

OFFER \$10,000,000 KRUPP NOTES HERE

Manufacture of Arms Is Denied in Bankers' Statement of Loan to German Company.

WORKING CAPITAL NEEDED

Merchandise Free From Any Repara-

tions Lien Pledged as Security

—Issue to Pay 7%.

An issue of \$10,000,000 of 7 per cent. merchandise secured gold dollar notes of Fried. Krupp, Ltd., will be offered here for public subscription tomorrow. The banking syndicate handling the loan for Germany's famous steel works is headed by Goldman, Sachs & Co.

The rumors regarding the discovery of arms in Germany, which have been affecting prices here of German and French securities, are discussed by the bankers. In a statement yesterday announcing the offering, Goldman, Sachs & Co. said:

"In view of the reports that Germany was not complying with the requirements of the Versailles Treaty as to complete disarmament, and in special relation to these rumors in the newspapers of today affecting the Fried. Krupp, Ltd., we have taken particular pains to obtain confirmation of our original advices that the company since the war has been exclusively devoted to industrial business of a commercial character.

"We have cabled to the Krupp firm in Essen asking for specific and categorical information concerning the articles in the papers, in so far as they relate to the Krupp business, and have today received the following cable response from Fried. Krupp, Ltd.:

The Interallied Military Control Commission has been in Essen for almost five years. In accordance with the instructions of this commission, all special equipment for the manufacture of war material has been destroyed except certain pieces of machinery which is allowed by the Inter-

allied Commission to be used for the production of a few guns permitted under the Treaty of Versailles. We are negotiating now with the commission with regard to the retention of some unimportant equipment and a few normal working machines, which we have in use exclusively for the production of ordinary commercial goods. Since the peace has been in effect, not one piece of war material has been produced here.

Krupp Company's Production.

"We had already and before arranging for the pending issue been advised authoritatively that since 1919 the Krupp Company had been engaged in the production of industrial articles exclusively, its primary production consisting of such articles as steel rails, locomotives and rolling stock, forgings and steel castings, motors and motor trucks, structural steel, agricultural machinery and implements, Diesel engines and cash registers.

It should be added that the fundamental purpose of the \$10,000,000 issue of dollar notes is to supply working capital such as appears from the report of the Dawes commission was absolutely essential to place the industries of Germany upon a basis which would make it possible for the industries to do their full part in carrying out the Dawes plan.

Associated with Messrs. Goldman, Sachs & Co. in the pending issue are the following bankers: Kleinworth Sons & Co. of London; Lehman Brothers; White, Weld & Co.; Hallgarten & Co.; Halsey, Stuart & Co., Inc., and J. & W. Seligman & Co.

"The Krupp issue is the first important piece of German industrial financing to be offered in this country since the Dawes plan went into effect.

"The notes will be issued under an indenture which will provide for the transfer to a trustee, as a security for the notes, of merchandise and raw material in salable form having at all times a value at cost or market, whichever is lower, equal to at least 150 per cent. of the amount of the outstanding notes.

No Reparations Lien.

"The bankers have been advised that the Treaty of Versailles and the London agreement of Aug. 9, 1924, between the German Government and the Reparation Commission, providing for the carrying into effect of the Dawes plan, do not impose any charge or lien for reparation upon property of the character agreed to be provided as security for these notes, and do not restrict the right of the company directly to acquire the foreign exchange necessary to meet its external obligations evidenced by these notes. Goldman, Sachs & Co. are the fiscal agents for the loan.

"Fried. Krupp Aktiengesellschaft (Fried. Krupp, Ltd.) organized in 1903 to continue the industrial enterprises theretofore conducted for nearly 100 years under the firm name of Fried. Krupp operates one of the best known and most important steel works in the world.

"The activities of the company cover virtually every important steel and iron product in its various phases of manufacture. The enterprise is entirely self-contained and thoroughly integrated, running from the production of iron ore and fuel, through pig iron and steel, up to the manufacture and sale of semi-finished and specialized goods. Under the allotment of the "Ruhrkohle" (Federation of Ruhr Coal Mine Owners), the company's coal production is placed at 9,500,000 tons a year, ranking it among the largest coal producers in Germany. The company owns facilities for transport as well by river and canal as by rail.

"In view of the greatly improved economic and financial position of Germany, it is stated that the outlook for the company is exceedingly favorable."

STOCK EXCHANGE NEWS.

Membership Transferred—Dec. 24, 1924.

W. Ledyard Thompson to Grafton H. Pyne, Potter & Co., 5 Nassau Street.

Memberships Posted for Transfer—Dec. 18, 1924 (balloting Dec. 31, 1924).

F. Frazier Jelke to Sidney S. Wormser, sponsors, E. S. J. McVicker, Walter C. Taylor; J. Edward Davis, deceased, to Alvah T. Meyer, sponsors, Jerome J. Rothzig, Spencer B. Koch; V. Sydney Dantschild, deceased, to Esmond F. O'Brien, sponsors, Michael J. Mehan, Arthur Gwynne; Edwin Gould to Howard H. Logan, sponsors, Arthur G. Delany, Curtis A. McWhinney; Charles E. Quincey, deceased, to Robert T. Stone, sponsors, Gregory P. Maloney, Edward V. Goerz; Max Bruell to William F. Ladd, sponsors, Louis E. Hatzfeld, C. Perry Beadleston; John P. Grier to H. Thurston, W. Hunting, sponsors, Reginald E. Bonner, Dyer Pearl Jr., Dec. 24, 1924 (balloting Jan. 8, 1925) Alexander Herman to William D. Scholle, sponsors, John M. Shaw, Henry J. Elias; Herbert T. B. Jacquelin to Edward V. McEneaney, sponsors, Louis C. De Coppel, John T. Winkhaus; Robert B. Potts to David F. Forgie, sponsors, Edward C. Fiedler, Reginald B. Rives.

Proposed Dissolutions of Partnerships

—On Dec. 31, 1924, Charles D. Barney & Co.; on Dec. 31, 1924, Benedict, Drysdale & Co.; on Dec. 31, 1924, L. M. Prince & Co.

New Addresses—James C. Auchincloss, at Dominick & Dominick, 115 Broadway, effective Jan. 1, 1925; Thomas G. Cook, at Hayden, Stone & Co., 25 Broad Street, effective Jan. 2, 1925; A. Graves Ely, at Homans & Co., 2 Wall Street, effective Dec. 26, 1924; James A. Healy, at Kinkead, Florentino & Co., 120 Broadway, effective Dec. 31, 1924; J. Hartley Mellick, at Harris, Winthrop & Co., 11 Wall Street, effective Jan. 1, 1925; Cornelius A. Simonson, at Hartshorne, Fales & Co., 71 Broadway, effective Dec. 31, 1924; Albert Stern, at Herzfeld & Stern, 40 Exchange Place, effective Dec. 31, 1924; Jesse Wassermann, at Seligsberg & Co., 71 Broadway, effective Dec. 22, 1924; C. F. Watson Jr., at Potter & Co., 5 Nassau Street, effective Jan. 1, 1925.