Non-Callable Bonds

Recently several important issues of bonds have been called for payment at prices below those at which they had been selling.

In view of this situation, we should like to call attention to non-callable issues yielding as high an income return without the possibility of redemption prior to maturity.

The name, the price and the yield of several standard non-callable bonds will be sent on request for list H.

SUTRO & KIMBLEY
Members New York Stock Exchange
Sixty-six Broadway
New York

Responsibility

As between broker and client exists mutually.

On the one side is the necessity of giving adequate service and security.

On the other, is an obligation to be governed by conservatism.

With all this, *confidence* should be prominent in the selection of stocks and your broker.

Special Letter H-21 on Request

J. Frank Howell
15-25 Whitehall St., New York

HITS GOVERNMENT OWNED UTILITIES

Report Declares Privately Held and Publicly Regulated Companies Best.

That Government ownership and operation of electric light and power companies, from the point of view of service or low cost, compared with the workings of such companies, privately owned and publicly regulated in this country and Canada, is not successful is the conclusion of Murray & Flood, engineers, of this city, in their report to the National Electric Light Association. As an exemplification of their opinion, they point to the case of the Hydro-Electric Power Commission of Ontario.

The report declares that it is not intended to dim the glory of the commission's achievements, which has replaced certain unregulated private utilities, operation of which were far inferior to it.

No system of electric service, such as that operated by the commission, the report asserts, is applicable in the United States, because it is subversive of American policy and custom and inefficient, expensive and wasteful. Service rendered by privately owned utilities under public regulation, it says, is cheaper and better than that rendered by governmentally owned utilities, and that, even in Ontario, which has what is generally regarded as the most successful example of Government owned utilities, private capital and enterprise have contributed more to the upbuilding of civic, industrial and commercial life than has the Government owned project.

The report asserts that at the end of the fiscal year 1920 only 23 per cent. of the power plant capacity operated by the commission was constructed by it, the remainder representing capacity built at the initiative and the risk of private investors and acquired from them by the commission. In acquiring ownership of it, the report states, intangibles, as franchise rights and good will, were included in the purchase price. That intangible cost therefore being represented in power at cost, such intangibles necessarily would be included in the cost of any governmental plan of like characteristics which might be tried in the United States.

AIR BRAKE DIVIDEND IS $1.

Westinghouse Directors Decide to Reduce Quarterly.

PITTSBURGH, March 9.—The Westinghouse Air Brake Company's directors declared to-day a dividend of $1 a share, and after the meeting A. L. Humphrey, president of the company, stated that its financial report for 1912 would show a net operating profit of $1,412,490.43 and undistributed surplus of $12,931,103.16, and the consolidated balance sheet of the company and its subsidiaries, as of December 31, cash accounts and bills receivables of $3,178,350.42.

Although the company's regular dividend rate was maintained throughout 1921, being paid in part from corporate surplus, gradually accumulated in past years, the board, in consideration of industrial and financial conditions, deemed it advisable to reduce its current quarterly dividend to $1 a share, he said.

FOREIGN INTERNAL BONDS.

Loans not issued in American dollar values.

	Rate.	Date.	Due.	Bid.	Ask.
Argentine (unlist).	5	Sept..	1945	76¼	77¼
Belgian (restor's).	5	Option	1934	73	78
British Victory	4	Issued	1919	360	379
Canada	5½	Nov...	1924	95¾	96¾
Canada	..	March	1937	97¼	98¼
Canada	5½	Nov...	1934	96¼	97¼
Colombia	6	Issued	1915	68	71
Costa Rica	5	Option	1958	59	66
French Victory	5	Option	1931	66¼	67¼
French Loan	4	Option	1943	56¼	57¼
French Premium	5	......	....	80	82½
French Loan	6	Option	1981	80	82¼
Italy War Loan	5	......	....	39	40½
Pelotas (Brazil)	5	Issued	1911	55	57
Uruguay	5	Issued	1919	71¼	72¼
Rus R Bds F & A	5½	Feb...	1926	4½	5½

U. S. CERTIFICATES AND NOTES.

Month. 1922.	Per Cent.	Bid.	Asked.	Wed. Bid.	Approx. Yield.
*April	4¾	100	100 1-16	100	3.20
*June	4¼	100 1-32	100 1-8	100 1-32	3.70
*June	5¾	100 3-8	100 1-2	100 3-8	3.60
August	5½	100 9-16	100 11-16	100 9-16	3.75
*Sept	4½	100 7-32	100 11-32	100 7-32	3.79
*Sept	5½	100 5-8	100 3-4	100 5-8	3.75
*Dec	4½	100 11-32	100 15-32	100 11-32	3.85
1923.					
May	4¾	100.72	100.74	100.40	4.10
1924.					
*June	5¾	102 3-4	102 7-8	102 11-16	4.40
*Sept	5½	102 3-8	102 1-2	102 5-16	4.43
1925.					
*March	4¾	100 3-4	100 7-8	100 3-4	4.44
1926.					
*March	4¾	100 5-8	100 7-8		4.50

*Acceptable in payment of Federal taxes on the dates of maturity.

CONVERSION SENDS UP VICTORY NOTES

New Issue at 100 1-2 and 4 3-4s Above 100.60—Subscriptions Pour In.

The opportunity for holders of Victory 4¾ per cent. notes to extend the maturity from a possible nine months' date through the option of the Government to call such notes on December 1 next to a maturity of four years from date was taken so favorably yesterday in Wall Street as to cause a substantial rise both in Victory 4¾s and the new notes on a when issued basis. The conversion is provided by the new issue of four year 4¾ per cent. Treasury notes, to mature on March 15, 1926.

This is the first time that a Treasury note running longer than three years has been issued, and the new notes can be obtained only by holders of 4¾ per cent. Victory notes, which will be accepted at the Federal Reserve Banks at par and accrued interest in payment for any of the new notes subscribed for and allotted. The purpose of the extension offer is to provide for the gradual retirement of Victory notes pursuant to refunding plans, and the fact that the exchange offer is attractive is proved by the market in excess of 100½ for the new notes when issued and by the sales of Victory 4¾s above 100.60.

It has been argued that it would be impossible for the Treasury Department to call for payment on December 1, 1922, all of the $2,918,000,000 outstanding Victory 4¾s; that it would be impractical on account of advertising and other expense to call for a part of the total, and hence that none will be called on December 1.

The fact is that the issues of 4¾s are divided into classes ranging from $300,000,000 to $400,000,000 each, running from class A to class G or thereabouts, and that it would be an easy matter for the Treasury Department to pick out any one or more classes and call such a class or classes on December 1. There is no information that class A or any other class will be called on December 1, but the presumption is that one or more will be called for payment at that time. Consequently any one must regard his holdings as of potential December 1 maturity and act accordingly.

Offering for subscription of $250,000,000 or thereabouts of 4¼ per cent. Treasury certificates of indebtedness, due March 15, 1923, is expected to be heavily oversubscribed, judging from the volume of subscriptions poured in on the first day. The exchange offer involves no cash subscription payment, consequently the drain on liquid funds applies only to the $250,000,000 certificates, which is a relatively small total to be offered.

Average Bond Prices

March 9, 1922.

	Thursday.	Net Change.	Week Ago.	Year Ago.
10 Rails	81.80	+.02	81.80	72.53
10 Industrials	95.57	—.01	95.53	87.90
5 Pub. Util.	80.53	+.08	81.05	64.72
5 Foreign	102.65	—.20	102.90	91.00
30 Bonds	89.65	—.02	89.78	79.42

BOND NEWS AND NOTES.

New Haven Gets Federal Loan.

WASHINGTON, March 9. — The New Haven Railroad was given to-day formal permission by the Interstate Commerce Commission to enter negotiations with owners of its European loan bonds looking to a deferment of their maturity date from April 1, 1922, to April 1, 1925, and to offer the owners an increase in interest rate from 4 per cent. to 7 per cent. Bonds of the loan outstanding amount to 69,672,000 francs and $14,118,000. The commission announced later that it had granted the road a loan of $2,758,000 to assist it in meeting the maturity of its European loan. The commission withheld a complete decision on the application of the road for $31,000,000, which it originally suggested might be needed to finance the maturity, but allowed the amount named to assist it in a refunding operation, by which the holders of the bonds will be asked to extend them for three years and will secure an increase in their interest rate to 7 per cent.

Western States Gas Issue Sold.

An issue of $5,000,000 of the Western States Gas and Electric Company of California's first and unified series A 6 per cent. mortgage gold bonds has been purchased and sold by a syndicate composed of Blyth, Witter & Co.; H. M. Byllesby & Co., Inc., and Cyrus Pierce & Co. of San Francisco. The bonds are dated March 1, 1922, and are due on March 1, 1947. They were sold at 94, to yield about 6½ per cent.

Offer $1,200,000 Gas Bonds.

Harris, Forbes & Co. are offering a new issue of $1,200,000 of the Houston Gas and Fuel Company's refunding and improvement mortgage (now first mortgage) 5 per cent. gold bonds, due on September 1, 1932, at 91 and interest, to yield about 6.17 per cent. The company does the entire gas business of the city of Houston and its suburbs, serving a population of more than 180,000. The bonds are secured by a direct first mortgage on all its property, rights and franchises. It has no other funded debt outstanding, and its net earnings are more than three and a half times the annual interest on the bonds with the public.

$1,380,000 County Offering.

An issue of $1,380,000 of improvement and road bonds of Morris county, N. J., is being offered by Barr & Schmeltzer, Hornblower & Weeks and Bond & Goodwin at prices to yield 4.40 to 4.25 per cent., according to maturity. The bonds fall due serially on March 1, 1923, to March 1, 1940, inclusive. The county's net bonded debt is about 3½ per cent. of its valuation.

Colorado Springs Flotation.

Curtis & Sanger and James H. Causey & Co. of Denver are offering $390,000 of the city of Colorado Springs 5 per cent. gold bonds, dated March 1, 1922, and due serially on March 1, 1929, to March 1, 1937 inclusive, to yield 4.75 to 4.65, according to maturity.

Out of Town Issues.

An issue of $250,000 of the El Dorado Gas Company's first mortgage 8 per cent. gold bonds, dated January 2, 1922, and due serially on July 1, 1923, to July 1, 1933, inclusive, is being offered at par and accrued interest by William A. Busch & Co. of St. Louis. Burns, Brinker & Co. of Omaha are offering an issue of $135,000 of the Pierce County School district's No. 2 Nebraska 5½s, due serially $9,000 annually in 1938 to 1952, inclusive, at 95.

Municipal Offerings.

Halsey, Stuart & Co. have purchased $70,000 of the Waukegan, Ill., park district's 5 per cent. bonds and, with William R. Compton Company, $626,000 of Fond du Lac's highway 5 per cent. bonds, due serially in 1927 to 1941 inclusive. It is understood that a public offering of the bonds will be made soon.

SWEDISH DISCOUNT RATE CUT.

STOCKHOLM, March 9.—The Swedish Riksbank has reduced its discount rate from 5½ per cent. to 5 per cent., it was announced to-day.

BONDS IN STOCK EXCHANGE

THURSDAY, MARCH 9, 1922.

	1922.	1921.	1920.
Day's sales	$11,191,000	$11,057,000	$11,478,800
Year to date	838,961,000	593,137,000	789,394,750

RANGE OF LIBERTY BONDS.

Closing Bid.	Closing Asked.	Yield.	Sales in $1,000.		Open.	High.	Low.	Last.	Net Chge.
96.60	96.70	3.69	337	3½s (1932-47)	96.84	96.90	96.60	96.70	—.12
97.20	97.38	4.19	..	1st cv. 4s	..	..	..	..	..
97.14	97.30	4.19	3	2d 4s (1927-42)	97.30	97.30	97.30	97.30	+.06
97.24	97.34	4.42	144	1st cv. 4¼s (1932-47)	97.24	97.38	97.16	97.30	—.02
..	..	..	3	1st cv. 4¼s reg.	97.04	97.04	97.04	97.04	—.02
97.22	97.30	4.45	771	2d cv. 4¼s (1927-42)	97.34	97.40	97.22	97.22	—.14
..	..	..	9	2d cv. 4¼s reg.	97.16	97.20	97.16	97.16	—.02
98.20	98.24	4.55	1,275	3d 4¼s (1928)	98.24	98.36	98.20	98.20	—.04
..	..	..	1	3d 4¼s reg.	98.04	98.04	98.04	98.04	—.02
98.50	99.50	..	..	1st-2d 4¼s (1927-42)	..	..	..	..	..
97.42	97.44	4.46	957	4th 4¼s (1933-38)	97.40	97.50	97.36	97.42	—.08
..	..	..	1	4th 4¼s reg.	97.40	97.40	97.40	97.40	..
100.70	100.72	4.10	1,176	Vic. 4¾s (1922-23)	100.60	100.78	100.60	100.70	+.20
..	..	..	24	Vic. 4¾s reg.	100.58	100.58	100.58	100.58	+.22
100.02	100.06	3.74	31	Vic. 3¾s (1922-23)	100.06	100.06	100.02	100.02	—.08

FOREIGN.

Argentine 7s 27 when issued 2......99⅛ 25......99 1......99⅛ 20......99 2......99⅛ Argentine 5s 4[illegible] 6......81½ 2......82 Belgium 8s 1941 [illegible]

Canada 5½s 29 3......100 6......99¾ 3......99⅞ 5......99¾ 5......99⅞ 5......100 Canada 5s 1926 55......99¼ 1......99 Chile 8s 1926 [illegible]

Denmark Mun ser B 1946 5......108¾ Dominican CA 5s 1958 6......88½ Dutch East Ind 25yr ext g 6s receipts 4......95⅜ [illegible]

Italy 6½s 1925 4......93¾ 4......93⅞ Japan 1st 4½s 25 18......89⅛ 2......89½ 4......89¼ Japan 2d 4½s 25 4......85⅝ 1......88¾ Japan 2d 4s 1931 [illegible]

Queensland s f g 7s 1941 certificates 5......107⅞ 1......108 2......108⅜ 6......108⅛ 1......108 2......108¼ 2......108 1......108⅜ [illegible]

San Paulo City 8s 1952 when issued 3......101¼ 10......101⅛ 18......101¼ 18......101⅛ 1......101¼ Sweden 6s 1939 61......99⅜ [illegible]

[illegible]

DOMESTIC.

[illegible]

Continued on Following Page.

All bonds having been sold this advertisement appears as a matter of record only

NEW ISSUE

$5,000,000

Western States Gas and Electric Company

(of California)

First and Unified Mortgage Gold Bonds, 6% Series "A"

Dated March 1, 1922 — Due March 1, 1947

Interest payable March 1 and September 1 in New York and San Francisco without deduction for Normal Federal Income Tax not in excess of 2%, which may lawfully be paid at the source. Principal payable in New York and San Francisco. Redeemable as a whole or in part on 30 days' notice on or before March 1, 1932, at 107½, thereafter at ½ of 1% less each year, plus accrued interest in each case. Coupon Bonds in denominations of $1,000 and $500 each, registerable as to principal.

BANK OF CALIFORNIA, NATIONAL ASSOCIATION, SAN FRANCISCO, Trustee

Authorized by the Railroad Commission of California
Exempt from Personal Property Taxes in California

The following information is summarized from the letter of Mr. Otto E. Osthoff, Vice-President of Byllesby Engineering and Management Corporation, which manages the Western States Gas and Electric Company:

Business Western States Gas and Electric Company, or its predecessors, have been successfully engaged in business in California for thirty-four years. It owns and operates hydro-electric, steam and gas properties in central and northern California, supplying thirty communities, including the cities of Stockton, Richmond and Eureka, having a present population estimated in excess of 107,000.

Company's present electric business exceeds its present water power and steam-generating capacity to an extent that necessitates the purchase of a large amount of power from outside sources.

Company has begun work on the construction of a hydro-electric plant with an initial capacity of 20,000 Kw. on the south fork of the American River. This additional capacity will enable the Company to provide for immediate and future power demands and to replace the power purchased from other companies. This issue of Bonds will provide funds to be used in the installation of this plant, which should be in operation in 1924, and which through substitution of generated power for power now purchased, and making no allowance for natural growth, should effect an annual increase in net earnings of over $400,000.

Security These Bonds, in the opinion of counsel, will be secured by a first mortgage on all properties, including the new hydro-electric plant, of El Dorado Power Company (all of whose captial stock, except directors' qualifying shares, will be owned by Western States Gas and Electric Company). These Bonds will be further secured by a direct mortgage on all properties of Western States Gas and Electric Company subject only to the lien of the outstanding underlying closed mortgage bonds, and on the latter properties will be ratably secured with the Ten-Year 6% Notes due 1927.

Additional First and Unified Mortgage Bonds may be issued to provide for the retirement of bonds, or may be issued to provide 75% of the cost of new property, when earnings available for interest during the year preceding the issuance of such additional bonds shall be 1¾ times the annual interest requirement on all bonds outstanding, including underlying bonds and those proposed to be issued.

Earnings Net earnings for the year 1921 were in excess of two times the charges on total interest bearing debt of the Company. For the nine years ended December 31, 1921, the average annual net earnings were approximately two times average annual interest charges on the total interest bearing debt of the Company.

Annual interest charges on $5,000,000 First and Unified Mortgage Bonds amount to $300,000, which during the period of construction will be included in construction cost; nevertheless the average annual net earnings during the nine-year period after payment of actual interest charges would have been more than sufficient to pay the annual interest on the Bonds now offered.

Sinking Fund The mortgage under which the First and Unified Mortgage Bonds will be issued will provide for an annual Sinking Fund commencing March 1, 1928, in an amount equal to 2% of the total outstanding Bonds, including the underlying bonds. Sinking fund payments in respect to the Company's First and Refunding 5% Bonds will retire practically all of the bonds of that issue by maturity in 1941, leaving this issue a first mortgage on all of the properties.

Bonds are offered when, as and if issued and received by us and subject to approval of Messrs. Chickering and Gregory, San Francisco, California, for the Bankers, and Messrs. Cummins, Roemer & Flynn, of Chicago, for the Company.

Price 94 and Accrued Interest, to yield about 6½%

Blyth, Witter & Co.
61 Broadway, New York

H. M. Byllesby & Company, Inc.
111 Broadway, New York

Cyrus Peirce & Company
San Francisco

The above information has been gathered from reliable sources and although not guaranteed, is believed by us to be correct.

ONLY 13 CENTS A SHARE ON STEEL FOUNDRIES

Earnings on Common Decline From $6.37 in 1920.

The American Steel Foundries' report for the year ended December 31, 1921, shows net profits of $675,000, after charges and Federal taxes, or 13 cents a share earned on the 612,000 shares of common stock after preferred dividends. Those figures compare with net profits of $4,496,442, or $6.37 a share on the common stock in the preceding year. After payment of common dividends the deficit was $1,754,772, compared with a surplus of $2,286,592 a year ago. Comparisons are as follows:

	1921.	1920.
Operating earnings (after deductions)	$1,428,187	$6,915,734
Depreciation	512,734	669,238
Balance	$915,453	$6,246,496
Other income	325,885	424,498
Total income	$1,241,338	$6,670,994
Federal tax reserve	126,026	1,249,000
Net profits	$675,000	$4,496,442

The balance sheet shows cash on hand of $962,155, compared with $1,894,710 in 1920; accounts and bills receivable of $5,118,215, compared with $13,219,235; Liberty bonds and certificates of indebtedness of $4,975,178, against $3,587,569. Inventories have been reduced to $5,458,903, as contrasted with $7,866,932 last year. Notes payable total $500,000, against $5,650,000, and accounts payable $1,528,437, against $3,188,000. The surplus was reduced from $11,144,730 a year ago to $8,971,033.

CHANDLER FRUGALITY VINDICATED IN 1921

Conservation of Resources in Flush Times Is Reflected.

The Chandler Motor Car Company's report for 1921, issued yesterday, proved the wisdom of conserving resources in prosperous times to tide over periods of depression. The company's total income amounted to $1,948,530, a fall of $7,666,199, or nearly 80 per cent. from the 1920 receipts. Even under this handicap the management was able to absorb a writeoff of inventory to the extent of $779,434 and show a profit of $41,017, against $4,213,111 the year before.

The company's working capital, built up in the big seasons of 1919 and 1920, permitted the payment of all current obligations when they fell due. Federal taxes amounting to $2,000,000 were paid. The directors thought well enough of the corporation's financial position and the business outlook to pay dividends of $1,960,000, of which all but $41,017, the year's net income, had to be taken from surplus.

F. C. Chandler, president, said in his statement to stockholders, that all financing was done without the aid of any large amount of borrowed money. Bank loans, he added, had been reduced $500,000 to the date of the report.

PENNSYLVANIA OIL.

OIL CITY, March 9.—Credit balances $3.25. Runs 51,372; average 45,463. Shipments 61,095; average 37,361.

To Holders of

Victory 4¾% Notes

due May 20, 1923

The Treasury Department offers in exchange for the above Notes

United States Treasury 4¾% Notes

due March 15, 1926

This exchange may be effected through any Bank, Trust Company or

DISCOUNT HOUSE OF
SALOMON BROS. & HUTZLER
MEMBERS NEW YORK STOCK EXCHANGE
27 PINE STREET
NEW YORK
TELEPHONE—BOWLING GREEN 3050
BOSTON PHILADELPHIA CHICAGO