HOW DID WE GET THIS WAY?

THE ANATOMY OF CAPITALISM

By H. B. LOOMIS and JOHN B. KNOX

of John B. Knox & Company

Editor's Note: New Deal program makers, now wearing postwar planning labels, continue as in the past to pore over their blue prints with their backs to the world of realities. The more shrill they are, the more wildly as dangerous as they ever were—perhaps more so since the war appears to have lent them additional psychological support.

The best way to combat such seductive proposals as those now appearing almost daily, perhaps the only effective way, is to turn the flood light of fundamental truths upon them.

It is with hope of doing its part in combating this menace that the “Chamberlains” in preparing a series of articles, of which this is the third, which call the reader’s attention to certain fundamental points, often overlooked in this day and time. It can think of no better contribution to postwar planning.

Part III

Life teaches by penalty as well as by reward; penalties which cannot be eliminated by fiat as they prove the laws and not those the penalties. They are part of the inevitabilities of life, which owes nothing to any man. What we can and do is divert them from those to whom we have incurred them to those who have not. The greater part of fuzzy-minded reform consists in just this operation.

Individualistic man cannot live in a socialistic economy like an ant in a formicary, a parallel used by the muddled ideologist who attempts to prove that an experiment has proven that the result is always different from the one envisaged. Their failure bears testimony to the folly of blaming one’s self to facts in the pursuit of an inaccurate ideal.

The theory of socialism and collectivism is based upon inaccurately presented and ill-digested information from which unjustifiable imputations are drawn. It contradicts (Continued on page 1888)

United States Savings and Loan League War Conference Proceedings

Included in Special Section Starting with page 1881

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Investment Trusts

Railroad Securities

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Board of Trade

Bills, etc.

Canadian PACIFIC

Dealers

Insurance Companies

INLAND

Finally, the war is not for the general expectation that there will be more offerings of the new “on sale” 2½% next spring, the 6½% issue probably would be worth a decent premium in a few weeks. . . . It’s a good issue.

6. Feeling is that the “on sales” will get up to ½ to ¾ premium over the next few. There’s home for every source and an issue that is attractive . . . . The dates are staggered . . . Payment is well arranged . . . The preliminary period is long enough to permit widespread selling preparations . . . Even the time for announcing the deal was well chosen because the implication is the entire operation will be wrapped up and done with by Christmas and the Government’s borrowing will be still competition for the heavier spender in the pre-Christmas period. In short: “Goodwork, Mr. Secretary.”

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GUARANTEED RAILROAD STOCKS

Securities Salesmen’s Corner . . . 17970

By S. F. PORTER

And again, it is a pleasure to report that the Treasury has done and is doing a superb job with the latest financing deal—the largest in the history of the world and the most test of Secretary Morgenthau’s ability to raise as much money as possible from non-banking sources.

This $9,000,000,000 borrowing is beautifully worked out . . . Its terms seem to please everybody from the salesman out to sell as many securities as he can to the investor out to buy as many as he can . . . This is a very attractive . . . The dates are staggered . . . Payment is well arranged . . . The preliminary period is long enough to permit widespread selling preparations . . . Even the time for announcing the deal was well chosen because the implication is the entire operation will be wrapped up and done with by Christmas and the Government’s borrowing will be still competition for the heavier spender in the pre-Christmas period. In short: “Goodwork, Mr. Secretary.”

Here are some sideliners that may interest you prior to the actual selling campaign, due to start Monday morning, Nov. 30 . . .

1. The coupon feature of the new “on sale” 2½% of 1968/83 is considered particularly attractive. . . . One of the objections to the old “taps” was the registered character of them, for the smaller holders (up to $1,000,000 or so) felt the Treasury was “looking over their shoulders all time” and resented the unmentioned pressure against selling.

2. In the New York market following the Thursday night announcement of the financing terms, several fair-sized sales of the long-term taxable 2½% of 1968/83 were reported, presumably from investors liquidating the 7½s in order to get cash to buy the 8½.

3. There were no indications that the Federal Reserve System was supporting the 7½s and dealers suggested support was unnecessary for this non-competitive issue.

4. The market is expected to do whatever the Fed tells it to do between the announcement and the day the books are closed on the last open offering.

5. War it not for the general expectation that there will be more offerings of the new “on sale” 2½% next spring, the 6½% issue probably would be worth a decent premium in a few weeks. . . . It’s a good issue.

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7. The general forecast is Morgenthau will get his $9,000,000,000 (Continued on page 1877)
STANY To Elect, Vote On By-Law Amendment

The Security Traders Associa
tion of New York will hold its annual meeting and election of officers on Friday, Dec. 6, at 9:30 p.m. at the New York Produce Exchange Luncheon Club. The polls will be open from 4:30 to 6:00 p.m. and after the meeting, until 8:00 p.m. Candidates for president of the Association are B. Winthrop Pin
ter, is; Charles C. Tozer; Chester E. de Willers, Schoonover Co., and De Witt Talmage. The following unopposed candi
dates have been elected as members of the Board of Directors: First Vice-President: James J. Con
non, B. J. Van Ingou & Co. Treasurer: George V. Leon
er & Co. Second Vice-President: William K. Porter, Hemphill, Noyes & Co.; Secretary: John S. French, A. C. Allyn & Co. National Committee, Wellington, Hunter, Hunter & Co.; Thomas A. Larkin, Goodbody & Co.; Cyril M. Murphy, Maskubi, Legg & Co.; Wm. Henry Pfugfelder, Pfugfelder, Bampton & Rust. Gratuity Fund Directors: Charles H. James, Lazard Frere & Co. - Walter Kennedy, E. L. Kennedy & Co. Also to be voted upon by the members of the Association are the following proposed revisions to the By-Laws, to be read and re
written as follows:

Article I, Section 6

"A Member who is in the armed forces of the United States shall be known as a Service Member, and Service Members will be limited to not more than one hundred (100) Members. A Service Member, upon notification of his discharge from the armed forces, is entitled to the privilege of membership for a period of three years following his discharge shall become a Member of the Association providing he is qualified as specified in Article I, Section 6 and in Article III, Section 3 of the By-Laws."

Wheeler Exec. Mgr. of Victory Fund Group

NEW ORLEANS, LA.—Merrym B. Wheeler of Wheeler & Wool
ell has been appointed Executive Manager of the Victory Fund Group, of the Sixth Federal Reserve District, Atlanta. Mr. Wheeler will de
vote full time to the Victory Committee and will maintain of
Real Estate Bonds

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Meyer Willett Honored
By N. Y. Dealers Ass'n

A luncheon was given in honor of Meyer Willett, senior partner of the firm of William B. Dain, & Co., chosen by the Board of Governors of the New York Security Dealers Association as Chairman of the Banquet Committee Tuesday, Nov. 24.

Meyer Willett

A silver salver bearing the following inscription and facsimile signature of Mr. Willett was presented to Mr. Willett:

"THE BOARD OF GOVERNORS
NEW YORK SECURITY DEALERS ASSOCIATION
in presenting this tray
MEYER WILLETT

record their appreciation of esteem for him, and their deep appreciation of his constant and unselfish efforts toward the welfare and progress of the Association and the securities industry.


John D. Franks, who presided, expressed his gratitude to Mr. Willett for the cooperation he had received since he had assumed the

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War Changes In NASD

Committee Districts

Military and other war duties of members have brought a number of changes in the various sections of the NASD, last week. A number of districts have been abolished.

District No. 3 (Virginia): Frank F. Dunne, of the Dunne Investment Co., Alexandria, has been elected a member of the NASD for the period of 1-2033.

District No. 10 (Texas): Frank Goodenough, of the Goodenough & May Company, Dallas, is the new chairman of the district.

Customers Brokers To Meet

The Association of Customers' Brokers of New York will meet on Nov. 27 at 2:30 p.m. at the New York Athletic Club, 25 Broadway, New York City (room 902). The meeting will be the final function of the Association, and will be followed by the announcement of the new organization.

Opportunity For Salesmen

Four high grade securities, preferably with investment trust ownership, wanted for sale by Messrs. A. S. B. and C. G. in the New York area. They will be sold to the highest bidder, and the proceeds will be divided among the members of the firm.

Available

Man with long experience in securities business desires to become associated with high grade firm in trading or departmental position. Has present owning firm and has been doing sales work for the past two years. Willing to move a short distance.

Lamm, Guthy Co. To Be Formed In New York

The New York Stock Exchange firm of Lamm, Guthy & Co., will be formed in New York City as of Dec. 1. Partners in the firm will be Henry B. Lamm, 35 East 42nd St., New York, and Charles N. Guthy, 35 South Seventh Street, Los Angeles, Calif. The firm will be engaged in the sale and purchase of securities, and will be associated with the New York Stock Exchange.

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REAL ESTATE SECURITIES

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New York City

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REAL ESTATE BOND SINKING FUNDS

Some New York real estate bonds in addition to their other advantages enjoy an annual, or semi-annual, sinking fund. Usually a better than current market price can be obtained by making a tender to the Trustee operating the sinking fund.

Two outstanding sinking funds that have already taken place this year have been the Hotel Taft, which accepted over $185,000 face amount of bonds and the Hotel St. George, which accepted over $370,000 worth of bonds.

A good sinking fund operation will take place in the Lewis Morris issue on Dec. 1. They have over $70,000 with which to purchase additional securities and the details are:

**Borin**
- **Month:** Dec.
- **Bonds Accepted:** 125,000
- **Dividend:** 6%
- **Interest:** 5%
- **Tender Price:** $100
- **Call Price:** $100

A partial list of possible sinking fund operations listed according to month are enumerated below:

- **December**
  - Butler Hall, Garment Center, Greer Building, Harcou Estates, Herald Square, Lewis Morris Apartments, Pierpont Hotel, Street Associates, 2 Park Avenue.
- **January**
  - Broo Court Operating, Eldon Lodge, Lewis Arms, Prince F. S. Ins. Co., Stuart Court, 320 East 57th St., South Goodman.
- **February**
  - Eldon Hall, Ten Broeck Apartments.
  - March
  - New Westton Hotel, 6th and 4th Street, Tyler Building.
  - April
  - Kramon Development, 48th St. Realization, Master Printers.
  - May
  - London Terrace,Marcnorp, Nirlorp Corp., 61 West 39th St.
  - June
  - Butler Hall, Gramont Corp., Herald Square Bldg.

**NSTA Service Flag**

The following are members of the Development Securities Trading Association who are now serving in the armed forces.

- **Gt. John P. Conner**
  - Major Thomas C. Clayton, Clayton & Co.
  - Major Fred. O. Guider, Keane & Co.
  - Major Kenneth H. Owens, Grant & Co.
  - 2nd Lieut. Herbert Schollenberger, Campbell McCarty & Co.
  - 2nd Lieut. David D. Williams, Campbell McCarty & Co.

**Pollak Mfg. Looks Good**

Expansion of operations, continued financial soundness, and satisfactory profits are reported on Pollak Manufacturing Company, 55 Columbia St., New York City. This company has been a producer in the Metropolis district for a number of years and the demand for their products has been so great that the company has been able to meet their obligations on time. The company has a good business prospect for the future and is well on the way to becoming a leading factor in the industry.

**TEST FOR GOOD FIRE STOCK**

Buckley Brothers, 1529 Walnut Street, Philadelphia, members of the Philadelphia Stock Exchange, prepare a test in response to the request of other brokers. The test will be made on Standard Fire of New York, and a memorandum on Standard Fire of New York, and a memorandum on Test for Good Fire Stock, with the objects of being able to make a fair sale of the stock and to the brokers to understand the nature of the stock.

**Mexican Newsmen at NYSE**

Eight Mexican newspapers, generally associated with the Mexican Government, were welcomed to the New York Stock Exchange by Edward A. Shinn, President, and John C. Macdonald, Chairman of the Exchange's Inter-American Stock Exchange Committee. The newspapers, representing the dailies most important newspapers, expressed their appreciation of the hospitality of the Mexican Government and are commencing a month's tour of America's war industries.

**FRANK MEYER WITH BEER CO.**

Meyer has reelected the staff of Beer Co., 877 Gravel St., member of the New York Stock Exchange. The company is represented by its president, E. F. Dunlop, who has been reelected to the board of directors for another term. The company is one of the largest in the country and is represented by its president, E. F. Dunlop, who has been reelected to the board of directors for another term. The company is one of the largest in the country and is represented by its president, E. F. Dunlop, who has been reelected to the board of directors for another term.
Seaboard All Florida "A" & "B" Bonds

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RAILROAD REORGANIZATION SECURITIES

The Reading Jersey Central Collateral 4s, 1951, have been among the few spots in the marginal railroad group able to move consistently higher in recent weeks of general uncertainty in this section of the list. In the face of the development of at least a modest price improvement, particularly in the apparent incidence of the usual year-end tax selling, this issue has been selling at successive new 1952 highs. In fact the bonds are selling at 10 points higher than in any year since the speculative boom that culminated in 1937. In the all intents and purposes the bonds are the most active of any railroad issue and are attractive to both the Reading Company, as the pledged collateral (common stock of Central Railroad of New Jersey) will unquestionably be eliminated in eventual reorganization of the road unless there is a drastic change in the financial policy of the ICC and the courts. Nevertheless, the bonds are still the most active of any railroad issue, and will be paid in full at par maturity of the obligor’s mortgage bonds.

In the present vantage point it seems that there should be some difficulty in maintaining the present level of the principal of the Road’s collateral. Even so, the collateral is not in jeopardy at the present time.

The amount of the collateral is $3,500,000,000. More and more the general run of investors has come to know the question of mortgage protection and the value of the collateral. The bonds are a fully secured mortgage bonds on the collateral. Moreover, the collateral includes such major railroad systems as the Pennsylvania, the New York Central, and the New Haven, all of which are in the possession of the Reading Company. There is only one outstanding bond of the obligor’s mortgage bonds.

The Reading has been on the market for the past few months and there are no new financiaisons on the table.

From the present vantage point it seems that there should be some difficulty in maintaining the principal of the Reading’s collateral. Nevertheless, the collateral is not in jeopardy at the present time. The collateral amount is $3,500,000,000. More and more the general run of investors has come to know the question of mortgage protection and the value of the collateral. The collateral includes such major railroad systems as the Pennsylvania, the New York Central, and the New Haven, all of which are in the possession of the Reading Company. There is only one outstanding bond of the obligor’s mortgage bonds.

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Bank and Insurance Stocks

This Week

Insurance

Most of the bad news in the business occurred during the first quarter. January fire losses were the any single month in many years a wave of strong suspicions gave rise to the fear that this was of such disturbances. However, this not entirely surprising, and fortunate, developments, opportunities for preparation has been the relatively small amount of fire insurance. The unusually dry weather of the summer is to the gain of the insurance companies. Certain companies have entered into domestic and foreign markets, and in the country, and in part to the growing importance of the public in the business of insurance companies, "diffi-

The Ocean Marine Network this year was the greatest single catas-

Laird, Bissell & Meeds

Members New York Stock Exchange

75 Broadway, New York City

Telephone: BRYANT 2-3000

L. A. Kibby, Manager Trading Department

Bank and Insurance Stocks

This Week

Insurance

The situation in the Ocean Marine Network, which is now running at the highest level of fire, fire losses in the United States, as es-

Cleveland, O.—Russel L. Zimmer has become associated with M. A. Cayne & Company, Inc., Cleveland Stock Exchange, members of the Cleve-

The annual dividend for the year 1942 of fifty cents ($0.50) per share, has been declared and will be payable on December 15, 1942, to stockholders of record on November 30, 1942.

The final dividend for the year 1942 of fifty cents ($0.50) per share, has been declared and will be paid on December 15, 1942, to stockholders of record on November 30, 1942.

R. A. BOLLAND & SON, Inc.

A dividend of 60% per share has been declared, payable December 15, 1942, to holders of record on November 30, 1942. Dividend Checks will be mailed December 16, 1942.

NATIONAL DAIL Y PRODUCTS CORPORATION

A dividend of 60% per share has been declared, payable December 15, 1942, to holders of record on November 30, 1942. Dividend Checks will be mailed December 16, 1942.

NATIONAL DAILY PRODUCTS CORPORATION

The Board of Directors has declared a regular quarterly dividend of 50% per share on the Preferred Stock of the Company, payable January 1, 1943, to stockholders of record on December 31, 1942. Dividend Checks will be mailed January 15, 1943.

J. G. HUNTINGTON, President.

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J. G. HUNTINGTON, President.
**Investment Trusts**

**MORE ABOUT TAXES**

The general excellence and profusion of investment company literature covering this band this week bear eloquent witness to the vitality of the industry.

The principal subject of analysis and discussion is again taxes. The limitations of this column do not permit adequate coverage of the abundant material and comment on the subject. Suffice it to say that an analysis of the 1942 increases in rates over the previous year's is in order.

The average company's 1941 tax base is surely the same or lower; the average 1942 increase over 1941 is to be ascertained. The following are the ranges of percentage of the rich man's residual income than it does for the average man. A comprehensive table showing how the tax base and income tax increases is included in the report.

A special adaptation of the tax treatment is in the case of the tax-deferred company, in which with special emphasis on the effects of the new tax rates on the earnings of various industry groups. Twenty-four stock groups are included.

The charts, the percentage in taxes for different income levels will be absorbed by the new taxes and the percentage of income before taxes which was taken by the 1941 rates, will be presented.

It is hoped that the above-mentioned literature, it is submitted to the public and the requests either to the sponsors of the Trust or the Editor of the "Challenger."
tional of the National Association of Insurance Commissioners, at their most recent annual convention, in removing municipal revenue bonds from their previous general classification with state and general obligation municipalities considered by specialists as a threat to marketability of such issues.

The revision, which places municipal revenues in the category as corporate bonds in so far as applicability of Association rules relating to valuation is concerned, is directed not only at bonds supported by nonrate revenues and automobile tolls, but also embraces water, light and power and other issues payable out of revenues other than taxes.

Impact of the revised attitude has been felt by dealers where their insurance company clienteles sought assistance in filling out questionnaires calling for data on small issues of revenue bonds not previously rated by statistical agencies or described in financial manuals. It has been explained that failure to furnish this information may make the affected municipal issues ineligible to be carried in the insurance companies, Dec. 31, 1943, annual statement at the "amortization" value, as is permitted in the case of all state bonds and general obligation municipalities and, until this year, special revenue issues.

Some dealers of late have been cooperating with insurance companies clients with a view to bring about such a change in the National Association and its valuative committees an analysis of the unfavorable effects resulting from application of the June, 1944, resolution.

Protests from municipal officials likewise have been expected. The Mayor of one Illinois city is said to have already advised Governor Dwight Green that "this is another form of attack on the ability of states and cities to adapt their improvements without the super-death of some national authority.

High Premium Bonds Seen Affected By Tax Protection

The provision of the Internal Revenue Act requiring amortization of tax-exempt securities bought at a premium may occasion a lessening in demand for this type of security when Section 161 of the Internal Revenue Code is in effect. Municipalities have held over taxable obligations. Tax-exempt security holders will not be able to recover the difference between the purchase price and the redemption or sale price, the report added. Capital issues hereafter will only be allowed when a security is sold below its amortized value.

Bond premium amortization would be limited to the extent of the difference between the purchase price and redemption or sale price, the reported.

Two other factors also are credited with piling up a record amount for the year. In each of the states large bond issues were handled and some provision to insure that adequate security and maintenance during the war without increasing taxes was made.

The second factor was the apparent willingness of the people to protect road funds against dissipation and to provide a source of availability for highway construction projects as a cushion against unemployment.

The Detroit

Savings

Space limitations preclude any detailed discussion in this column of the circumstances of last week's Detroit sale of the $4,250,000 sewage disposal system refunding bonds. It seems obvious, however, that the action taken by city officials in rejection of the original offering was rather dictatorial. Furthermore, the city, at least in this instance, would appear to have side-stepped in some degree the accepted standards inherent in the competitive bidding process. The city, of course, had every legal right to reject the bids submitted in the original instance, although the propriety of the action cannot be so easily defended in light of all the facts.

Major Sales Scheduled

We list herewith the more important municipal offerings ($500,000 or over) scheduled for the next two weeks which are anticipated to take place.

(Ed. Note—Very few municipal bond issues of major size are scheduled for the immediate future. With expenditures for local improvements held to a minimum, the necessity of the demands of war-preparedness activities is obvious. It is naturally that for some time to come the amount of new issues coming to the market will be limited.)

Most of the activity in the market in recent weeks has been occasioned by the placement of a number of large blocks of old issues acquired from non-rate supported corporations, such as insurance companies and municipal utilities, as well as of new issues. The sizeable operations of this character are scheduled for Dec. 1 and include an offering of $5,000,000 of railroad bonds by the New Jersey State Teachers' Retirement Fund and $4,390,000 by the Bankers Life Co. of Des Moines.

December

$2,500,000 Rochester, N. Y.

At the previous sale in February, the success which followed, which was accepted by the firm of Dresbach, Halsey, Stuart & Co., Inc. Second highest bidder was an amount headed by Lethem Bros. of New York.
The $161,670,000 which savings, building and loan associations have supplied during the first nine months of 1942 to finance new buildings and existing housing units is almost entirely new volume of credit. Mr. Cannon reviewed some of the outstanding developments in the housing field in his address before the League of Chicago's annual meeting in April. He pointed out that the savings and loan executives that they had the unique satisfaction of knowing that their institutions' business was "of the utmost importance to our country's strength." He concluded that the savings and loan field was in a relatively strong position, having done an unusual volume of business during the war. 

"After the first months of re-activation to the involvement in the war, when there was a definite outflow of funds from the various states to finance the war, the net gain in savers' and investors' funds during the months of March, April, May, and June, has been negligible and in the summer of 1943 it was even greater than it had been the previous year. There is, thus, no question that the savings and loan associations are continuing to increase the number of persons using the associations for saving or borrowing purposes."

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**As Contributers To Country's Strength**

Declaring that a "nation of home owners, of people who own a real share in their own land, is unassailable," President Roosevelt sent a message to members of the War Conference on Housing and Savings of the United States Savings and Loan League in Chi-

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Roosevelt praises savings and loan associations as contributers to country's strength.
Institutional Funds Invited

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An Institution With Conservative Management

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All savings accounts here are insured up to $5000.00 and current dividends are 3%. We know of no other equally safe investment that will pay you as good a return on your money. —Send card for free booklet and information

For Institutional and Trust Funds

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Danielson Federal Savings and Loan Ass'n
84 Main Street Phone 577 Danielson, Conn.
U. S. Savings & Loan League Elects Cake President At War Conference Meeting

Ralph H. Cake of Portland, Ore., was elected fifteenth President of the United States Savings and Loan League at the annual meeting in Chicago, Ill., Nov. 16, marking the sixteenth annual meeting of the League and has served as both First and Second Vice-President.

Other officers elected to serve with him are: acting assistant administra-
tion of the national savings and loan organization are John F. Scott, St. Paul, Minnesota, President of the Missouri (Mo.) Savings and Loan Association; H. F. Cellarius, Cincinnati, Secretary and Treasurer; and Ralph H. Cake, President, Newark, N. J., was elected Second Vice-President.

The New York State delegation to the United States Savings and Loan War Conference was attended by Zebulon V. Woodward, Executive Vice-President, Lansing (Mich.) Federal Savings & Loan Association of Lansing, Michigan: Ralph H. Cross, Vice-President, Old Colony Bank, Providence, and William D. McKenna, Deputy Commissioner, Rhode Island Savings League, Secretary, Home Building & Loan Association of Providence.

South Dakota: Matilda Gage, Secretary, Home Building & Loan Association of Aberdeen.

Texas: W. W. McAllister, President, San Antonio Building & Loan Association, San Antonio.

Utah: M. L. Dye, President, First Federal Savings & Loan Association, Salt Lake City.

Oregon: Keith Powell, Salem Federal Savings & Loan Association of Salem.

Pennsylvania: Fred A. Werner, Executive Vice-President, Lancaster (Pa.) Federal Savings & Loan Association of Lancaster.

Rhode Island: Ralph H. Cross, Vice-President, Old Colony Bank, Providence.

South Carolina: Marion M. Howell, Secretary-Treasurer, Federal Savings & Loan Association of Charleston.

Tennessee: W. C. Walkup, Vice-President and Secretary, Home Savings & Loan Association of Knoxville.

Texas: W. W. McAllister, President, San Antonio Building & Loan Association, San Antonio.

Utah: M. L. Dye, President, First Federal Savings & Loan Association, Salt Lake City.

Wyoming: L. W. Dinmore, Executive Vice-President and Secretary, Rawlins Federal Savings & Loan Association of Rawlins.

New Jersey: Henry N. Smith, President of Teterow Savings and Loan Association of Paterson.

New York: F. Clinton Wulcott, President, First Federal Savings & Loan Association of Rochester.


North Dakota: H. H. Woolledge, President, North Dakota Savings & Loan Association of Fargo.

Ohio: James V. Davidson, President of First Federal Savings & Loan Associations of Winton, Chillicothe, Columbus, and Marion.

John F. Scott

U. S. Savings & Loan League

The New York State delegation to the United States Savings and Loan War Conference was attended by Zebulon V. Woodward, Executive Vice-President, Lansing (Mich.) Federal Savings & Loan Association of Lansing, Michigan: Ralph H. Cross, Vice-President, Old Colony Bank, Providence, and William D. McKenna, Deputy Commissioner, Rhode Island Savings League, Secretary, Home Building & Loan Association of Providence.

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Get an Attractive Return at the Time-Tried and Proved 52-year old

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Single Authority Declared Essential To Solving Problem Of Manpower Situation

A single authority will have to be created to get a perspective on the manpower situation which is growing increasingly exciting in national and in terms of men and materials, according to Representative Everett M. Dirksen (Rep., Ill.), speaking before the Seventh Annual Savings and Loan League war conference at Chicago, Ill., last month.

At the opening session of the League's annual meeting, Dirksen reviewed in answer to full the challenge of the Treasury's recently-announced manpower plan of fiscal and economic situation reviewer and the final session of the United States Savings and Loan League Conference in Chicago, Mr. Dirksen summarized the number of suggestions which have been made on the subject of what he called "rationing people" and pointed out one of the implications of those plans had not been discussed, and that as such happens to seniority rights of an employee who is transferred from one employer forcibly to another, with other and similar implications of rationing of "both and."

"We shall have more of the forty-eight-hour week after Jan. 1," he said. "When the new Congress meets it is going to be resolute in its determination to do something about the manpower problem. We can't have our boys fighting anywhere on our 30,000-mile battle front with insufficient equipment, because of a manpower shortage at home."

"There are millions of civilian em-
ployees in Federal, State and local Government that we are now in Army and Navy put together. Maybe we can get some of our manpower from them and look into it."

Representative Dirksen spoke of post-war planning and asked if the people of the United States would get a chance to post as it is now, the man and the manpower that have in the past, and as we see it the Congress will have to do, to develop a program for post-war activities."

Savings, Loan Leagues To Buy Gov't Bonds

A goal of some $300,000,000 investment in government securities is set by the savings and loan associations adopted by the United States Savings and Loan League Conference.

Reprinted from The Republican, November 21, 1943

"We continue to accept Long-Term Investments from sources outside Chicago area 3% Current Dividend Rate"

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Resources over $5,000,000

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Great Housing Demand Predicted After War

Necessitating Changes In Building Industry

Fruging the builders and mortgage lenders for the job being done in war housing, Almer H. Ferguson, Federal Reserve Com-

missioner in the National Housing Agency, predicted that the post-

war period would offer tremendous opportunities for providing the

housing that is going to be needed.

In an address before the conference of the United States Sav-

ings and Loan League at Chicago, Mr. Ferguson said that "when the

war is over, there already will be developed in America a need and
demand for houses almost beyond limit," and predicted that except

for a short period of transition from war to peace, the country

would enter into a period of "unprecedented prosperity.

Saying "it is generally con-
ceded that post-war America will be a largely different America

economically," Mr. Ferguson said that "we are going to

emerge with our system of free private enterprise still operative,

it will have to be subjected to certain regu-

lations and controles and in that it may better serve the interests of

the State, the country, and probably the world than the white.

From Mr. Ferguson's address, we quote:

"A few weeks ago in Washington, I attended a conference of

the Federal Housing Administration which was convened every

time I heard a group of builders talking about war housing. I was

overwhelmed by a new awareness that they couldn't continue to

struggle with the problem, in view of the many unsatisfactory

and onerous regulations which have recently continued to ham-

per their efforts. I told them that we were entitled to the unquali-

fied gratitude of the nation.

"I make this same statement to you as among those who have pro-

vided the funds with which these houses have been built, and

the number is not inconsequential. In 1941 there were 619,487

units of urban residential construction built in the United States

with private funds, and while it has been considerably

increased since then, the figures show that 259,-

110,000 units of construction were started in the first nine

months of the present year. The National Housing Agency has programmed

270,000 units for the year beginning Oct. 1, 1942, which would

not hazard as a guess as to additional demands for war housing this

year, is going to be built during the entire period of the war.

"When the war is over, there already will be developed in America a need and a

demand for houses almost beyond limit. We will find a country with a na-

tional income of probably $600,-

000,000,000 a year. We will find a country with full employment. We will

find a country with a new demand for houses never before experienced. We will find a
country that is not in the future. We will find a country with a new and

unprecedented opportunity for the housing of the nation and the

house of the nation and never be

gone from our minds.

The intangible something that is the in-

herent quality of home ownership is

home owned by its parents—the precious

and pride of possession—these are some of the values we are fighting for in this war. Your

associations have long recognized that it has made the cornerstone of your

endeavor, and it is something we cannot forget.

However, there is a large seg-

ment of the American public who are nungly at 48% to 70%,

who, for obvious reasons, can not or will not assume the

responsibilities of home ownership. I cannot

not overlook this field, al-

though I must admit we have not yet

begun to study seriously the

problem of obtaining mortgage

capital to rent. We do not believe that rental housing projects should be

confined to operative builders, but that they are prime outlets for invest-

ment capital. This they are.

"Since the war began, two ventures in Washington, one of which had

an engaged premium of 3% from 1917 to 1923 and the other in the present

period, including the heavy depression years. The other has had

dividends greater than 3% during the past 10 years."

Discussing a need for city planning, Mr. Ferguson had the following to say:

"This planning will have to be

based on calculations of exist-

and projected income, of the

number of families and their

influence to be realized. If there

are studies of proposed future distribu-

tion of different land uses and

placements of industrial equip-

ment, it will be necessary that

stations, facilities, distribution, other utili-

ties and services and employment centers

be so designated. Land use and

placement of industrial enable-

ments will have to be directed to

to public service will need to be

diversified. This may encourage

factors will be mentioned and

reorganized and

"In concluding remarks Mr. Ferguson said:

"Although it is hardly possible to

define at this time exactly the

extent of the scientific develop-

ment of the war, we do know certain things that will influence

it. As a result of the war effort the country's productive equipment

will be tremendously expanded. Aluminum production, for instance, had

been about seven times what it was be-

fore the war. The war has

accelerated the development of in-

dustrial efficiency. The development of plastics, new uses with

plywood is another example that

developed has and will remain an almost new material, as are other

rubber or leather products. These items will be

made from scrap instead of

uranium or other materials. In

most places these materials will

find their proper role in

home building, and we may expect to

see home building in the future will be
dramatically revolui-
tional in design, materials and.

wherever possible, the old craftsmanship and style and taste do not change

quickly. Very few Americans

would be receiving your careful consideration because of their possible influence on your

appraisal policies in the future as well as today. For your appraisals
today could be adversely affected by

the more attractively expensive house of tomorrow.

"In estimating the potential

housing activity in the post-war

period, repairs and modernization

and "necessary modest" improvements should be

made in the same way as new

buildings are being and will likely be

made in the development of residential property.

Chicago Home Loans Increase 15% In Oct.

An 15% increase in October adv-

anced the operations of the Federal Reserve Bank of Chicago over those of

September brought the October home loan program to an

of $13,800,000,000 for

October, announced B. J. Gunther, President of the bank. The new

low point for the period from the previous month, an increase of $5,700,000,

October the bank has experienced since 1938. Meanwhile, Mr. Gunther, the

first president of the bank, is its reserve institution, under whose leadership

home loan associations have associated new Octo-

ber lending policies with an equalization contribution to the anti-inflation drive on the de-

pendent front.

This additional amount is in the form of a

bank associations, in which is included that of record activities in the bond market, in
to the bond market, increased to $8,380,000,000, an increase of $2,900,000,000. The

part of the thrift and home

financing institutions, in view of the

home loan funds," he explained.

"Member institutions which need our help will be able to increase their

for use in their localities,

In conclusion, Mr. Ferguson said that the

he made several comments on the

hedge. He pointed out that

I would like to recognize the

of a tremendous number of

as the tremendous number of

assets of $9,813,390

Current Dividend Rate 3% per annum

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SAFETY SINCE 1887

Not one dollar has been lost by any

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years of existence.

FLETCHER AVENUE

SAVINGS AND LOAN ASS'N

INDEPENDENCE, KANSAS

Assets $9,813,390

Current Dividend Rate 3% per annum

First National Savings

and Loan Association

St. Paul, Minn.

Resources over $5,400,000.00

SAFETY

Savings and Loan

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SAFETY

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St. Paul, Minn.
National Housing Administrator Predicts Large, Sustained Post-War Era Of Building

John B. Blandford, Jr., Administrator of the National Housing Administration, in a recent speech to the Institute of Real Estate, observed that the post-war years will bring a tremendous demand for residential building, and that for the first time in the history of this country the building of homes will be regarded as a national obligation. This demand will result from the need for housing for returning veterans, the need for replacement homes, and the desire for new homes by those who have accummulated funds during the war.

The Administrator predicted that the supply of building materials will be adequate to meet this demand, and that the construction industry will be able to meet the challenge. He also emphasized the need for sound planning and careful supervision of construction to ensure the production of homes that are suitable for the families who will occupy them.

Savings Problems Of Management In War Time

Study At Savings And Loan League Conference

Continue to advertise for savings, with only a possible 20 to 25% reduction in the appropriation, was the advice passed on to the savings, building and loan associations and cooperative banks of the country at the Conference of Problems of Management in War Time, featured Nov. 17 at the United States Savings and Loan League's war conference on housing and saving. Although the conclusions of the conference were to the effect that high saving rates equal to or faster than at any time in the past, are essential to the financing of housing, it was generally agreed to the effect that the majority of the panel, the philosophy prevailed that every $1 you don't spend to keep your savings customers now will cost you $5 or $6 later.

Members of the panel were James V. Davidson, Toledo, O.; M. K. M. Murphy, Rutherford, N. J.; Prof. Ralph A. Dobbs; Rochester, N. Y.; and Professor Ray H. Sturtevant, Conn., Moderator was Carl F. Distel, Los Angeles. Panel members were heads of the United States Savings and Loan League.

Admitting that the savings flow is likely to be the best investment on hand, that it is more difficult to invest in mortgage loans, the executives turned their attention to government bonds as an outlet and decided that somewhere between 30 to 40% of an association's assets could be invested in government bonds without completely upsetting the savings and loan structure.

Professor Westefield pointed to the need for the associations to advertise for savings, taking all funds offered them, because "if they don't take them today they are diverting time and money away from war production."

The panel went into a lengthy discussion of the kinds of bonds that savings and loan associations should buy. The bond portfolio is generally comprised of time and favorable purchases at prices that are generally seen as a compromise of the purchase at par and the issuance at a discount.

Mr. Blandford explained to the savings and loan men the workings of the National Housing Act and its unitary units and outlined the steps of the program of the NHA. With a view to the functioning of the Housing Administration, the estimated total number will be needed a total of 1,200,000 accommodations of various types to house the 1,800,000 families that will move into industrial centers in the next ten years was given. He further explained that of these units are planned through greater use of existing structures and the building of the new construction.

Mr. Blandford called the attention of the savings and loan associations and similar institutions to the NHA's in its recently announced lease conversion program for housing war work.

He concluded: "Fortunately for civilization, not all the people's incomes represent waste. I have mentioned the productive industries of the building enterprise. Another by-product of this same material and human forces together, is obviously the development of national housing development of that fort. Private industry and government coupled together are working together on a common job. We are having respect and tolerance and understanding.

---

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Bodfish Says Financial Institutions Must Be Able To See Need For Changes

Financial institutions which get stabilized, snug and unable to see the need for changes are precisely in the financial system, Morton Bodfish, executive vice-president of the United States Savings and Loan League, told the Federal Reserve Bank of St. Louis conference on housing, and have gone out of leverage for the time being.

He said that when specific amendments are written, they were really protecting those landlords who were the large landlords, self-sufficient, who were the whole body of our rental community.

"We have taken on the biggest job any nation has ever taken on in history, and we are just beginning to do it," he said, commenting on the war picture.

Mr. Bodfish emphasized the importance of public law alone and public officials alone to create the management capacity which will take a financial institution through a time of crisis.

He said that the heavy hand of government control, redtape and bureaucracy has not yet captured the savings and loan institutions and that they are more independent and self-sufficient than most other financial institutions today preserving the attributes of private enterprise in a measure of which they should be proud.

Speaking on the Federal Home Loan Bank System, the reserve institution of the savings and loan associations, Mr. Bodfish said that it is the most tremendous common possession of these associations today. He said special tribute should be paid to the particular Home Loan Banks which have directed their policy substantially toward strengthening their liquidity.

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3 BETTER INVESTMENT - EXECUTORS, CORPORATIONS, INDIVIDUALS AND OTHERS AS INVESTORS

SAN FRANCISCO FEDERAL SAVINGS AND LOAN ASSOCIATION

Chartered and supervised by the U. S. Government

Thursday, November 26, 1942

Acceptance Of Maximum Rent Principle Held

Essential To Preserve Economic Stability

Paul Porter, deputy administrator of the Office of Price Administra-
tion, said at the meeting of the United States Savings and Loan League that the conference that the OPA knows that the "overwhelming majority of associations are strain- ing their way not only to obey the regulations but to extend the maximum price regulations which spell out for each industry the maximum charge for a rental unit".

He went on to say:

"The importance of such stabiliza-
tion is seen in this group's gen-
eral inflation of real estate values, in so far as history is an experienced guide, means eventual deflation. You needn't search far to find your own experience.

"The real estate collapse of the 1920's and the subsequent hangover are not easily forgotten. The acquisition of properties through default of contract, through condemnation, and the long uphill struggle for a partial recup-
eration of values, on the whole, has been in none of us wishful thinking.

"Yet the problem of avoiding such post-war sequence is not easy of solution in a rising market. Increasing construction costs and skyrocketing real estate values, it is true, establish defensible durations and manage-
ments in its attempt to use business judgment the determination of true appraisals and appropriate loan ratios; but the history of real estate cannot be overlooked in this regard.

"The Office of Price Adminis-
tration acted to prevent a repetition of the building material price spiral in World War I, and was perhaps most successful in stabi-
lizing the prices of steel and cement." Mr. Porter said. "In the post-war period, the OPA was in control of the Federal Home Loan Bank System, the reserve institution of the savings and loan associations. It has been said that it is the most tremendous common possession of these associations today. He said special tribute should be paid to the particular Home Loan Banks which have directed their policy substantially toward strengthening their liquidity.

Treasury Must Relinquish Of $10,000,000

In Federal Reserve Bank Of St. Louis

The Treasury must still rely on the banks as the major pur-
chasers of its security offerings, according to Montague Porter, a director of the United States Savings and Loan League at a conference at which the Federal Reserve Bank of St. Louis was conducting a conference on housing.

"The Treasury is not a bank, just because it is easier ably lower, such as a practical necessity," Mr. Jones pointed out. He said:

"It is true that the banks borrowed heavily from the Fed-
eral Reserve Banks and it is quite true that money in this instance will again play an important part in the maintenance of the credit supply. Mr. Porter said.

He predicted that banks will be able to keep the war in mind in financing the Treasury program.

"I am not sure that the banks can hold a considerable amount of excess reserves and order the necessary reductions. They are not likely ordered in the maximum rent which, if not able to maintain rents on an even keel, could lead to a national

to economic emergency," he said.

We have presupposed that the government and an administra-tive machinery which promises to achieve that goal, perhaps it is a black art which has gone the long way toward being tamed. But regulations which are now in effect have not been able to cast aside the demands of serious crisis. It has proven in practice to be theoretically feasible. Moreover, our records show that the maximum rent principle has not resulted in a substantial freeing of rents in areas where Federal control has not been in place. There is no such thing. We al-
ways realized that there were certain types of rent control that were not possible, such as the freeze for a given area, but the principle of the freeze method as the fairest and most equitable method for the ad-
ministration. I think it has not been cast aside by us. It has proven very very feasible.

The maximum rent principle is a key to the future of our housing plans.

San Francisco Federal Savings and Loan Association

1427 Walnut St., Philadelphia, Pa., will issue a bond, "San Francisco Federal Savings and Loan Association," to the public.

Benevolent and insured by the Federal Home Loan Bank, the association will be able to maintain rents on an even keel, which could lead to a national economic emergency.

We have presupposed that the government and an administrative machinery which promises to achieve that goal, perhaps it is a black art which has gone the long way toward being tamed. But regulations which are now in effect have not been able to cast aside the demands of serious crisis. It has proven in practice to be theoretically feasible. Moreover, our records show that the maximum rent principle has not resulted in a substantial freeing of rents in areas where Federal control has not been in place. There is no such thing. We al-
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ministration. I think it has not been cast aside by us. It has proven very very feasible.
Calendar of New Security Flotations

Following is a list of issues whose registration statements were filed less than twenty days ago. These issues are grouped according to the dates on which the registration statements were filed. The schedule of normal trading days, therefore, is twenty days after filing except in the case of the securities of certain foreign public authorities which normally became available sooner.

These dates, unless otherwise specified, are as of April 3, 1950.

For official data, see the various issues and their official dates below.

THURSDAY, APRIL 2

CERTIFICATE OF INDEBTEDNESS

Curton Candy Co. has filed a registration statement for the sale of 9% debenture certificates of indebtedness for $100,000. The net amount, after paying the costs of organization and underwriting, is expected to be $97,500.

BUSINESS—Company is one of the largest and most successful candy manufacturers in the United States and has been in active business for over 50 years. It is financially strong, has substantial assets, and is expected to be able to meet all of its obligations. It is owned by the Tallulah Bank and Trust Co., which is a director.

SATURDAY, APRIL 4

MINERAL INCOME FUND, INC.

Weber & Co. has filed a registration statement for the sale of the securities of the company. The securities are to be sold for $100,000, with the net amount expected to be $98,500.

BUSINESS—The company is a mining and milling corporation. It has been in operation for over 20 years and has a history of successful operations. It is financially strong, has substantial assets, and is expected to be able to meet all of its obligations.

TUESDAY, APRIL 8

ANPEL AIRopleaze unit: TRADEING CORP.

Weber & Co. has filed a registration statement for the sale of the securities of the company. The securities are to be sold for $100,000, with the net amount expected to be $98,500.

BUSINESS—The company is an aircraft trading company. It has been in operation for over 20 years and has a history of successful operations. It is financially strong, has substantial assets, and is expected to be able to meet all of its obligations.

DATES OF OFFERING UNDERTAKEN

Weber & Co. has filed a registration statement for the sale of the securities of the company. The securities are to be sold for $100,000, with the net amount expected to be $98,500.

BUSINESS—The company is a mining and milling corporation. It has been in operation for over 20 years and has a history of successful operations. It is financially strong, has substantial assets, and is expected to be able to meet all of its obligations.

PLAY


Underwriting—No underwriters.

Mideri...Older...Better!

Straight Bourbon Whiskey — 100 Proof — This Whiskey is 6 Years Old. Stage-Voice Distillers Corporation, N.Y.C.
Halsey, Stuart Group Offers Chicago Issue

Halsey, Stuart & Co., Chicago, underwriting, which is currently offering $7,500,000 Chicago Sanitary District bonds in a series F refunding of bonds of 1943. The bonds are dated Jan. 1, 1943, and are at 100 and accrued interest as follows: Jan. 1, 1943, 0.8% to 2%, according to the optional maturity date.

In its prospectus, the bonds will constitute valid and legally binding obligations of the Sanitary District of Chicago payable from annual revenues taxes to be levied upon all the taxable property therein without limitation as to time or amount.

The Sanitary District includes the city of Chicago and 32 other incorporated cities and towns in Cook County. The district has an area of 442 square miles, or 47% of the area of Cook County. Associated in the issuing are Central Republic Co., Phelps, Fano & Co., Otis & Co., Inc., Miller, Kenyon & Co., and Peters, Hutton, Sranahan, Harris & Co., Inc.

KANSAS CITY Bond Men Elect New Officers

KANSAS CITY, MO.—At the annual meeting of the Trade Club of Kansas City, the following officers were elected for 1943-1945:


Urged To Cut Travel

The Office of Defense Transportation has urged the public to cut back on travel over the Christmas and New Year’s holiday season unless it is war business. A spokesman for the ODT has said that it will “practice everything on war orders” to handle the country’s holiday bus and train travel, but the government departments are not cut down on their travel space.

R. Hoe common

Vicana Sugar common

Spokane Int’l R. R.

Susquehanna Mills, Inc.

F ALEYS & CO.

71 Broadway N.Y. 16
71 Broadway N.Y. Ebling Green 7-203

OUR REPORTER’S

Our Reporter’s Report

(Continued from first page)

THE COMMERCIAL & FINANCIAL CHRONICLE

Thursday, November 24, 1942

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all evidence found in the rise of society from its primitively formal stage to the more mature, where an ochlocracy is the highest form of social life. As a political movement it follows the common receipt of fusing lofty sentiments and heroic acts of bleeding. The war has been a just, mercy, envy, hate, fear, greed and pleasure, which, being common to all, possess the power of self-propagation because human beings have that insight which divides their fervent of impulses and because no belief has ever succeeded in making them different from what they are.

The life of the individual grade, like Kropotkin, Thomas and Spargo, are mystics wandering in the labyrinth of their inhibitions and fixations; tangled in their incomprehensions; lost in the preoccupation of others. The modern mind is in the abstract that they cannot understand him in the concrete.

Their proposals, in which two unreasons make a rational, are without relevance to the realities of the world in monumental simplicity. In them the critical faculty has been anesthetized by the compulsion of proving a fact previously accepted. Their sincerity, which is only equalled by their ingenuity, is dangerous because of their unreasonable confidence in the accuracy of their diagnosis of social ills. They are hobbledehoy playing with the technique that they believe to be happy in their hallucinations. They are not sociologists but social reformers in the dilettante sense; moral idealists in the guise of priests. Some have types of mind; the scientific which is satisfied only with logically arranged facts and the informal which finds in socialism an escape mechanism of a new type. Despite their intensions of a dialectical world, neglect to consider that intelligence is man’s only weapon against a hostile nature and that their starting point should be the human science of behavior.

Otherwise their changes will be etymological and not economic and their reforms only reversions to tribal life-forms. They indulge in mass sophistry which are widely differing patterns of volution and behavior.

Capitalism says—"I ask nothing for myself that I am not willing to see everybody else have." Socialism says—"I am not willing that anyone should have more than I have."

A societal organization founded upon the belief that the mistakes of any one man should be shared jointly by his fellow men who will produce only a catastrophe. It is an illusion attempting to destroy reality; the capitulation of reason to delusion; the metamorphosis of an abstraction into a political theory.

When men are taught to assume that their mere physical existence entitles them to an equal participation in the common heritage, they are in the process of substituting the existence of processes which make their very existence possible. They resemble children prattling their way to tragedy behind the Pied Piper of Hamelin, pathetic in their anxiety to conform to society in the race of man.

From this it is what constitutes its fascination.

It is an easy theory to advance because it is politically expedient and expediency is the major requirement of political success. The super-goals are the goal. It is a psychological necessity for most of us because our ego seems to need a protective coloration. The doctrine of parasitism is readily accepted because it satisfies this neurosis.

Parasitism is the attempt to live successfully and comfortably with the unlimited resources of human life. Human minds will accept any convenient notion that happens to be presented without testing it by comparison with other adaptive convictions already formed and is expressed in word pictures stippled with lures. The faculty for self-deception is highly developed in most minds.

We are not interested in the preliminary finding of findings for our short-comings that we have no time to eradicate them. The characteristic is a biological basis.

Failure is the result of the abuse of the individual by himself; of flaws in character and capacity; of stubborn re