among the production of passenger cars, results in a CONSTANT of roughly $1,000 of freight revenues for each passenger car produced.

Reference to press releases of recent months will find authority for the belief that the present backing of automobile production—before it "catches up" with current demand—is in the neighborhood of 25,000,000 units.

If this backing were manufactured at the 1929 peak production figure of 4,200,000 units, such backing would require roughly six years of 1929 production rate. However, the industry's current effort is engaged wholly in war production effort, as a consequence of which eventual conversion to peacetime production schedules is likely to be a large excess of plant facilities.

The manufacturing—keenly alive to the known backlog, plus the realization that the "where-birth" (in the form of bank deposits, war bonds and/or finance company facilities) exists—will in the post-war period likely convert a large portion of "excess" plant into additional auto output, thereby presenting the basis for possible annual production schedules of in the neighborhood of 4,600,000 units, or a prospect of four years of production at this date.

Thereby is provided MINIMUM 1942 freight revenues of 4,825,622,000 units, or 4,600,000 units, respectively.

Application of a "MEAN" of 3,754,800,000 freight revenues per passenger car produced results in possible post-war levels of freight revenues of between the lower and upper limits of $4.5-$6.5 billion, respectively.

Giving full credence to the wildest claims of the post-war aviation enthusiasm, by ceding all mail and express revenues to the future branch of the transportation industry (eliminating at the same time flying car and incidents-all adding up to the neighborhood of a half billion of dollars discarded for the sake of this projection), and reducing passenger revenues from the 1941 level of around $1.7 billions to the 1929-depression year level of $500 millions (thereby diverting a large portion of "excess" traffic to the post-war aviation, less at the present time, by practically all lines of transportation)—there can be added only some $500 millions of passenger revenues to the previously-neglected $4.5-$6.5 billions of potential post-war freight revenues level.

Thus is provided a "knocked-down," conservatively appraised post-war gross revenues level of 6,136,000,000 billions—the average being $6.0 billion.

In connection with this "backlog" method of approximating the potentiality for railroad gross revenues in the post-war period, consider the statements by Colonel Ayres (of the Cleveland Trust Co.) at the Merchants-PAC ICC hearings in Brooklyn last year—of $6.8-7.2 billions.

Such possible $6.0 billions average gross revenues, when compared with the "hits" for recent years, shows the futility of any doubt about the volume of business for the railroad industry in the immediate years ahead:

"Wroth" for Class I Annual Gross Revenues in date since 1935

<table>
<thead>
<tr>
<th>Year</th>
<th>Millions</th>
<th>Millions</th>
<th>Millions</th>
<th>Millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1935</td>
<td>3,754,800</td>
<td>3,754,800</td>
<td>3,754,800</td>
<td>3,754,800</td>
</tr>
<tr>
<td>1936</td>
<td>4,098,700</td>
<td>4,098,700</td>
<td>4,098,700</td>
<td>4,098,700</td>
</tr>
<tr>
<td>1937</td>
<td>4,398,400</td>
<td>4,398,400</td>
<td>4,398,400</td>
<td>4,398,400</td>
</tr>
<tr>
<td>1938</td>
<td>4,661,300</td>
<td>4,661,300</td>
<td>4,661,300</td>
<td>4,661,300</td>
</tr>
<tr>
<td>1939</td>
<td>4,825,622</td>
<td>4,825,622</td>
<td>4,825,622</td>
<td>4,825,622</td>
</tr>
</tbody>
</table>

There will be those who somehow can't visualize that:

"Granted a $6.0 billions annual gross revenues base for the post-war period, but how about the

Miles

Rev. Per

Revenues

Rail

1940...6,500,000 4,825,622 4,825,622

1941...6,500,000 4,825,622 4,825,622

1942...6,500,000 4,825,622 4,825,622

1943...25,174

426,000

1,322,073

With connection in the previously-noted sharp increase in hourly and annual wages and coupled with some of the effects annual post-war level of following ratio of wages paid to annual gross revenues:

<table>
<thead>
<tr>
<th>Year</th>
<th>1940</th>
<th>1941</th>
<th>1942</th>
<th>1943</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rate</td>
<td>40.5</td>
<td>42.7</td>
<td>42.7</td>
<td>40.5</td>
</tr>
<tr>
<td>Rate</td>
<td>42.7</td>
<td>40.5</td>
<td>42.7</td>
<td>42.7</td>
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<tr>
<td>Rate</td>
<td>42.7</td>
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<td>Rate</td>
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</tr>
<tr>
<td>Rate</td>
<td>42.7</td>
<td>42.7</td>
<td>42.7</td>
<td>42.7</td>
</tr>
</tbody>
</table>

In summary, the railroad industry has cut debt by at least a billion dollars, with the future being with which fixed charges have been paid. In the same three-year period cash and equivalent has been used up in one form or another by the railroad industry, and the railroad industry has paid down its debts from $3 billions to $2 billions, while net current earnings have increased from $1,289 millions to $1,823 millions in the three-year period.

With no reversion problems, no investors which may have to be liquidated in the post-war period at a loss, nor excess plants which may have to be sold open of a sacrifice; with the prospects for as much as four-five years of war profits being available in the future, the railroad industry is in a position to go its own way and plan for the future.

In fact the writer can confidently foresee an eventual return of interest on the considerable investments made in the railroad securities, to the extent where once more they will command the same high respect and compensatingly low yield as that experienced in the recent past. Naturally, war developments will provide occasional interruption in this general direction but the overall trend of interest rates should be upward.

Centralized Train Control down through the use of aluminum-alloy freight cars and wider ultimate employment of Diesel equipment.

Agreement with the cynic ceases with the 1916-1942 set of standards for operation and with the 1916-1942 set of standards for operation and maintenance. In the 26-year record, the railroad industry has seen that it had been outdistanced in its own lines of operation and management to CONTROL the whole railroad industry in the future effect E.V. AS ABLY AS ASA PAST.

6,000 Shares

Bond Stores, Incorporated

4⅞% Convertible Preferred Stock

Par value $100 per share

Price $105.50 per Share

(plus accrued dividends from April 1, 1944, to date of delivery)

Copies of the Prospectus may be obtained in any State from such of the several Underwriters, including the undersigned, as may lawfully offer the securities in such State.

LEHMAN BROTHERS

WERTHEIM & CO.

April 14, 1944
Wallace To Visit China
On Mission For FDR

Advises to the effect that Vice-President Wallace is to go to China in the late spring or early summer were contained in an announcement by the Vice-President at Washington on April 11. He announced that he expects to go before some point in the late spring or early summer. No expenses or matters connected with the trip and no additional details are available at this time.

Later press accounts from Wash¬
ington reported that the Vice-Pres¬
tident’s trip to China has been de¬
cided upon by Mr. Roosevelt and the
the Vice-President trip to Chong¬
ing on a trip April 18 is mission
designated primarily to re¬
consider the situation in China.

A National Conference will be held in Chi¬
gal in April to consider the situation
in China when the President and Vice-Pre¬
sidential conferences are made and
that 10,000 miles away, as some of his
cometaries had hoped.

It is reported that Mr. Wallace will undertake the mission at the President’s personal request be¬
cause it was felt that only an important peace conference without the backing of the White House could accomplish the ob¬
jective.

Those who professed to know something about the Vice-President’s projected visit said Wash¬
ington had been informed by the Chinese
that large-scale Allied activity in that area cannot be initiated as soon as the military necessities accompanying the coming inva¬
sion of Europe permit.

"Friends said the Vice-Pres¬
dent’s appearance in the Pres¬
ident’s request that he be made the tri¬
"I am afraid the President is not

WYOMING, WY.

An active bank stock or utility which can be purchased without effort. On the other hand, in inactive stocks difficult to pur¬
chase and sold in small lots with heavy transfer taxes, 5% is not enough.

A as a result of this ruling, we have completely eliminated all small accounts simply because, from a business standpoint, they are not worthwhile. It is tough on the customer, I admit, and they have resisted the lack of attention, but we feel we are faced with no other alternative. If we operate at a loss we cannot stay in business, that is fundamental.

Another item that enters into this is the question of transfer taxes. I know of no retailer in any other line of business who is not subject to the same kinds of drawbacks of this type. This 5% ruling has created a tendency on the part of retailers to deal in stocks that do not have heavy transfer taxes. It has eliminated, as far as a dealer is con¬
cerned, the real value of an able trader. In my opinion, it is un¬
fortunate the SEC has failed to recognize that the control of the NASD has gone into the hands of the larger underwriters and distri¬
butes directly or indirectly, who will benefit tremendously by the elimination of the small dealer. I would suggest each dealer look over the list of officials in his own district, weigh well their records over the years and ask himself whether they are really crus¬
erators or "Hawkers on a High Standard of Ethics" in the investment business or largely a group of mediocre, sanctimonious hypocrites with a psychopathic flair for publicity out to further their own interests.

BUFFALO, N. Y.

These regulations are arbitrary on the part of the NASD with¬
out the consent or even submission to members. It is wrong in principle and smacks of legislation, etc. Small business under the 5% is out of luck—their chances of financing are reduced to zero.

FROST CITY NOT INDICATED

An adverse effect because we just can’t make a market that will permit room for taxes, Red Cross contributions, war bond purchases, a place to transact business from, and a place to live in.

Also, no ONE interpretation of the rule can be had from those who created it.

NEW YORK, N. Y.

It would seriously curtail them and be most detrimental.

NEW YORK, N. Y.

Small companies would not find it possible to obtain financing publicly. Therefore, retard progress of expansion and development.

ROCHESTER, N. Y.

Probably a very bad effect because the dealer cannot afford to spend the time working up sales and making markets unless his profit is greater. Its much simpler to sell a security that is better known and has a broader market.

JAMESTOWN, N. Y.

I certainly believe that this markets will become dormant, Jamestown has a population of around 45,000. There are a number of small corporations here having small holders, and I do not think the effect in finding buyers and sellers for these people, on small sales at 5%, and I have told the stockholders how much we would have to pay for the NASD has set out for publicity out of these lines. I have not found one person who did not agree that they would not expect that I could do so.

It is natural when people find out that their money is frozen in

(Continued on page 1620)

This announcement is not an offer to sell or a solicitation of an offer to buy these securities. The offering is made only by the Prospectus.

$7,000,000

Louisiana Power & Light Company

First Mortgage Bonds, 3% Series Due 1974

Dated April 1, 1944

HALSEY, STUART & CO., INC.

Price 103% and accrued interest

HORNBLOWER & WEEKS

Burr & Company, Inc.

Hirsch, Lichtenhal & Co.

Welsh, Davis & Company

Rauscher, Pierce & Co.

STERN BROTHERS & CO.

WHITE, HATTIER & SANFORD

Price

OTIS & CO. (INCORPORATED)

GREGORY & SON

HISHER, LINTHALL & CO.

NASHVILLE SECURITIES CORPORATION

RAUSCHER, PIERCE & CO. (INCORPORATED)

April 30, 1944
DIVIDEND NOTICES

Atlas Corporation

Dividend No. 1

6% preferred Stock

Notices of declaration of dividends of 50 cents per share are mailed on the 20th of June and December to all record owners of the above stock.

November 19, 1944.

WALTERS A. PETERSON, Treasurer

April 10, 1944.

The BUCKEYE PIPE LINE COMPANY

401 Broadway

New York, N. Y.

April 12, 1944.

A dividend of Twenty-five (25) cents per share has been declared for the quarter ending April 1, 1944, to be paid to record owners of the above stock at the close of business on April 30, 1944. The above dividend has been declared at the request of the Board of Directors, the record date being April 14, 1944.

J. B. FART, Secretary.

NATIONAL DISTILLERS PRODUCTS CORPORATION

The National Distillers Products Corporation has declared a regular semi-annual dividend of 50 cents per share on the common stock. This dividend will be paid on April 15, 1944. The cash dividend is payable on April 30, 1944, to holders of record at the close of business on April 14, 1944.

L. W. GIX, Secretary.

Kuhn, Loeb Group Offers Securities Of Moore-McCormack

Preferred and common stocks of Moore-McCormack Lines, Inc., operators of the popularly known "Gulf Stream line," and now operating ships as Government agencies, are being sold by a banking group headed by Kuhn, Loeb & Co. and including Ladenburg-Hallman Corp., R. H. Hol¬


The offering, which is being made for the account of certain stockholders, is expected to close before the end of the month. No new financing by the company, consists of 600,000 shares of $2.50 cumulative preferred stock ($50 par), priced at $48.50 per share, and 60,000 shares ($100 par) common priced at $135.50 per share. The preferred is convertible until Dec. 31, 1945, into common stock at $29 per share, and thereafter to Dec. 31, 1950, at $25 per share.

The company has assets of more than $34,000,000 of which over $21,000,000 is in floating equip¬

ment, Outstanding debt consists of $108,000,000 of preferred stock and $50,000,000 of common stock. Of the 1,000,000 shares of preferred stock, $500,000 are common stock, 270,000 shares are reserved for issuance on conversion of preferred stock.

Living Costs Unchanged in March, Conference Board Reports

Living costs of the average fami¬

ly of wage earners and lower¬
salaried clerical workers in the United States was unchanged from February to March, accord¬

ing to the National Industrial Conference Board.

(Continued from page 1629)

some company they may feel they have to get into a market for their investment, that they will not be anxious to go into something else, even though it may look very attractive. Financing of new indus¬

ties is not now regarded as a "hot" market, and even the "common stock," or speculative type, so far as regulation by the people in the business is concerned. Neither one is qualified to supervise and regulate both. They do not want to do business of different kinds of business and should not be thrown together.

At present an issue of "5% board" governing NAS are of the first type and very likely not over one or two of them deal in specu¬

lative securities. Their taking a market by acquiring by selling is apparently very little about the creation of new wealth. The wealth and progress of America was never made by such restrictive thinking.

There are still a lot of Americans that want higher income pro¬

ducing securities with a chance to speculate in new ventures and a chance to prosper with the growth of our nation.

The second type of dealer has a very definite place in the scheme of American life and while they should be regulated and encouraged to honesty and fair dealing, they should not be "put out of business," which seems likely under the "5% rule." Government bonds, municipal obligations and other lower type lending of investment, of course, is not a market for "chiselers" or speculators. The market for buying by junior type of securities were stopped and the market for such issues ruined.

The answer, at least for the present, is the formation of another department or association, perhaps, for the supervision, etc., of the second or "speculative type of business" dealer. It is a fact that IBD group do not have anything in common with the small dealer, and why the first group of course they should want to regulate the small, or common stock dealer, the "Lord only knows."

All we want is a decent market for our own securities in order to preserve our type of business and thereby preserve and further the life and possibilities of new enterprise and markets.

KANSAS CITY, Mo.

Probably will cause all prominent sales (estates, etc.) to be at complete mercy of management officers when it is necessary to sell.

ST. LOUIS, Mo.

It is our opinion that the 5% rule will probably be more of a detriment than an advantage under round mountains in business administration.

SAN FRANCISCO, CAL.

(Firm favoring rule)

None, as should be sufficient, and it is better to have fair limit to eliminate the group of "chiselers" who are on the investors.

ST. LOUIS, Mo.

Will seriously impair such markets.

ST. LOUIS, Mo.

We believe that the 5% mark-up rule will be distinctly deliri¬

ous for the small investor and would stop the market for our country and, in fact, believe that it will have a very adverse effect upon the market for all securities which are dealt in "over-the-counter" market.

We believe that the ruling is unfair to the small investment, but perhaps it is inevitable to a determination of the business. In fact, we consider the rule vicious in every respect.

SPRINGFIELD, Mass.

I firmly believe it will dry up the market to a very great extent; and out of this sale for the investor of small companies most difficult to carry out.

LOS ANGELES, CAL.

Along with the New Deal over-regulation of business, the 5% mark-up rule will eventually stifle or completely eliminate not only the market for securities of the smaller corporations but aid in the elimination of the establishment of new corporations through lack of a profit incentive. It requires courage for any business leader to go on with business made in good faith. For 12 years the leadership of the investment banking fraternity has shown a lack of understanding of things American and by a common English and American principle that you are innocent unless proven guilty, so why expect a concerted move to correct one more strang¬

ling legislation.

A SMALL ALABAMA TOWN

Bad.

Our business is larger than ever and the 5% rule does not affect us. However, we are against control of profits by the government in principle. We do not think the 5% rule will affect small companies.

A SMALL MINNESOTA TOWN

It will eventually kill off the market for more speculative issues of small corporations.

ST. LOUIS, Mo.

Smaller corporations, not known, there will be very little interest in their markets.

KANSAS CITY, Mo.

Sadley neglected—resulting in withdrawal of dealer interest—hence difficulty in making a market. A lot of small issues are made by stock exchange houses and will not do-over-the-counter business, but rather will be sold over the counter at a discounted price. The trend is propelled by the fear of loss of business and then, no doubt, another "made to order" directive will be issued in some way, allowing larger mark-up.

ST. LOUIS, Mo.

It is bound to ruin these markets.
Grocery & Drug Stores.

GREAT NORTHERN PACIFIC RAILWAY.

HARRIS & Co., Minneapolis, Minn.

AMERICAN BAKERS—(Continued on page 164).

THE close out of the Spring

The factory, however, did not live up to its earlier promises. For volume dried up and the price of flour in town was $1.20. A number of men will retire from the capital, not named, and the price of flour is down from the high of 85. A number of men will finish the contract under the current arrangement.
BOLIVIAN BONDS
all issues
CARL MARKS & CO., INC.
FOREIGN SECURITIES SPECIALISTS
50 Broadway St. Louis, Mo.
NEW YORK, N. Y.

"Our Reporter On Governments"

BY JOHN T. CHIPPENDALE, JR.

The Government bond market in the past week was a quiet affair despite some activity in the partially-tax-exempt obligations. These bonds are examined at weekly intervals and the market has become so thin that the final decision may be reached this week. With the Treasury in receipt of another billion in the not too distant future, the Treasury may deem it advisable to bolster its cash position to meet any emergencies that may develop.

By holding the usual volume of Fifth War Loan bonds in June, the Treasury would prevent its cash position from running low by the time the bulk of the Fifth War Loan subscriptions become payable on June 26. It is estimated that Treasury balances may decline more than the Fifth War Loan, and that the ratio of deposits to Federal Reserve Banks had an indicated ratio of 8%, while the city banks had a ratio of 20% in June. If the Treasury should borrow new money from the banks, it will probably take about 10% as many certificates of indebtedness to be refunded with a larger issue to build up Treasury funds.

BANK RATIOS

The total volume of deposits at all the banks at the close of 1943 was in excess of $20,000,000,000 compared with the cash reserves and deposits of all the Federal Reserve Banks, while the New York reserve city, the New York City banks had an indicated ratio of 8%, while the city banks had a ratio of 20% in June. The ratio of deposits to Federal Reserve Banks had fallen sharply in the last few years, and with the ending of hostilities and during the current period of reconstruction, the ratio of deposits to Federal Reserve Banks has fallen sharply. For the first six months of the year, the ratio may be as low as 5%, and for many banks even below this figure.

EFFECTS OF LOWER CAPITAL RATIO

The ratio of capital has already had its effect upon the investment policies of the banks, and on the Government bond market. The thinning out of the capital protection has made it essential for the banks to maintain a lower bond maturity and the relation of short-term Governments to deposits has risen sharply. The banks are no longer holding a higher capital ratio than being actively discussed in banking circles, and the question arises whether or not too much emphasis is being placed on the ratio of capital funds to deposits. It is pointed out that it does not give a fair comparison of the strength position of the banks. Accordingly, it is suggested that a more reliable guide to the banking situation would be a ratio of capital funds to (a) Total assets, (b) Assets other than cash and United States Government bonds.

RISK ASSETS DEEDUCTION

In considering the ratio of capital funds to risk assets it is pointed out that this ratio includes that portion of the capital which losses might be sustained, and the best way to ascertain risk assets is to deduct them from all other assets. The following are considered riskless assets:

(1) Cash on hand and with banks;
(2) Accounts due from Government obligations, such as Treasury bills and certificates of indebtedness;

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<td>1029</td>
</tr>
<tr>
<td>Tomorrow's Markets—Wall Street Boys</td>
<td>1030</td>
</tr>
</tbody>
</table>

For Dealers...

5 stocks with post-war prospects in the Non-Stop Air Pick Up, Home Laundry, Electronics, Die Casting and Television fields.

All American Aviation, Inc.
Benidex Home Appliances, Inc.
Allen B. DuMont Laboratories, Inc.
Harvill Corporation
Majestic Radio & Television Corp.

Trading markets and information on request

Robbie, Gearhart & Company

INCORPORATED
Members New York Security Dealers Association
45 NASSAU STREET, N. Y. 5, N. Y.

Broker-Dealer Personnel Items

If you contemplate making additions to your personnel please send in particular to the Editorial of The Financial News for publication in this column.

ALBANY, N. Y. — Thomas A. Cody, formerly with R. M. Horner & Sons, Inc., has been appointed by the American International Trust & Banking Co., 150 Broadway, to be an executive of the company.

(Special to The Financial Chronicle)

OAKLAND, CALIF.—D. E. Miller has been appointed by Frank N. Johnson, Jr., to be executive of the Johnson & Company, Bank of America in Oakland.

(Special to The Financial Chronicle)

SAN FRANCISCO, CALIF.—Frank N. R. Amsden has been connected with H. R. Baker & Co., Russ Building.

(Special to The Financial Chronicle)

NEW YORK, N. Y.—Ivan, of 6-7970 and 1 Division Street, New York 5, has been added to the staff of Sullivan & Company, 519 California Street.

(Special to The Financial Chronicle)

SOUTHERN, WILL., Walter O. Brinkmeyer, Jr., has been appointed by the Northern Securities Co. 1710 South Figueroa Street, Los Angeles, Calif., to be executive of the company.

(Special to The Financial Chronicle)

RICHMOND, VA.—Walter E. Embry, of 519 Mobile Street, 8430, has been appointed by the First National Bank.

(Special to The Financial Chronicle)

BROOKLYN, N. Y.—Mr. E. T. Hoover has joined the insurance department of the Irving Trust Co., 505 Liberty Street.

(Special to The Financial Chronicle)

(3) Loans to brokers and dealers secured by Government securities and other securities;

(4) Prime bankers' acceptances.

Capital funds would then be measured against the remaining assets (risk assets), and if the ratio of capital to risk assets strengthens, the banks may be able to increase its capital.

An effort is being made by the banks during the next few weeks, to build up capital funds at a faster rate. For example, the capital ratio of the First National Bank of New York, which had a capital ratio of 8% in June, may be as low as 5% by the end of the year.

A comparison made at the end of March, 1944, of the ratio of capital, surplus and undivided profits to deposits and of capital reserves to deposits are as follows:

<table>
<thead>
<tr>
<th>Bank</th>
<th>Capital, Surplus and Undivided Profits to Deposits</th>
<th>Capital to Assets Other Than United States Government Bonds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chase National Bank</td>
<td>20.8</td>
<td>20.8</td>
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<tr>
<td>National City Bank</td>
<td>17.8</td>
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<td>Guaranty Trust Co.</td>
<td>33.8</td>
<td>33.8</td>
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<td>Bankers Trust Co.</td>
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<td>Manufacturers Trust Co.</td>
<td>28.2</td>
<td>28.2</td>
</tr>
<tr>
<td>Chemical Bank and Trust Co.</td>
<td>22.2</td>
<td>22.2</td>
</tr>
<tr>
<td>First National Bank</td>
<td>33.4</td>
<td>33.4</td>
</tr>
</tbody>
</table>

It is pointed out that while the ratio of capital, surplus and undivided profits to deposits is substantially reduced, the ratio of capital to assets other than cash and United States Government bonds is maintained at a high level. This is achieved by a reduction in the ratio of capital, surplus and undivided profits to deposits.

The announcement of the decision to increase the capital ratio of the First National Bank of New York City is indicative of the effort being made by the banks to improve their financial position.

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