The War And American Foreign Investments

Attributes Disrupte Of Foreign Securities To "Propa¬
ganda," Not Deterioration Of Investment Status

Offers Suggestions To Facilitate New Borrowings Here
In Post-War Period

By DR. MAX WINKLER

Exclusive of obligations outstanding on behalf of Axis
countries and their satellites, foreign bonds dealt in on Ameri-
can markets have, since the outbreak of the present con-
flit, registered an aggregate enhancement in price, on the
basis of recent quotations of more than $200 million. Details
are presented in the table shown at the end of the article.

Bonds issued in behalf of Czarist Russia and held by Ameri-
can investors (sic), individuals, as well as insti-
tutions, have registered the record apprecia-
tion of 2,780% during the period un-
der review despite pro-
visions of a Soviet decree
according to which "all
foreign loans, without
exception, are absolutely
repudiated." From a quotation of only $1/46th, that is, 1.32% per bond of
$1,000 in August, 1929, Russian
dollars have risen to a re-
cently recorded price of 9, or $90
per bond. It may well be doubted whether there has been a cor-
responding enhancement in value. There has been no intimation from Moscow or elsewhere that the decree invalidating Russia's public debts has been or is about to be revoked or modified. To be

sure, there are various references to Russia's obligations in "Mission to Moscow." the diary of Joseph E. Davies, America's former Ambas-
dor to the Kremlin, and to the desirability in Russia of an agreement regarding them. It is also possible that Mr. Davies' second Mission to Moscow has given rise to renewed speculative activities in repudiated Russian loans. Even though there is not the slightest connection between Russia's regard for contractual commitments and the great aggregate in its strength against Hitler's Germany, the trading and speculative fraternity may have felt the need of ex-
gressing their satisfactions with the enrage of the Russian sol-
diers by buying Russian bonds in
private, irrespective of their inherent worth. Bonds of European neutrals, outranking in the American mar-

tets have shown relatively littlechange, and the price of about $3,500,000, of no special importance as to Russia, of about $5,000,000, may change substantially if the United States were to break off relations with the Republic, which is now allied with Germany against Russia.

(Continued on page 1876)

When Will The War End?
Roger W. Babson Says Not
Until After Election Of
November, 1944

First let us remember that the United States is the only func-
tioning constitutional democracy engaged in the war. Neither China nor Russia are democracies. Cen-
tainly none of the Axis coun-
tries are democracies. England has no written constitution, although this fact is incidental for my thesis this week. Cen-
tainly England is, and her Em-
peror is, on entirely different terms than is the United States.

All the above means that whether we like it or not World War II is gradually bound to get into politics. Far-
more, the longer the war lasts the more it will become involved in politics. This is especially true as far as American invasion or handing down the war is concerned.

Connecticut Corporates-Municipals

Special material and items of interest with reference to dealer activities in the State are ap-
ppeared on page 1862.

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Exports—Imports—Futures

Manchester, May 5, 1943

The Commercial and
FINANCIAL CHRONICLE

Volume 157 Number 4178
New York, N. Y., Thursday, May 20, 1943
Price 60 Cents a Copy

The estimates of national income, such as those for 1942, sup-
plied by the Department of Commerce, are being used these days to
support contentions regarding "inflation" and a Federal tax pro-
gram that should be subjected to more careful scrutiny than they are
receiving.

For example, the Department of Commerce's report says that
national income for 1942 was
$119,000,000,000, that it is ex-
pected to reach $149,000,000,000 in
1943, that total Government ex-
penditures will be, in the same year,$174,000,000,000. It is as-
certained that consumer expendi-
tures should decline in 1943 from the almost $122,000,000,000 of
1942, that if consumers' expenditures be limited to about $117,000,
000, savings will soar to above $460,000,000,000, and that "a severe inten-
sification of the inflationary gap" is predicted.

Out of these figures comes an estimate of what is called the "inflation gap," which many people insist should be taxed away if "inflation" (what-
ever that may mean) is to be prevented.

It is doubtful whether many people are aware of the nature of the concept which is implied in these national income figures, or of the great practical limi-
tations to the usefulness of these concepts or of the great gaps in the data available to those who
compute such estimates. To take only one example: The apparently simple concept of sav-
ing is in fact difficult to define in any uniformly practical way. The question of saving always involves the element of time. But how much? It can involve months, weeks, days, or hours, and in the last analysis reduces itself to the degree of sloveness in the velocity of money. Any individual would be hard put to it to calculate his savings at any time. Is money spent for a home a saving (to the extent that borrowed funds are not used), or is it spent for consumption? Is non-borrowed money spent for a car, which is used for pleasure and play and for business on other days, a sav-
ing?

(Continued on page 1868)

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New York Montreal Toronto
Over-the-Counter Sales as Principal

By ABRAHAM M. METZ and EDWARD A. KOELE

During various phases of our activities, one group or another has from time to time become a group favored by law. Thus, landlords, real estate mortgages, and management have had their beneficial periods. Then along came new legislation and new administrative bodies, the emergency rent laws, The Wagner Act, the moratorium on foreclosures, and the Securities and Exchange Act, amongst others. The pendulum was swinging the other way.

No doubt, there are well defined reasons for this trend, reasons which the writers do not intend toInto. It is enough to say that lack of vigilance on the part of those in the field, were vitally affected, is one of the prime reasons.

Now is the time that security dealers must be particularly alert lest many of those who have already been regulated leave the breaking point, find themselves in the position where it will be impossible to continue going business.

Under the manifest of an "existing emergency," (Continued on page 1721)

Inflation Would Leave Health Best Asset Of All

By EDWIN J. SCHLESINGER

The subject of inflation is rightfully receiving a great deal of attention now, particularly in respect to the type of investments to make which will supposedly carry one through the inflationary period without paying too great a penalty.

In discussing inflation one hears considerable about "limited inflation." Perhaps all of the peril is in connection with inflation with the most insidious is that of being lulled into a sense of false security by banking on "limited inflation." When inflation once takes hold, there is no telling how far it will go, and it would seem that what happened in Germany in 1923 is something worth keeping in mind.

Perhaps one of the best ways to portray the ravages of the German inflation is through the vivid picture given by viewing the postal rates for sending a letter.

The increase in the cost of postage in Germany from the beginning of 1922 to the end of November, 1923, can be seen from the following figures:

<table>
<thead>
<tr>
<th>Month</th>
<th>Rate</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 1, 1922</td>
<td>9.5</td>
<td>125</td>
</tr>
<tr>
<td>March 1, 1922</td>
<td>225</td>
<td>0</td>
</tr>
<tr>
<td>September 22, 1923</td>
<td>100</td>
<td>0</td>
</tr>
<tr>
<td>October 1, 1923</td>
<td>15,000</td>
<td>14,900</td>
</tr>
<tr>
<td>November 1, 1923</td>
<td>100,000</td>
<td>83,000</td>
</tr>
<tr>
<td>December 31, 1923</td>
<td>500,000</td>
<td>425,000</td>
</tr>
</tbody>
</table>

While nothing on the order of the German inflation need necessarily be contemplated as likely to take place in the United States at this time, it is important to keep in mind what happened elsewhere when inflation reached the degree it did in Germany.

In the United States we ran into inflation during 1910 and the early months of 1920, at which time a dozen eggs reached the price of $1.30 and sugar sold as high as 33 cents a pound. The general price level, before the explosion in the spring of 1920, was approximately 235 on the basis of 100 for 1913. That, of course, could not come to mind a hundred years later in Germany. In fact, until the collapse of the country, we spoke of the period as a business boom and not as inflation.

Inflation, even though terrifying, seems to be a welcome feature to those who eagerly look forward to higher stock and commodity prices. (Continued on page 1865)

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By W. Y. PHILLIPS
Almost unnoticed we have, in the 13 weeks ended April 21, lost $282,000,000,000, or at an annual rate of nearly $760,000,000,000.

Another point that may be a distinct surprise to some of our "winners" who are apportioning our dislocation to do more for our neighbors and for our comrades in this continent, is that foreign countries have no money to spare. This can be stated on the highest authority, although the source of the information cannot be revealed under a curse. And this campaign has met with singular success among our policy-making New Dealers. They feel that they may be facing economic collapse un¬less we take a broad, forward-looking view of the gold problem and "redistribute it." Which, of course, is nonsense. But we have because we were willing to exchange gold. Utilities for any other country than our own should be returned gratis. How very original! How capricious minded! It now turns out that after years of railing, we are planning to get this gold the cleverest thing that we can. In order to do it to the perspicacious, sagacious foreigner, who will then be able to send to us again in return for the fruits of our toil.

This view is not entirely new. As far back as May, 1921, A. C. MILLS was a member of the board of governors (as they then were) of the Federal Reserve System prepared an elaborate and erudite study of our gold problem. He sagely concluded that if we had to choose between gold and the surplus we should have and the surplus should be treated as "warehouse gold to be sterilized when needed to rehabilitate that war-time continent." But Dr. MILLER did not offer any suggestions—just the cold facts. (Continued on page 1698)

### Are We Giving Away Our Gold?

![Image of a newspaper page with text about gold and economic policies.](https://example.com/news-paper-page.png)
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Branniff Airways Inland Airlines
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formerly with Brannens Brothers

The Steel Stocks In World War II

The steel stocks as a group have been laggards during the bull market of World War II. While many industrial stocks have risen 50% to 100% from their lows in 1942, the steel stocks advanced about 25%. No doubt a major contributing cause is the investors' apparent attitude of uncertainty regarding the post-war outlook for the industry.

Some see the possibility of post-war over-capacity as a factor, but after the last war capacity was increased to 63.3 million tons in 1919 and 60.4 in 1921, against a pre-war figure of about 35 million. The industry, in competition from aluminum, magnesium, plywood and plastics is another potential post-war development, but none of these matches steel in low cost, strength, durability or abundant supply. Furthermore, the production capacity for aluminum and magnesium, present and projected, is far less, in percentage, than the percentage of steel consumption.

Conservation may well have been carried to an extreme. The steel stocks have a habit of being "behind the market" in the initial stages of a major advance. Later, however, those that equally well established habit of making up the lost ground.

Steel will have to make a major contribution to the rebuilding of the world after the war. A huge deferred demand is now accumulating in the warehouses, scrap yards, equipment, construction and other fields. As far as "new" materials are concerned, the steel industry itself is rapidly expanding its manufacturing facilities. If these mills alloy best known to the layman as "stainless steel." In addition to toughness, hardness and resistance to corrosion and "fatigue," these have a high ratio of strength to weight—making them adaptable to a vast variety of uses.

The record gives little support to those who claim the steel mills merely as "war work." In the past, the connection it is interesting to compare the net earnings of peace-time 1937, and the highs of that year with the year of 1942 and present quotations. Net in 1937 was $196.7 millions for 27 steel and iron companies as reported by Standard & Poor's; in 1942 these companies showed a net of $281 millions—From "The New York Letter" issued by Hugh W. Long & Co.

William T. Burney Now Is With Sutro & Co.

The Financial Chronicle
SAN FRANCISCO, CALIF.—William Travis Burney has become associated with Sutro & Co., 407 Montgomery Street, members of the New York, and San Francisco Stock Exchanges and other leading exchanges. Mr. Burney for many years was in business for himself in San Francisco under the same of Burney & Co.

George Cavis Joins Clark Dodge, Boston

The Financial Chronicle
BOSTON, MASS.—George C. Cavis has become associated with Clark Dodge, Co., 70 Federal Street. Mr. Cavis in the past was Manager of the statistical department of the Boston office of Smith, Burney & Co. Recently he was a director of Industrial Associates of Massachusetts.

Paul Muth Associated With Blyth & Co. Inc.

The Financial Chronicle
SAN JOSE, CALIF.—Paul L. Muth has become associated with Blyth & Co., Inc., 274 Market St. San Francisco, Calif. Mr. Muth was formerly an officer of Bank of America Company, in charge of their local office. Prior thereto he was San Jose Manager for Gersten & Co. and Murray A. Schultz & Co.
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Railroad Securities

The rail market has developed decidedly divergent trends in the past week or so. For the most part the defaulted section has been on the soft side, being the speculative types that have followed much the same course. On the other hand, "and interest" obligations of the marginal carriers have been consistently steady, and in some cases have been rising. This has been years since the second-grade bond section has been able to give a better performance than the defaulted section, even in short or intermittent term swings. In fact, the general pattern of the market for a long time back has highlighted the ability of organization securities to push forward substantially in the face of declining trends throughout the rest of the list.

The recent rail market has apparently been influenced largely by war developments. The final liquidation of the African affair again brought up thoughts that early on the way to the war— it will be remembered that a similar mild peace psychology was in evidence when our troops first landed. This optimism was given additional impetus by the widely published reports of growing unrest throughout the European continent, and of riots even in Germany itself. Interested military officers are inclined to take a more sober view of the entire war picture and it does seem preferable to be thinking in terms of an early peace when the Continent will not have been invaded at this writing.

It seems probable that the peace psychology will run its course in a short time and that rail securities will have more or less a dual market, with factors in the industry itself. The trend of war news continues highly favorable, with virtual assurance of a high level of earnings even though the suspension of the freight rate increases the pressure of demand. The continuance of a decision on the wage question may have a temporary moderating influence on bullishness, but the market is at least a bit more rational now than it was when the question was at all serious in its "hold the line" drive there should certainly be no threat to the railroads in wages.

The independent firmness of the second-grade "and interest" and leading related location by investors of the full implications of the high earnings and tremendous cash receipts of the marginal roads, factors which serve to substantiate the rail securities have been emphasized to an extent which is no longer possible to ignore the positive reorganization through which many of these roads have been.

We recommend dealers' consideration of, at this time, all issues of Chicago, Rock Island & Pacific R. R. Co.
Particularly the GENERAL 4s, 1948, both Coupon & Registered.

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Minneapolis, St. Louis & S. 1942
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an exchange offer of Chesapeake & Ohio common for the Nickel Plate preferred with its heavy dividend accumulations. In the case of Southern Pacific the rumor contemplates that the present substantial cash balances and a refunding operation be utilized to take care of all maturities through 1946.

These pages have consistently advocated a constructive attitude towards both Southern Pacific and Nickel Plate, and it is still considered that these are two of the marginal roads most likely to maintain a high credit standing after the war. Nevertheless, it seems that rather of the rumored should be given too much weight, and certain "paper" based on the possibility that these rumored plans will be carried through cannot be justified. Rather, an attitude of caution is indicated.

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Connecticut Brevities

There is a lack of activity at the moment in Connecticut municipal issues, and, while it appears that a secondary market is developing on respect to the bonds, there were fewer such secondary offerings now than there have been for some time. Price trends still continue upward.

In recent weeks, the Federal Reserve Bank of St. Louis, reported that there was already received a $1.30% basis, showing a decrease in the highest monthly sales force.

A letter was sent to every unindustrial worker, whom it was not employed in essential industry. In addition, a group of women factory workers called on possible candidates and was sent to the women in the first day of the campaign. The campaign continued unabated at the end of two months, approximately 1,780 women were hired by the 13 firms participating in the campaign. No record has been kept of the number hired by non-participating firms, although many women found employment in such establishments.

It might also be noted that the dealers for the Clay's products might meet a large personnel demand at the expense of the local union. It would be a matter of concern to local in¬

The City of New Britain, one of Connecticut's important manufacturing centers, has recently issued a very successful campaign to recruit women for the various industries. Because the city’s housing facilities were taxed to the utmost, it was evident that it would be prac¬

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FINANCIAL

Can The United States Support A 300 Billion Dollar Debt?

In a carefully documented article published in the “Chronicle” of May 13 bearing the distinguished name of Dr. Olin Glenn Saxon, Professor of Economics at Yale University, a question of primary concern to the entire nation, viz.: Can, and will, the gigantic post-war debt—whether in the form of pre-war purchasing power, or indirectly, in wide or in part?—be paid in what he termed “honest dollars,” is answered in the nation’s leading financial periodicals. In this article, the author discusses the vital stake of the million investors in the United States and the methods employed in working out the solution of this sound solution to the immediate debt problem. In listing some of its suggestions, the “Chronicle” has been favored with various comments regarding the views of its author by Dr. Saxon in his article. Those that we are now to consider are:

PHILIP M. McKENNA

McKenna Metals Company

Money is a tool which mankind has found useful. Without this invention, mankind would have been reduced to the barbarism of the primitive savages, a condition in which their only possession was food, clothing, and shelter. This in the manner in which man has learned to use the tool of money, the product of his industry, for the advancement of the general welfare.

It is real not that the well-being of society will be more and more surely improved by the normal effort of the competitive system. Those favoring such savages reminded me of the many times when he had fed me milk in a large glass. I didn’t understand what he was doing, but when I got it into the pan and wasted this valuable food by splattering it all over the place, I then learned that it was necessary to avoid loss and waste by the general welfare of all.

Therefore, in regard to Mr. Saxon’s conclusion that whether we can support a 300 Billion Dollar Debt, as the value of the dollar depends upon freedom of use of money as a standard on which the economic system is built, it came to my attention in 1942, by the time proposals to raise the “haves” not only money but also means and other property, the “revolutionaries” had become aware that inequality prevailed not only because of the amount of money possessed by individuals, but in differences in the occupation of profitable ideas. But man’s ideas are definitely intangible properties. They are, in fact, the product of his thought and experience, and that the seizure of the possession of such an idea will accomplish their purposes—motion pictures, record players, the Paltin Bank HR 2100. These are, in fact, the result of the human skill, personnel, at the order of the manufacturer, to carry on work, etc., by his ideas about the development of the idea, or the weak in human abilities or re¬

NORMAN STEELMAN

I was very much interested in the current issue and shall keep it for future reference to the figures but I do not reach a conclusion w.hich is:

The Federal Reserve holds the key to a $300 BILLION DOLLAR DEBT, or in the form of pre-war purchasing power.

Anyone old enough to remember the year 1932 knows very well that the dollar, like the dollar of today, is a measure of value from which it was at the beginning of the century, and to which it is destined to rise in the future. The steady increase in na¬

(Continued on page 1875)
Real Estate Securities

In this column we have often called attention to outstanding real estate properties, the mortgage bond issues upon the real estate at the depressed prices at which the bonds were selling.

Purchase of New York real estate bonds is, in a great measure, predicated upon what the future holds for New York real estate.

So much for the future—it is also interesting to look into the past. How many people recall the old buildings which preceded these modern buildings whose mortgage bonds are now being traded? Take for instance the 26 story office building at 50 Broadway which people will recall that we have occasionally discussed in this column, and now calls the building that preceded it? Actually it was New York's first skyscraper called the Tower Building. The building was 13 stories high. According to the publication "Mid-Manhattan" its top floor was 154 feet above street level seven years when Bradford Ferry, who was a member of the firm that had designed the building, he found a fight on his hands. He had a difficult time convincing the city officials that his proposal to 'stand a steel structure on end' would support the weight of the building. The building was eventually demolished and now we have a 36 story modern office building which is only about two-thirds the thickness of the walls. It was months before he succeeded in getting his plan authorized and approved. Even then his idea was ridiculed by John Noble Sterns, the silk merchant who owned the land, who had expressed his fears that it would collapse. Finally Gilbert signed all the deeds declaring that the building would be safe in a hundred miles and greatest by water or fire. The top floors. The finished product was a 13 story building which was the first of its kind in the country.

Situation of Interest

Federal Machine & Welder Co. and Puratorator Products, Inc. offer attractive possibilities, according to Reynolds & Co., 120 Broadway, New York City, members of the New York Stock Exchange. Interest basic reports upon these companies may be had from Reynolds & Co. upon request.

thereafter seem as if these first mortgage bonds should have some speculative appeal.

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Bank and Insurance Stocks

<table>
<thead>
<tr>
<th>Bank and Insurance Stocks</th>
<th>Inquiries located in all Unlisted Issues</th>
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<tbody>
<tr>
<td>Laid, Bissell &amp; Meeds</td>
<td>Members New York Stock Exchange</td>
</tr>
<tr>
<td>326 Broadway</td>
<td>Tel: 9227</td>
</tr>
<tr>
<td>New York, N.Y.</td>
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**Philadelphia Bank Stocks**

- Central-Penn National Bank Fidelity-Phila. Trust Co.
- Girard Trust Co.
- Penna. Co.
- Columbus, Ohio, etc.
- Philadelphia National Bank
- Philadelphia Transportation Co.

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- 29,000,000 to $46,108,000,000, or $6,482,000,000.
- One of these figures, according to the lead, is difficult to escape the conclusion that the 1945 net operating earnings of well-managed banks, despite a possible increase in the surplus from 10% in 1944, should show from moderate to a marked improvement over 1942 results.

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- Halsey, Stuart & Co., Inc., head which offered, May 17, for B. & O. equipment, 3.25, 5%, $1,500,000, 6.25%, $1,000,000, 7%, $1,500,000, 7.5%, $1,000,000, 8%, $1,000,000, 9%, $1,000,000, and 9.5%, $1,000,000, respectively, by a bid of $3,500,000.

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- United Savings - Comparing Special quotations with the June 9, 1944, trading day price. 12 p.m. (P. T.)

**Hicks & Price Open New York Trading Dept.**

Under August Schenck

**Cunningham With Firm In Chicago Office**

- Hicks & Price, members of the New York and Chicago Stock Exchange, announce the opening of a trading desk in the New York office, One Wall Street, under the management of C. H. S. & A. Schenck, formerly a partner in Toyers & Schenck. Also associated with the firm in the trading department of the Chicago office, 231 South Wacker Drive, is Bernard J. Cunningham, previously with Simmons Brothers.

**Change Firm Name To Simons, Linburn & Co.**

- Milton Blauner has withdrawn as a partner of the firm of Blau¬ner, Simons & Co., members of the New York Stock Exchange. The remaining partners will continue business under the firm name of Simons, Linburn & Co. 

**Consolidated Electric**

**Situation Interesting**

- The Consolidated Electric Gas Co., Inc., is a particularly interesting situation at this time, according to a memorandum contained in the Preferred Stock Guide for May issued by the Chicago Associated Commercial Company.

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- Head Office Calcutta Commercial Bank, 1, Curzon Street

- Subscribed Capital—$4,000,000 Prepaid Capital—$2,000,000 Reserve Fund—$2,000,000

- The Bank carries on its business through its branches and agencies throughout India and Ceylon. It also has 13 branches and agencies throughout the United States and other places, and 4 agencies in Canada and Japan. It is incorporated under the Companies Act, 1913, and is registered in Calcutta by the Registrar of Companies. It is a member of the Bombay and Calcutta Chambers of Commerce. The Bank carries on its business through its branches and agencies throughout India and Ceylon. It also has 13 branches and agencies throughout the United States and other places, and 4 agencies in Canada and Japan. It is incorporated under the Companies Act, 1913, and is registered in Calcutta by the Registrar of Companies. It is a member of the Bombay and Calcutta Chambers of Commerce. The Bank carries on its business through its branches and agencies throughout India and Ceylon. It also has 13 branches and agencies throughout the United States and other places, and 4 agencies in Canada and Japan. It is incorporated under the Companies Act, 1913, and is registered in Calcutta by the Registrar of Companies. It is a member of the Bombay and Calcutta Chambers of Commerce. The Bank carries on its business through its branches and agencies throughout India and Ceylon. It also has 13 branches and agencies throughout the United States and other places, and 4 agencies in Canada and Japan. It is incorporated under the Companies Act, 1913, and is registered in Calcutta by the Registrar of Companies. It is a member of the Bombay and Calcutta Chambers of Commerce. The Bank carries on its business through its branches and agencies throughout India and Ceylon. It also has 13 branches and agencies throughout the United States and other places, and 4 agencies in Canada and Japan. It is incorporated under the Companies Act, 1913, and is registered in Calcutta by the Registrar of Companies. It is a member of the Bombay and Calcutta Chambers of Commerce. The Bank carries on its business through its branches and agencies throughout India and Ceylon. It also has 13 branches and agencies throughout the United States and other places, and 4 agencies in Canada and Japan. It is incorporated under the Companies Act, 1913, and is registered in Calcutta by the Registrar of Companies. It is a member of the Bombay and Calcutta Chambers of Commerce. The Bank carries on its business through its branches and agencies throughout India and Ceylon. It also has 13 branches and agencies throughout the United States and other places, and 4 agencies in Canada and Japan. It is incorporated under the Companies Act, 1913, and is registered in Calcutta by the Registrar of Companies. It is a member of the Bombay and Calcutta Chambers of Commerce. The Bank carries on its business through its branches and agencies throughout India and Ceylon. It also has 13 branches and agencies throughout the United States and other places, and 4 agencies in Canada and Japan. It is incorporated under the Companies Act, 1913, and is registered in Calcutta by the Registrar of Companies. It is a member of the Bombay and Calcutta Chambers of Commerce. The Bank carries on its business through its branches and agencies throughout India and Ceylon. It also has 13 branches and agencies throughout the United States and other places, and 4 agencies in Canada and Japan. It is incorporated under the Companies Act, 1913, and is registered in Calcutta by the Registrar of Companies. It is a member of the Bombay and Calcutta Chambers of Commerce. The Bank carries on its business through its branches and agencies throughout India and Ceylon. It also has 13 branches and agencies throughout the United States and other places, and 4 agencies in Canada and Japan. It is incorporated under the Companies Act, 1913, and is registered in Calcutta by the Registrar of Companies. It is a member of the Bombay and Calcutta Chambers of Commerce. The Bank carries on its business through its branches and agencies throughout India and Ceylon. It also has 13 branches and agencies throughout the United States and other places, and 4 agencies in Canada and Japan. It is incorporated under the Companies Act, 1913, and is registered in Calcutta by the Registrar of Companies. It is a member of the Bombay and Calcutta Chambers of Commerce.
Inflation Would Leave Health Best Asset

(Continued from page 1858)

modest rise in wages, however, will be unable to unburden them¬
selves of their mortgage debts and securities before the ultimate annihilation of their place, as for wages, they will still be paying.

There is something about the thought of inflation which
raises the emotions to enthusiastic heights. So as to illustrate what
is meant, it might be well to refer to the following data which shows
how in 1917, when much talk about inflation was in the air, in-
vestors were willing to pay prices considerably above what they
were prepared to pay in 1941, for the very same securities. In 1941,
as the below figures indicate, the basic factors which normally
should influence the sound purchase of stocks were not 1917, but the buying fever was lurking.

| Year | Dividend Per Divid-
<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>1937</td>
<td>Electric Auto-Lite High Grade 4 5/8</td>
</tr>
<tr>
<td></td>
<td>General Motors 34. 5 3/4</td>
</tr>
<tr>
<td></td>
<td>Du Pont 16 1/4</td>
</tr>
</tbody>
</table>

In weighing the possibility of inflation and viewing it from the
angles of past experiences and what the future may hold in store,
it would seem that the concentration of effort should be directed toward trying to prevent inflation rather than endeavoring to figure out how to wriggle through it.

The future of the country's economy would be greatly helped if everyone of the 135,000,000 people in this country, old enough to give the matter thought, were to direct all of the attention and cooperation toward trying to re-
move those forces which are tend-
ing inflationary. It would also be a sound and sensible idea for
the government to: (1) reduce public capital, industry, transportation, and the local consumer to try to work together, tempo-
rarily neglecting personal differences, and to aim at preventing inflation from engulfing them all.

The situation is comparable to being on a boat that has been tor-
pedoed, at which time nothing counts other than to try to keep afloat long enough to reach shore or be rescued.

When inflation reaches the
point where prices mount to astr-
onomical figures, it ought to be appar-
tent that business must come to a standstill. Who, for instance,
could afford to buy a pound of copper or a gallon of gasoline if either of those commodities should sell on the same basis as when
the German postal rates in
November, 1923, required 60,000-
000 marks to carry a single
letter? How many people would have enough money to buy shoes
or butter under those circum-
stances; and in the light of that
condition, who would want to buy stock when there are neither earnings nor surplus available for dividends which even if they were paid, would have no pur-
chasing power?

It is well to engrave upon one's mind that if the United States
should be unfortunate enough to be bilit by an all-out inflation
the chief asset of practically all individuals regardless of station
would be a sufficient quantity of health to enable them to hold down some job so as to earn enough to live from day to day,

DO YOU KNOW that without extra cost the proceeds of your Life Insurance ...

- can be protected against needless impairment by taxation?
- can be increased when paid as income, instead of as a single sum?
- can be protected against loss due to your beneficiary's lack of investment experience?
- can provide the right amount of money at the right time—as each need arises; cash for final expenses, cash to pay taxes and debts, income every month while your children are growing up, lifelong income to your wife?
- can be protected against tragic results, court costs, and delays— if you and your beneficiary should die in a common disaster and it could not be determined which death occurred first?
- can be protected against eventual payment to the wrong person, if you outlive your beneficiary, or if your beneficiary outlives you, but dies before receiving all of the proceeds?
- can be arranged to pay a lifelong retirement income to you?

Today may be your last chance to review your life insurance, in the light of your personal affairs and current tax laws. It is your best chance to make certain that it will render all possible service to you or to your family.

Dependable service in solving the serious problems suggested by the foregoing questions will be rendered gladly by a trained Massa-
achusetts Mutual representative.
Canada, in introducing this week into the House of Commons the Mutual War Aid Bill, takes the lead once more in demonstrating to the world a sane method of approach to the problems of Lend-Lease. Although Canada does not accept Lend-Lease aid in any form whatsoever for her own account, the Dominion has already reserved an area as a vital, if not a considerate, soil. Now it is desired to extend its limits of freedom from main basis and the main points of the bill are as follows:

1. Canada wishes to secure what war supplies the coun-
try needs for its own defence and does not wish to provide any Allies from obtaining such surpluses.

2. Canada wishes to provide that supplies to the Allies will be made under conditions which will not disqualify a recipient of aid.

3. Canada wishes to avoid piling up stocks which will be sold to the Allies for payment after the war is ended, creating a heavy financial and uncertain post-war obligations. Where terms and conditions are provided in these agreements, they will be clearly specified at the time of transaction.

4. All deals will be directly with the countries requiring assistance.

The Canadian bond market continues to display consider-
able demand for its issues, and there is usually a certain weak-
ness in the Canadian bond market in Canada in connection with Victo-
ry Loan activities. On this occasion, however, the Canadian bond market has been on a reduced scale and bonds have been used as an instrument of demand absorbed on a rising market.

It is confidently expected that on the return of the Canadian businessmen, dealers, who during the course of the war have been busy visiting their offices in ordinary busi-
ness, their activities will be replenished, with the conse-
quence that the Canadian bond market will advance in a still more favorable fashion. Successful loan drives, and liquidation on the part of Canadian holders for the pur-
pose of realizing the U.S. dol-
lar premium, have so depleted the supply of bonds from Canada that we are now in agreement that the amount of the U.S. dollar will not be much greater than in the past. The Dominion government, as President of the Baltimore Stock Exchange for a one-year term. The election is scheduled for March 15.

New that the U.S. bond drive is over and in view of the small amount of gold and silver bonds will be exchanged for Canadian bonds or for Canadian National Railways bonds with direct De-
cratic bonds.

Taylor Named To Head Baltimore Stock Exch.

BALTIMORE, MD.,-Howard B. Taylor of Howard R. Taylor & Co. has been named by the Maryland Stock Exchange as President of the Baltimore Stock Exchange for a one-year term. The election is scheduled for March 15.

The Nominating Committee has submitted to the members of the Exchange for their approval the names of these additional nominees for the election:

Four members of the Governing Committee (to serve for three years) - C. P. Hines, Jr., (Stein Bros. & Boyer), Frank E. Johnson, Philip L. Poole (Philip L. Poole & Co.), and George M. Scott.

One member of the Governing Committee (to serve for two years, to 1945) - F. A. Wilson, Maryland Bankers Association (Alex Brown & Sons).

Two members of the Governing Committee (to serve for one year) - George E. H. Finkenrude (George E. H. Finkenrude & Co.), and George M. Scott.

The members of the Nominating Committee are: James S. Poe; William G. Baker, Jr. (Baker, Baker & Co.); William E. Eisler, Jr., (Hibbert, Mapleton, Legg & Co.); and George M. Scott.

Some Questionable Inferences Drawn

From Estimates Of National Income

(January 15, 1943)

In a recent survey of the estimates of national income for the year 1942, Professor A. H. Cole of the University of Michigan, in the Journal of Economics and Business, expressed the opinion that the "inflation gap" concept, while not the only way of looking at the problem, is "the only workable method of interpreting the facts." He explained that the "inflation gap" concept is untenable and will not withstand careful analysis for the reasons pointed out above, not to mention others, and that any attempt to build up a federal tax program on a concept and estimate may lead to most unfortunate consequences. Professor Cole brings on the very thing that we are attempting to avoid. If we are talking about taxes, it is taxes are so heavy that people cannot meet their other, accumulated obligations, bankruptcies will follow. If tax pressures become that heavy or too heavy, people cannot or will not buy very much. This will compel the banks to buy even more than at present. If the people will not be forced to buy or used at such a development, the government would see that the banks will be forced to rely almost exclusively upon the Federal Reserve Bank for its Federal borrowing and perhaps finally on the issuance of irredeemable paper money.

When our government says it will take 40 to 50% of the people's incomes in taxes, it is dealing with a mathematic al abstraction. There is no way of revealing what the consequences will be of such a policy on the larger commercial enterprises and on the government. We are aware that the government has a very heavy rate of taxation, but we are also aware that it is architectonically impossible to tax a company or a man or a firm of Federal borrowing and is perhaps finally on the issuance of irredeemable paper money.

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Industry is helping win the war... industry must help build a peacetime world

Today, all industries must produce as never before—must speed the output of food, tanks, planes, guns, ships and other instruments of war—must conserve vital supplies—that we may win quickly a decisive victory.

Tomorrow, all industries must continue to produce—beating swords into plowshares—to prevent world-wide unemployment leading to ultimate economic collapse.

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

The people of this country, in common with the people of other lands, will prosper materially and spiritually when this war is ended but only if plans world-wide in scope are formulated promptly for A JUST AND DURABLE PEACE.

THE INTERNATIONAL NICKEL COMPANY, INC.
Subsidiary of The International Nickel Company of Canada, Limited
New York, N.Y.
### The War And American Foreign Investments

(Continued from first page)

Roosevelt apparently overlooked the implications of the liquidation of the foreign debt in the decade after the outbreak of the war. He also failed to recognize the significance of the liberal attitude towards the foreign debt in countries which had formerly been regarded as backward or impoverished.

### Table: Expenditure of United States Credit Resources, by Country

<table>
<thead>
<tr>
<th>Country</th>
<th>Expenditure</th>
<th>Debt Commitments</th>
<th>Total Expenditure</th>
<th>Total Debt Commitments</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>36,034,730</td>
<td>1,803,735</td>
<td>37,838,465</td>
<td>1,803,735</td>
</tr>
<tr>
<td>Germany</td>
<td>12,897,500</td>
<td>278,872,590</td>
<td>14,185,000</td>
<td>278,872,590</td>
</tr>
<tr>
<td>France</td>
<td>6,294,310</td>
<td>233,077,940</td>
<td>6,918,650</td>
<td>233,077,940</td>
</tr>
<tr>
<td>Italy</td>
<td>438,050</td>
<td>11,321,210</td>
<td>481,000</td>
<td>11,321,210</td>
</tr>
<tr>
<td>Belgium</td>
<td>349,050</td>
<td>109,154,365</td>
<td>383,100</td>
<td>109,154,365</td>
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<tr>
<td>Japan</td>
<td>175,050</td>
<td>2,010,000</td>
<td>212,550</td>
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<tr>
<td>China</td>
<td>100,000</td>
<td>100,000</td>
<td>100,000</td>
<td>100,000</td>
</tr>
<tr>
<td>Total</td>
<td>52,754,000</td>
<td>476,727,600</td>
<td>58,008,000</td>
<td>476,727,600</td>
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### Table: Expenditure of United States Credit Resources, by Category

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### The CHRONICLE invites the comments of its readers on the suggestions made in this article, or any related phases of the subject under discussion.—Editor.
Are We Giving Away Our Gold?  
(Continued from page 1859)

return this “warehouse gold.” It returned to a new position in a new constellation in the New Deal constellations of financial predilections to offer a new definition of the intru¬
sophistication. This New Deal commerce is the international commerce that would attribute the world’s gold by simply buying and selling gold “dross” and shipping it back. He didn’t have to issue gold, buy a tariff to the receiving coun¬
tries or not. But since it was clearly the fact that the givers were the more enlightened and responsible, we are justified in asking the object of paying a tariff uncondi¬
tionally.

Although that suggestion runs counter like a piece of cracked pottery—the plan apparently was not enthusiastically advocated. But don’t be too sure. Giving away them. In fact, it probably has been reduced in very secret, or it may be a secret to be saved for all the New Dealers can rid us of that “poison” gold. There may, in fact, be trickery going on in that current of the little clever trickery at that.

But there is a problem which is somewhat critical: How does it ever come about that our gold is going to buy? How does it come that the intem¬
porary powers of the countries who are not able to pay, you are sending them to be able to pay with a yellow merk? And maybe those for¬
eign countries that are going to trade with war will have several times $15 per gold. The war will have several times $25 per gold. They will have to pay the cost of distributing our gold worth, to the sellers. The balance of the world’s gold is worth, to the sellers. The balance of the world’s gold is worth, to the sellers. The balance of the world’s gold is worth, to the sellers.

There is one answer to that question that is very good and certain. Here it is: When we pay more than the price, we do not collect. That is simply a question of a price and our position. It is the clever plan worked out with the primary objective of making the gold which is a euphemistic way of making the somewhat larger in our possession at the announcement that the New Dealers were surplus “dross,” after all. This is the usual way in which we help our allies “to limit.” Nobody should complain. Even, so, these conclusions are valid.

In our scheme of putting nice eaves on this matter, the price which is a euphemistic way of making the somewhat larger in our possession at the announcement that the New Dealers were surplus “dross,” after all. This is the usual way in which we help our allies “to limit.” Nobody should complain. Even, so, these conclusions are valid.

The Securities Salesman’s Corner
How One Salesman Tripled His Income In Less Than A Year

One of the most successful salesmen we have had an opportunity to interview has told us the story the other day of how he climbed out of the small salary class into what is now a very substan¬
tial income. His method was so simple that we are certain most securities men have often thought about such a plan and possibly many have used it to some extent in their own business. Neverthe¬
less, we feel that this salesman’s story is worth repeating because of the much common sense behind it that even if you may find nothing new in the plan itself, the plan could certainly follow the same that any salesman should increase his earning power.

This salesman figured that he only had a limited amount of working time in a day. When he eliminated the time spent in travel¬
ning and to his office, the time he spent in reading and studying, he discovered that he could effectively serve his customers if he would help every salesman to increase his earning power.

When this salesman discovered how pressured for actual selling time he was he became aware of one important fact which opened his eyes to the reason for his limited earning power. He

COULDN’T SEE ENOUGH PEOPLE DURING THE WEEK. THE NUMBER OF HIS CALLS WERE LIMITED BY THE TIME WHICH WAS AVAILABLE TO HIM.

The realization formed about 20 hours a week could be spent in actual selling woke him up to the fact that time was a precious thing to every salesman. He reasoned that if he had only 20 hours a week for seeing customers that when he did call upon a prospect or a customer it was IMPORTANT THAT THEY WERE THE TYPE THAT WOULD WASTE HIS TIME. He told us that this 20-hour week idea became so strongly entrenched in his mind that he became an incentive for him to eliminate many worthless calls, and eventually to substitute calls upon more important accounts instead of the smaller accounts that he had formerly considered the backbone of his business.

He also brought out another very important point which illus¬
trated that a clever salesman can do much more than he was told that as he went along, eliminating smaller accounts and gradually building up his real income, made his idea become broader and his conception of the SIZE OF AN ORDER INCREASED AUTOMA¬
TICALLY. Where he had formerly thought in terms of odd lots and a bond or two, he unconsciously developed a mental轧 where the size of the order no longer presented a selling hazard which had the result that Grand Cauyon will not close the sale.

When I analyzed his past years, when the securities business has been a hard row to hoe, many salesmen have been happy to take whatever business they could get. He realized that better times are here—at least on are on their way. When it is easy to do business you can afford to be picky. He was interested in his prospects and customers. He recognized that better times mean not only MORE CALLS but BETTER ONES.

Bill Would Authorize Advertising Program

A bill authorizing the Treasury to spend from $25,000,000 to $30,000,000 a year on newspaper ad¬
vertising was introduced in the Senate May 3 by Senator Bankhead (Dem., Ala.). The legislation would require at least half of the amount to be spent on advertising in weekly, semi¬
weekly, tri-weekly and monthly newspapers and the remainder in daily newspapers.

Associated Press Washington advices had the following to say in the matter:

"The Secretary of the Treasury would cooperate with "recognized existing publishers' associations" in setting up the advertising cam¬
paign."

The program would be designed, the bill stipulates, to "completely safeguard the free¬
dom of the press; "avoid interfer¬
ence in any manner with the in¬
dependence of any newspaper or its responsibility to serving its readers;" and "protect editors and publishers in their right to publish criticism of the policies or conduct of the Treasury or any public official."

"The measure also would au¬
thorize the Secretary of the Treas¬
ury to pay out of the fund to the Secretary of Agriculture, War Food Administrator, Price Ad¬
ministrator and the War Manufac¬
turer Power Commission for advertis¬
ing their respective agencies."

The legislation would be effective upon the date of June 30 until 60 months after the war's end.

Opposition to this proposed Government-financed advertising program was voiced at the recent meeting of the American Advertising Publishers Association as reported in our issue of May 6, page 1668.

This is under no circumstances to be construed as an offering of this Stock for sale, or as an offer to buy, or as a solicitation of an offer to buy, or of any such Stock. The offer is made only by means of the Prospectus.

Not a New Issue

395,178 Shares

West Indies Sugar Corporation

Common Stock

($1 Par Value)

Price $15 Per Share

Copies of the Prospectus may be obtained from only such of the undersigned as may legally offer this Stock in compliance with the securities laws of the respective States.

Harriman Ripley & Co.  
Incorporated

Blyth & Co., Inc.  
Le Higginson Corporation  
Lazard Freres & Co.

G. H. Walker & Co.  
Wermuth & Co.  
Farr & Co.

May 19, 1943

Harriman Ripley & Co.  
Incorporated

Blyth & Co., Inc.  
Le Higginson Corporation  
Lazard Freres & Co.

G. H. Walker & Co.  
Wermuth & Co.  
Farr & Co.

This is under no circumstances to be construed as an offering of this Stock for sale, or as an offer to buy, or as a solicitation of an offer to buy, or of any such Stock. The offer is made only by means of the Prospectus.
## redemption notice

To the Holders of

**Louisville and Nashville Railroad Company**

Unified Mortgage 3½% Bonds with Extension Agreements of Series A due January 1, 1950 attached

**Notice**

To the holders of the above described United Mortgage 3½% Bonds with Extension Agreements of Series A attached to coupon form & the denominations of $10,000 each, the United Mortgage 3½% Bonds with Extension Agreements of Series A attached to fully registered form will become due and payable in 1972, at the principal amount thereof and accrued interest thereon at the date of redemption at the office of the undersigned at 290 Broadway, New York City, and interest on said bonds or said portions of fully registered bonds as called for redemption will cease to accrue on and from the date of redemption.

Bonds with Extension Agreements of Series A attached to coupon form should be presented for redemption and payment at and of the undersigned on July 1, 1943, corresponding to the interest coupon mailed January 1, 1944 and all subsequent coupons. The coupon due July 1, 1943 appertaining to said United Mortgage 3½% Bonds with Extension Agreements of Series A attached to fully registered form and the portions thereof which have been called for redemption should be presented in negotiable form and the holders thereof will receive a new bond and/or bonds, with Extension Agreements of Series A due January 1, 1950 attached to fully registered form or at the option of the holder in coupon form, for the portions of the registered bond not called for redemption.

This notice is hereby given in accordance with the provisions of the Supplementary Indenture dated January 1, 1920, between Louisville and Nashville Railroad Company and Central Hanover Bank and Trust Company, as Trustee, and the undersigned has elected to redeem and does hereby call for redemption and payment on July 1, 1943, $2,000,000 par value amount of the above described bonds at 102% of the par value amount thereof, and accrued interest on the par value amount to the date of redemption. The serial numbers of the bonds to be redeemed have been selected by Central Hanover Bank and Trust Company, as Trustee, and are numbered as follows:

<table>
<thead>
<tr>
<th>Bond Numbers</th>
<th>Amount</th>
<th>Date of Redemption</th>
</tr>
</thead>
<tbody>
<tr>
<td>AX20-AX21</td>
<td>$2,000,000</td>
<td>July 1, 1943</td>
</tr>
</tbody>
</table>

Dated, May 18th, 1943,

**LOUISVILLE AND NASHVILLE RAILROAD COMPANY**

**By W. J. McDonald, Vice President**
The Future Of The Gold Standard

In an authoritative article which appeared in the "Chronicle" April 1, bearing the above caption, Dr. Edwin Walter Kemmerer, President of the Federal Reserve Bank of St. Louis, discussed the post-war monetary situation and the conviction that the doctrines of the gold standard school would prevail and would be spared the criticism that they are based on its own nationalistic paper-money standard. The "Chronicle" invited comment regarding the views expressed by Dr. Kemmerer, and some of the letter writers have been quoted in this issue (see pages 4, 15, 22 and 29). Additional ones are given here:

S. C. ALLYN
President, The National Cash Register Company

I have read with interest Dr. Kemmerer's article in the "Chronicle" and agree with his basic theory that the gold standard is still valid and will also precede overnominal paper money,

CHARLES I. STEWART
Bewys T. Moore & Co.
Lexington, Ky.

Doctor Kemmerer's article, on April 1, is a step in the right direction. The gold standard is most interesting because it discusses one of the most important and one of the most difficult problems that will confront the post-war world, and also because of the recognized standing of the author as an economical and monetary expert.

Perhaps a rank amateur may be permitted to offer some observations on some phases of the problem made in it, even though Doctor Kemmerer does not emphasize them. The real value of a dollar or any more maintain a finaglold or other metal may represent, but in the useful commodities and service. We have seen our historic, pre-devaluation dollar fluctuate by this standard from the high commodit y level of May, 1920, to the low of 1922. We have seen the old standard break down in every period of great crisis... This nation has tried it. Some economists believe that the artificial measures resorted to stabilizing the various countries in the '20s and '30s encouraged the monetary confusion in the collapse of the '30s.

Obviously, each nation requires a monetary system, a mode of exchange and a medium to stabilize the relative value of different currencies. The demand for a uniform international currency has not yet been so acute. However, the situation in the World seems to reasonably sure to follow the war, it will be much greater than ever before.

The great need will be for a new monetary system. We cannot afford to lose the sort of stability in the purchasing power of money that enables a private nation to live in a luxury of a personal valet. The chief purpose of international monetary reform should be to provide a fair compensation to the producers of the basic commodities in all parts of the world, rather than to enable the financially sophisticated regions to exploit the less developed parts of the world.

It is the opinion of this amateur that the first step towards this end will be to rule entirely out of consideration a coin standard of gold or any other metal.

Certain basic commodities constitute the economic substance of all civilized countries. No country approaches self-sufficiency in all of them. They are widely distributed. We have arrived at a period in our social, political and industrial evolution that demands an exactitude and proportion of these commodities, as the foundation of peace. The abandonment of political imperialism will mean little if we have not an economic system designed to promote economic exploitation.

It should be practicable to establish an index of the relative values of these commodities on a world scale, with the currency unit tied to said index. These basic commodities include gold and silver. The function of the precious metals in such a system would be to provide the commodity in which trade balances among nations would be adjusted.

NYSE Short Interest

The New York Stock Exchange announced on May 11 that the short interest existing as of the close of business on the April 30 reporting date was 33,000,000 shares. This was considerably lower than the short interest reported May 20, 1943, of 30,300,000 shares.

Baltimore and Ohio Railroad Equipment Trust, Series M

$3,500,000

(Revised)

NYSE Short Interest

The New York Stock Exchange announced on May 11 that the short interest existing as of the close of business on the April 30 reporting date, as compiled from information obtained by the Exchange from its member firms, was 33,000,000 shares, compared with 77,900,000 shares on March 31. The number of short positions carried in the odd-lot accounts of all odd-lot dealers.

As of the April 30 settlement date, the total short interest in all odd-lot dealers' accounts was 33,000,000 shares, compared with 26,600,000 shares on March 31. The Exchange's announcement stated: "Of the 1,236 individual stock issues listed on the Exchange on April 30, there were 34 issues in which a short interest of more than 5,000 shares existed, or in which a change in the short position of more than 5,000 shares occurred during the month. The number of issues in which a short interest was reported as of April 30, exclusive of odd-lot."
Securities Laws Should Be Changed
Now To Remove Unnecessary Hindrances

Schram Declares Securities Industry Should Have All Freedom Consistent With Public Interest

Emil Schram, President of the New York Stock Exchange, recently observed that since the principles of regulation have been accepted in financial quarters and the public mind, there remains no reason why the securities market should not be changed to remove unnecessary hindrances and irritations and give the securities industry the greatest possible freedom consistent with the public interest.

"Furthermore, I am confident that the committees which prepared the original securities legislation, in their wisdom, expected that the first laws would have to be amended as experience showed that they had been tried out in action.

"Natural, there were many misconceptions and distrust between Washington and Wall Street. These have been dispelled, especially in an era of revolution and centralization of the financial system was being altered in America and all over the world.

"In my own experience during this period of mutual suspicion and ceaseless bickering between the nation's financial center and its political capital now is coming to an end. The adjustment in Wall Street is quite complete.

"We are a market which has always done a good job, but we have never done it better than we are doing now as we are doing a good job as we are doing-

"I am going to digest a moment and discuss a vital function which Wall Street had been neglected. There was a time when Wall Street was operationally and importantly financed the sale of stocks rather than the sale of bonds. Shareholders received subscription rights. But when the market was too harsh, the shareholder could either exercise or sell. In other words, the investor, after publicly off the exchanges, were effective changes the issues would be listed on the New York Stock Exchange but ready markets would be available to the entire group of sellers or of subsequently purchasing. It would be a great service to the public interest. We should eschew any stimulative revival, especially in Wall Street.

"This is of the greatest importance to our own economy. For if private investors could get into the habit of buying stock, if we could get them to make this contribution to the machinery of organized society,

"A market, as we are providing for all of the people said that one of the more unfortunate hindrances is that in making amendments "we must not break the baring down of the gates against the ever-increasing abuses which furnish ammunition.'"

"We have practiced for a long time, and the price paid must not be for the same.

"We can be sure that details of stock exchange regulation, and we can refine, and expand, and correct the controls; but we must not permit a popular demand to be heard on the mistakes of the '30s. If we do not experience the '30s will recur.

"The aims of the securities industry and their capital markets have been thoroughly sound. Briefly, they were to provide a control of manipulation and provide dependable information to investors. We have been trying to be protected against sharp practices. Let us keep in mind that Lewis's Congress had no intention of discouraging investors in taking legitimate business risks.

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Over-The-Counter Sales As Principal

(Continued from page 168)

constitutional right to contract freely may be impaired and every man be made a vassal to whom the gradually and be upon us before the true gravity of the situation is self evident. Such a condition now faces the over-the-counter dealers.

True, in the past, there has been some wild-catting in securities with a standard of ethics in the securities field. Complete self-regulation and self-discipline would have been advisable and still is provided that with it go the present credit and the people. But very slenderly consider the present powers of the existing regulatory agencies.

The idea behind the Securities and Exchange Act is salutary. However, the method of its enforcement, the setting up of “The Commission” and granting it a rule-making power which is equivalent to the power to legislate, may be good in itself, and security dealers and brokers, but also industry will suffer unwarranted and indefensible hardships.

It is proposed SEC bid and ask disclosure rule which would compel dealers who sell as principals to the public to disclose the best bid and ask price (in reality to disclose the price received by the customer, which is the only price certain to an unjustified assault upon American traditions and methods.

In effect, it would appear to be an attempt on the part of the SEC to circumvent the intent of Congress by indirectness. The further attempt a so-called “reasonable profit,” beyond which, fraud will be presumed, is contrary to the sound legal doctrine that in such transactions, in the absence of a fiduciary relationship, fraud will not be presupposed.

We limit our observations to instances of transactions between the customer and the broker or purchaser, i.e., where all confessions evidencing transactions are clearly upon that basis, and that basis alone.

To those acting as brokers and investment counsel, a different rule may well apply. The question is when, does a dealer also act as investment counsel? Does he act when in the course of a sale as principal, he makes some observation, which, in a way, he is acting as such an act upon? Does that measure constitution hold his position one of a fiduciary?

And dealers approve of an agency which is investigator, prosecutor and judge, and possessed of the power to terminate their license to do business? Aren’t the courts the proper forum to deal, with a man’s right to conduct his livelihood?

The SEC takes the position that the relation of a securities dealer to his client is not that of an ordinary merchant to a transaction. It is made that the provisions of the numerous state Blue Sky Laws governing the revocation of a license conferred upon the broker or a dealer, lend force to the support to this contention.

Where and when a dealer sells as principal, we see no reason why the transaction is not the same as a sale between a merchant and customer. Such instances, calling the customer a “client,” in our opinion does not change the result.

We take the position that the State Blue Sky Laws, which are intended, will be found to deal with the subject of affirmative fraud and its prevention, and therefore, cannot be regarded as authority for an attempt to change the doctrine, which, as far as we are aware, is upheld by which the dealer occupies no fiduciary role. As to such sales, the rule of Caveat Emptor (Let the Buyer Beware) should apply. That doctrine, ancient in the law and well tried for thousands of years, requires no modification. It is basically sound and its observation will prevent fraud on the part of disgruntled customers. It will place the obligation of vigilance where, obviously it properly belongs.

We hold no brief for anyone indulging in fraudulent practices. The small percentage who have done this in the past are largely responsible for the cross which the industry now bears. We do not say, the deplorable as well but the defrauding is in a class in which a client of the gets in the same franchise.

attempts to have a sale rescinded because of the size of the profit exacted. The court declined to uphold the SEC’s contention that there was fraud or that quotations in the National Quotation Sheets were a prices of securities. They are entitled to the thanks of all those in the securities field for the court’s findings in this case.

Tomorrow’s Markets

Walter Whyte

Says

(Continued from page 166)

to this lies in the ability of the market to foresee events rather than reflect news as it occurs. Right now the market is influenced by two things. The first is the kind of taxes our legislative bodies will cook up. The second is and not a yardstick for the future. I know I’m sticking my neck out when I say this, but the answer may be given by about retaining the “American Way” are completely without meaning. Take ten years, and you will get definitions of what the American Way means to them.

Currently there is a lot of showing off of various financial institutions. I am so impressed. Time and again I have stated here that earnings are a record of the past and not a yardstick for the future. I know I’m sticking my neck out when I say this, but the answer may be given by a yardstick for the future worth a boot is market section itself. As is often the case in this period, I have read all sorts of stories around about the weather of business cancellations. The interpretations involving the weather are a little bit amusing. It isn’t so long ago that we heard that war orders were unprofitable and that everything else being even, most companies preferred to stick to established lines. New that rumors of cancellations are being whispered about, which, if true, would give the companies the opportunity to get back into whatever product they were in before the war, the consensus of opinion is pessimistic. It all depends on what part of the street you are selling apples.

But to get back to the market. You well know that volume booms and busts. After dawdling around, have rallied a bit. But the picture is to answer the press the rally or the imminence of a bear break seems convincing.

From a cursory examination prices look about as high as they will get on the current up move. But just a single day’s action can change the entire picture again. One of the reasons is that there are too many Johnny-Come-Lates, men who are trying to take the spilt. I’ll admit that so far they are outnumbered by the bulls. But even that is a new condition. There are always more bulls than bears in the Street. The present crop of bears, however, has yet to taste its first run-in, and until it does must remain not only an unknown quantity but a force which may prove explosive as well. A paragraph or so back I said that stocks are about as high as they will get on the present move. This doesn’t take into account that may look into the short position. An inexperienced short trader can easily add a couple hundred points to the up-move by his hasty and frightened covering. So while I see little reason to change the opinion of a few weeks ago, but that new buying is now inadvisable, I can also see the market万亩 at least two-three points before turning down again.

If you’re agile enough you may make a little money out of such moves but the risks involved are entirely out of proportion. Instead I would suggest sitting tight and letting others scramble for them.

If that isn’t to your liking then take a look at the rails—not to buy—but to sell. Having just completed a 2,000-mile trip through the country I can tell you that despite the railroads’ protestations of their difficulties they are building up a reservoir of ill-will that will take many years to overcome. I am not talking of the current up of the Alleghenies they simply don’t exist—but to the attitude of railroad personnel. Their attitude of the public-behaving as if for any bright future for their passenger business. And if I were a skipper I’d remember many things all covered with the cloak of “war emergency” and guide myself accordingly.

More next Thursday.

Walter Whyte

(The views expressed in this article do not necessarily at any time outside those of the Chronicle. They are presented as those of the author only.)

Sidney Hook New Is With Morgan & Go

(Reprinted from The Financial Chronicle

LOS ANGELES, CALIF.—Sidney B. Hook has become associated with Pierrepont & Co., 40 South Street, members of the New York Stock Exchange. Mr. Hook was formerly with Merrill Lynch, Pierce, Fenner & Beane in charge of the municipal department of their Los Angeles office. Prior to coming to Los Angeles, Mr. Hook was an officer of Banks, Huntly & Co.

L. L. Vivian Dead

Leslie L. Vivian, a partner in Merrill Lynch, Pierce, Fenner & Beane, New York City, died at the Muhlenberg Hospital, Plainfield, N.J., where he had been admitted for surgical treatment. Mr. Vivian had been in Wall Street since 1899, when he became associated with Kimbell, Kline & Co. In 1921 he became a partner in Floyd-Jones, Vivian & Co. In 1929 he became a partner in Pierce, Fenner & Beane.

The Flintkote Company

$3,000,000

Fifteen Year 3% Debentures, due May 15, 1958

Dated May 15, 1943

Price 103% and accrued interest

Copied of the Prospectus may be obtained at any State from each of the undersigned, or in a solicitation of such offer to buy any of such securities. The offering is made only by the Prospectus.

LEHMANN BROTHERS

May 15, 1943
PERSONNEL ITEMS

If you contemplate making additions to your personnel, please
read particular to the Editor of the Financial Chronicle for pub-
ilication in this column.

(Canadian Branch)
BOSTON, M.ASS.—Francis Ma-
lenfant, who for five years has
Raymond & Co., 149 Front
Street.

(Canadian Branch)
BOSTON, M.ASS.—Robert Em-
send & Co., 209 South La
(Street.

(Canadian Branch)
BOSTON, M.ASS.—Charles
Koecher has been connected
Crawford & Co., 219 South
Street. In the past year
Goodwin, Ill., in insurance in
of trading.

(Canadian Branch)
CHICAGO, ILL.—Emery Lo-
Hill has been affiliated
Barnby & Co., 20 South La
Street. Mr. Hill was previously
for many years

(Canadian Branch)
CINCINNATI, OHI.—James
Juno, formerly with the staff of
Deimer & Co., 135 South La
(Street.

(Canadian Branch)
CINCINNATI, OHI.—H. T.
Tusler, who has been in
Dennison & Co., has been
in the retail brokerage business
illegible.

(Canadian Branch)
CINCINNATI, OHI.—Charles
A. Hall is now with Merrill,
Lynch, Pierce, Fenner & Beane,
Inc., 135 South La Street.

(Canadian Branch)
CINCINNATI, OHI.—H. H.
Ray, formerly with
Davis & Co., has joined the
staff of

(Canadian Branch)
LOS ANGELES, CALIF.—God-
Frey T. Schenley has been
E. F. Hutton & Co., 523 West
Street.

(Canadian Branch)
LOS ANGELES, CALIF.—Howard
J. Davis, formerly with
Verree & Co., has been
connected with

(Canadian Branch)
LOS ANGELES, CALIF.—Ed
E. F. Hutton & Co., 523 West
Street.

(Canadian Branch)
PORTLAND, MAINE.—John
King has joined the staff of
H. Leonard & Co., Munic Building

(Canadian Branch)
SAN FRANCISCO, CALIF.—Robert
W. Belknap, formerly with
Davie, Skaggs & Co., has joined
the staff of

(Canadian Branch)
SAN FRANCISCO, CALIF.—James
D. McDonald has been
affiliated with

(Canadian Branch)
SAN FRANCISCO, CALIF.—Michael
Aquinon, formerly with
Jackson & Co., has joined the
staff of

(Canadian Branch)
SANTA CRUZ, CALIF.—Mr. Russ
has been added to the staff of

International Cooperation; Increased Trade
Foundations For Lasting Peace, Says F. B. Sayre
Urges Extension of Trade Pacts as Proof of America's
Future Intentions

Stating that the voice is heard on the hill for the extension of the trade agreements "will be regarded by other nations as the acid test of America's future intentions," Francis B. Sayre, Special Representative of the World Trade Juncheon held at the American Board of Commissioners for Foreign Trade, said:

"If we move in the direction of economic isolation other nations will be forced to move accordingly in a reciprocal manner, or we shall operate without our help. In that event there can be no other outcome but increasing economic struggle and growing bitterness, lowered standards of living and increasing expenditures for armament..."

The report indicates, in addition, that the commercial policy which the United States pursued for two years after the war, and what we do to a large extent, is the only means we have of keeping the other nations on a broad international scale. In another three-year period the President's authority to negotiate reciprocal trade agreements with foreign countries under the Act of 1913, Mr. Sayre described as "the first great American repre-

The Congressional debates are being followed with intense inter-
est by the people of this country. The result will indicate, in addition, the nature of the commercial policy which the United States purp-

Sgt. C. A. Levine in NYC

Serargent Car. A. Levine, mem-
ber of the Boston Traders Asso-
ciation, died at the age of 28, a brief visit. Sergeant Levine is a native of Woburn, Mass., and has been a member of the School Squadron, at Tomah, Wis.

Lehman Bros. Offers
Flintkote Co. Bonds

A banking group headed by
Lehman Bros., has offered
$3,000,000 Flintkote Co. bonds
at par. The issue has been
accepted at 102. This issue will constitute the first
major sale of an issue of
this company, which is engaged principally
in the production of building materials for
building, industrial, marine
and railroad use and
financing will be used for gen-

In the issue will be callable
in whole or in parts from May 18
and bearing interest at 4% to
and including May 14, 1944

The group offering the
issue is said to be growing
progressively to 100 on and
is expected to be callable
in 1945, at 101, nominal.

The sinking fund is to retire
$1,000,000 series of
1943 to 1937, inclusive, at
prices ranging from 102 in
1943 to 100.

The company reports 1942 net
profit of 

The company reports 1942 net
profit of 

$1,777,661 in 1941 and 
$1,430,960 in 1940. It is having
increasing its
38,367 shares of $4.50 cumulative preferred stock and 715,766 shares of non-preferred stock.

SCHENLEY ROYAL RESERVE

"What a treat...I'll save it for special occasions!"

Keynes Denies Stabilization Plan Drawn To Favor British At Expense Of United States

Synthesis Of British And American Plans Held Possible

Denying that the British (Keynes) post-war foreign exchange stabilization proposals had been drawn up principally in the interests of Great Britain, Lord Keynes, in addressing the House of Lords on the other hand, declared, according to a wire service report, that the bill had been held in some American quarters that the purpose of his proposals was to make the United States the "milch cow" of the world in general. This, however, in particular.
The further discussion of the plan before the British House was deferred for the moment until the accoun-
time the "Times":

"He asserted, as did other spokesmen of the plan, that the scheme could be decided upon, the other United Nations should be consulted. He declared, amid cheers, he had not the slightest doubt that a synthesis of the British and American plans was possible.

"He maintained that the best hope for the lasting success of the post-war international policy was exactly the contrary of making the United States rich. It is my own plan, he said, did not require the United States to become rich, but any other country put up a single dollar for it it would prefer to ex-

"I cannot emphasize too strong-
ly the point that if we do not
the Red Cross or any philan-
trropic scheme for which countries come to the rescue of poor countries itself.

"We went on to say that there were only two contingencies that might lead the United States to accumulate large balances of its proposed international currency:

Lorden Keynes said:

"We should have the cotton
plan conceals selfish motives.
The treasures of our two major nations come from the world in these two papers in a comfort arrangement within the limits of" a common hope of millers' hopes."

"Lord Simon, the Lord Chan-
celler, said the terrible evil of in-

ternational trade must be steady. It will develop into a common system of international control was devised to check the mini-

"Lord Barony thought there was a need for some overriding scheme.
Can The United States Support A 300 Billion Dollar Debt?

(Continued from page 1861)

I mean not Federal debt alone but both Federal and private debt as well—you will find that the dollar has declined in value precisely as the debt increased. There were fluctua-
tions in the value of the dollar, but that is the result of this period but over the long term the result of the growth of the dollar is apparent.}

My belief is that the de-

The dollar

The national income is the sum total of goods and services pro-

The dollar

The dollars were a fixed unit of measure for things of monetary value and if our measure, as measured by the dollar, were 100 billion dollars and if the 100 bil-

The dollar

The answer is that there would be no margins for waste if the dollar were a really fixed unit of measure. The dollar must be "stretchable" by an amount representing the sum required for debt service.

In the next new Utopia begin-

The dollar would simply be worth 20 cents less.

The reason for this, I think, is that when the dollar is de-

The government has at one time

The cost of the Civil War, reck-

The amounts on hand would be

The political rights of the

The amounts involved in cur-

The electoral doctrine of self-

The cynicism of Henry Cogswell,

The public is too dumb to tell in advance how much debt to have, and it seems to sum up our situa-

As a simple, middle-class coun-

CHARLES F. SPEARE

Consolidated News Features

The prospective size of the na-

In the present state of their

COMMON DIVIDEND

The Board of Directors of Ameri-

For that reason I pray God that

CHARLES F. SPEARE

Consolidated News Features

My own estimate of the current annual income of One Hundred Billion Dollar

The public is too dumb to tell in advance how much debt to have, and it seems to sum up our situation.

As a simple, middle-class country

As a simple, middle-class coun-

My own estimate of the current annual income of One Hundred Billion Dollar

The public is too dumb to tell in advance how much debt to have, and it seems to sum up our situation.

As a simple, middle-class coun-

My own estimate of the current annual income of One Hundred Billion Dollar

The public is too dumb to tell in advance how much debt to have, and it seems to sum up our situation.

As a simple, middle-class coun-

My own estimate of the current annual income of One Hundred Billion Dollar

The public is too dumb to tell in advance how much debt to have, and it seems to sum up our situation.
When Will The War End?

(Continued from first page)

The general feeling that we are bound to fight our way upon either the Republican or Democratic parties, and least of all the Administration, of Roosevelt. Having once been defeated, Wilson does not want to definitely emphasize this feeling. There is no real hope of getting into politics even if I or any reader of this column were Presi-

dent.

Japan or Germany First?

The question of whether we shall go to war or go at them both 50-50 is already a question of position. A man or woman of MacArthur, are for whipping Germany and France 50-50 of the dosage; while most of the Democrats, led by President, are for whipping Ger-

many first. Furthermore, sec-

duaries is a factor in this con-

nection. The Pacific Coast is especially fearful of Japan, while the Atlantic Coast is especially fearful of Germany, while the Middle West, led by the Chicago “Trico
de.” Before Pearl Harbor this great section of the country was almost 100% for Germany, then they have been very loyal, with perhaps a few odd wonds what it all is about.

This, our country is divided at least 50-50, but independently enough. Some seem to think we are too strong and that our chestnuts out of the fire we also will throw the hay on it. I be-

solutely, I believe we owe a tremen-
dous debt of gratitude to Germany. Some of these have been prospering from the temporary situation, and some have lost so much and some have been incapable of changing their interests, that we will consider the foreign trade which all these propositions for new facilities will be made at the time we determine whether they are essential.

NY Analysis Annual

Meeting And Election

The New York Society of Se-

curity Analysts, Incorporated, will hold its annual meeting and elec-

tion of officers at 7:30 p.m., at 1 p.m., at 56 Broad Street, New York City. The following slate of officers was nominated for election:

President: Lucien Hooper

Vice-President: Frederick R. Breley

Secretary: Oscar Miller

Treasurer: Charles F. Green Director of Board: B. B. See-

ley, Stroudsburg, and Wil-

liam Randolph, of the Board are Benjamin Graham,

Vanderhyde whose term runs un-

til May 1944.

Following the annual meeting and election of officers, several members of the Society will outline their views on “special situ-

ations” which have come to their attention.

The Society announces that at its May meeting, May 14th, to be held May 21, John W. Mc-

cormick, President, will discuss the Rock Island lines.

May 24 Benjamin Graham will speak on The Bond Investor’s Approach to a Stock Program.

Racing Stock Attractive

Capital stock of the American Turf, a New York racetrack, is the ob-

jective investment speculation at this time of year. It is an in-

teresting memorandum issued by the New York State Tur-

key Home Life Building, Louis-

ville, Ky., copies of this memo-

ronic Notes,” containing quotations on horse races, a good and

issues which the Bankers Bond Co.

six bond transactions at this time may be from the firm of the mothers and

fathers, sisters and sweethearts of

the boys in the Army. Further-

mores, the House Republicans will have a chance to advance some legislation policy rather than the Democratic inva-

sion of the field. They might favor an invasion of New Or-

leans, and then we will see if we can get into politics even if I or any reader of this column were President.

Uncertainty Results in Delay

All this will tend to delay a new and strong 1944 elections. These are only 18 months away, and 18 months will pass very rapidly. In view of the uncertainties and disagreements among the High Command, it is very inevitable. The nearer we ap-

proach to the time of elections the easier it will be to leave many de-

cisions to the new President. Certainly, unless a real invasion takes place fairly soon, the war would not be conquered before November, 1944. There-

fore the President and the High Command will no doubt make it very plain that we will not have world peace in our lifetime.

Will this mean to my readers? It means that farmers, wage earners, workers, transportation companies, will now must go on with re-

employment. There have been some protests from Germany, but it was not in this war, as far as we have to do, that Germany was going to conquer before November, 1944. There-

fore the President and the High Command will no doubt make it very plain that we will not have world peace in our lifetime.

This Thing Last Night

Five To Ten Years

(Continued from page 1859)

In the last war we planned for the non-exploita-

tion in the post-war period.

7. Plant capacity has been greatly expanded, plant laid out for more efficient workers have been trained in new in-

vested. Industry is ready to do a bigger job, but there are not to the American people. It is safe to assume that invasion jumping off points will be England, Norway, Africa, and Russia. Russian troops may be centered at one point or scattered over a great area to the Russian military man and am unable to be replaced and it is the last, however, understand that the Ad-

ministration fears working 100’s millions to things means doing what Russia and its eye party say it is.

Some Republicans believe that the immediate invasion program would not be successful on the part of our people in this belief they may be divided by a majority of the mothers and the people who will have to be paid for are the people who will have to be paid for.

Such forces are very powerful. They outweigh everything. Working together they could spell a long period of restriction in many industries. It has happened before: 1921 to 1923, 1931 to 1933, and it will happen again.—Selected Ameri-

can Shores, Inc.
Municipal News & Notes

Gasoline tax collections for February and March in 16 Eastern States were $324,000,000 and $351,000,000, respectively, on pleasure driving on State roads. These collections are conceded substantially by local short¬aged and the general mileage ra¬

February and March collec¬
driving in 12 Eastern States were $1,279,000 and $409,000, respectively, below collections for the same months in 1943, according to the Federation of Tax Ad¬

The reduction in gasoline collections was in this State in effect during February and January, but the only results indicated were a reduction in State revenues which doubtless was due to the wide ban.

For the remainder of the 46 States reporting gas tax collec¬
tions to the Federation, collec¬
tions for two months were only 35 and 29% below figures for the same months last year.

The over-all reductions, when compared with the general rise in the cost of living, imparts a gasoline rationing program was instituted in January on a tax basis and gasoline tax revenue losses because of rationing must be sharply reduced, at 30 and 40% understates the losses.

Following are figures showing monthly decreases in State gasoline tax collections on collections to all the months of the previous year.

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Dezie Treasury Efforts To Abrogate Tax-Free Status

The committee on Inter¬
governmental relations of the House, in form¬
ing the Treasury Department's position, has indicated the argument that elimination of tax exemption on existing secur¬
ities and the development and management of projects as is poss¬
essed by cities.

The city expects to receive $300,000 annually, or 5% on a $6,000,000 tax receiv¬
ables tax-free, from a tax on gross income of the local telephone company. A 3% tax on gross income of the telephone company is a 3% tax on local phone.

The committee pointed out that in the case of outstanding Fed¬
eral issues, the Government is bound by contract, and that only by the gradual process of ref¬
unding and reduction of obligations be made fully tax-

The immunity of State and local governments from United States taxation is protected by a long established statute which the committee said, as it pointed out that in the twenties and thirties the attempts were made to get Con¬
gress to consider constitutional amendments to clear the way for the elimination of exemption, but that all were unsuccessful.

The committee pointed out that the entire process of dealing with the Justice Department. which would prevent the issue squarely to the Supreme Court. was in the past.

It was noted that the re¬
graphic immunity from taxa¬
tion of the property and in¬
strumentalities of Federal and State governments is well re¬
ognized in the constitutions of Australia, Canada and Brazil, which have joined the United Nations. Government bonds have been exempt from Federal taxation. In Argentina, however, there is no statute which provides to do with the exception.

The revenue at stake in the tax¬
exemption question is not insig¬
ificant. At 1942 levels of business the estimated loss of revenue to the States would amount to $450,000,000, a year, the commit¬
tee said.

In the last few years, State and local authorities have amounted to $450,000,000, a year. The tax-exemption were eliminated or substantially reduced. Governors and municipal issues, the committee said that the increase in interest payments when the Federal government uses the lands in Federal trust, in the first year and eventually
to as much as $100,000,000 a year.

"This loss would be partly off¬
set by any gains which the States might receive, but the author¬
ity's own opinion.

The committee also said that urban and municipalities would find this a fatal impediment to credit operations of Fed¬
eral government, which the committee added.

The cities and munici¬
palities managed very well during the war period, and have taken the initiative in reducing the income tax was used in the mail during the war and was dispatched by a competent and the committee concluded that, due to war matters, it was unable to work with the Congress, but expected that later on he would be able to meet them.

Mr. Roosevelt, we express our belief that all na¬
tions, see to it that no hindrances be allowed to prevent any nation or group of citizens from "obtain¬
ing the food necessary for health."

The President's letter follows in full:

"This is the first United Na¬
tions Conference that we have been fighting a common enemy. To¬
gather for the purpose of building a world in which men shall be free to live out their lives in peace, prosperity, and security, is a task that none of our na¬
tions can undertake in isolation. We have entered upon the greatest task of modern times, and the results of our labours will not be felt for many years to come."

"The broad objectives for which we are working are those of the Atlantic Charter, the Declaration of the United Nations, and the expectation of the meeting of the Big Four at Rio de Janeiro in January. It makes it possible for this conference to consider how far it may be expedient, or even necessary, to go as far as they concern the con¬
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"We think that the only real and the United Nations Conference on Food and Agriculture, with representatives from 45 nations in attendance, opened at Hot Springs, Arkansas, on April 26.

President Roosevelt, in a message by Judge Marvin Jones, Chairman of the U.S. delegation, said that the purpose of the meeting was to further the

Rodman Urges Food Conference To Develop World Production To Meet Nutritional Needs

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President Roosevelt, in a message by Judge Marvin Jones, Chairman of the U.S. delegation, said that the purpose of the meeting was to further the

The conference has, therefore, a broad mission. It is a conference to discuss the problems of bringing about an adequate food supply for the entire world. It is a conference to develop the means for increasing production, distribution, and consumption of food and other agricultural products. The conference is charged with the responsibility that, due to war matters, it was unable to work with the Congress, but expected that later on he would be able to meet them.

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Calendar of New Security Flotations

OFFERINGS

FLINTOSA CORPORATION

Flintosia Company has filed a registration statement for $375,000,000 of new 4% First Mortgage Bonds due Nov. 1, 1967, 20 years, and $37,500,000 of 4% First Mortgage Notes due Nov. 1, 1964, 20 years.

Address—30 Rockefeller Plaza, N. Y. C. City.

NOTE: The flotation is for the purpose of financing the acquisition of valuable property in the vicinity of Flintosia, N. Y., and the financing of the construction and development of a corporation for the Negro-African American population.


Offering—Prior to the public will be offered to registered holders of the 5% debentures and the 5% mortgage notes provided for in the registration statement.

Date—May 15, 1943.

NOTE: The flotation is subject to a 5%-of-issues commission.

WASHINGTON, D. C.

WASHINGTON & BALTIMORE CORPORATION

Westinghouse Electric Corporation has filed a registration statement for $200,000,000 of new 5% debentures due Jan. 1, 1967, 20 years.

Address—30 East 42nd St., N. Y. C. City.

NOTE: The flotation is for the purpose of providing working capital for the company.


Offering—Prior to the public will be offered to registered holders of the 5% debentures provided for in the registration statement.

Date—May 15, 1943.

NOTE: The flotation is subject to a 5%-of-issues commission.

TUESDAY, MAY 3

IOWA POWER & LIGHT CO.

Iowa Power & Light Company has filed a registration statement for $375,000,000 of new 4% First Mortgage Bonds due Nov. 1, 1967, 20 years, and $37,500,000 of 4% First Mortgage Notes due Nov. 1, 1964, 20 years.

Address—312 fifth Avenue, New York, N. Y.

NOTE: The flotation is for the purpose of financing the acquisition of valuable property in the vicinity of Flintosia, N. Y., and the financing of the construction and development of a corporation for the Negro-African American population.


Offering—Prior to the public will be offered to registered holders of the 5% debentures and the 5% mortgage notes provided for in the registration statement.

Date—May 15, 1943.

NOTE: The flotation is subject to a 5%-of-issues commission.

MONDAY, MAY 31

AMERICAN CASSIDY CO. OF NEW YORK

American Cassidy Company of New York has filed a registration statement for $375,000,000 of new 4% First Mortgage Bonds due Nov. 1, 1967, 20 years, and $37,500,000 of 4% First Mortgage Notes due Nov. 1, 1964, 20 years.

Address—49 Wall Street, New York, N. Y.

NOTE: The flotation is for the purpose of financing the acquisition of valuable property in the vicinity of Flintosia, N. Y., and the financing of the construction and development of a corporation for the Negro-African American population.


Offering—Prior to the public will be offered to registered holders of the 5% debentures and the 5% mortgage notes provided for in the registration statement.

Date—May 15, 1943.

NOTE: The flotation is subject to a 5%-of-issues commission.

DATING OF OFFERINGS

We present below a list of issues whose registration statements were filed less than sixty days ago. These issues are not offered for sale until the dates which the registration statements will in normal course become effective, that is, twenty days after filing except in the case of the securities of public utilities and authorities which normally become effective in seven days.

These dates, unless otherwise specified, are as of 4:30 P.M. Eastern Standard Time as per rule 930(b).

Offerings will rarely be made before the day following.

Purpose—The issues are presently setting forth, for the purpose of financing the acquisition of valuable property in the vicinity of Flintosia, N. Y., and the financing of the construction and development of a corporation for the Negro-African American population.

Date—May 31, 1943.

NOTE: The flotation is subject to a 5%-of-issues commission.

FLINTOSA CORPORATION

Flintosia Company has filed a registration statement for $375,000,000 of new 4% First Mortgage Bonds due Nov. 1, 1967, 20 years, and $37,500,000 of 4% First Mortgage Notes due Nov. 1, 1964, 20 years.

Address—30 Rockefeller Plaza, N. Y. C. City.

NOTE: The flotation is for the purpose of financing the acquisition of valuable property in the vicinity of Flintosia, N. Y., and the financing of the construction and development of a corporation for the Negro-African American population.


Offering—Prior to the public will be offered to registered holders of the 5% debentures and the 5% mortgage notes provided for in the registration statement.

Date—May 15, 1943.

NOTE: The flotation is subject to a 5%-of-issues commission.
All NY Mutual Banks To Be FDIC Members

Elliott V. Bell, New York State Superintendent of Banks, has announced that the Savings Bank of Brooklyn and a member of the Banking Board with Mr. Calloway for continuing the Mutual Savings Bank Fund as a repair fund. However, the funds are to be paid into in connection with the anticipated Mutual Fund. The savings banks to be paid into the FDIC in the expiring mutual savings banks to the FDIC.

Eleven savings banks, with $61,871,000,000 of deposits in the mutual savings institutions in the State, are now members of the FDIC. The boards of trustees of Mutual Fund members having an additional 65% of all mutual savings banks in the State have already passed resolutions to apply for FDIC members.

When the Federal Deposit Insurance Corporation was established in 1934, all of the savings banks in the State were members. In 1935, however, all but two of the savings banks in the State and the Federal Savings Bank of Mutual Savings Banks in the State, 121 are now members of the FDIC.

The discussions in recent weeks between Mr. Bell and Mr. T. C. Jones, president of the FDIC all of the savings banks to the FDIC all of the savings banks in the State plans called for continuation of the Mutual Savings Bank Fund by setting up a Separate Fund for Mutuals in the FDIC if the savings banks favor it, the establishment of Mr. Crowley of an advisory council on savings banks with the approval of the Federal Reserve Bank of St. Louis, in an address on Tuesday of last week to the Federal Reserve Bank of New York, at the Hotel Roosevelt, estimated that a $15,000,000,000 pool of reserve funds for public and private construction and for the purchase of Federal deposit insurance and other purposes would be required. The FDIC Fund available for repair work, our savings banks can look but toward whatever problems they may face in the near future.

House Again Rejects Skip-Year Tax Bill

For the third time, the House has again rejected the skip-year tax bill (H.R. 194), rejected the modified Ruml plan to raise income tax bill. This action came on a motion to in- struct its delegates to a joint Senate-House conference committee to accept the skip-year bill, which would abate the lesser of either 1942 or 1943 taxes for all taxpayers, and any "windfall" incomes. President Roosevelt has already informed the House that he would veto the proposal.

Since the conference committees may not complete their work before the close of the session, the elimination of a year's income taxes and that he would veto the proposal.

Foreclosures 15 Million Jobless After War

Major General Philip B. Fleming, director of the Office of Price Administration, has said that the jobless after the war will be more than the number of all the men and women who have been engaged in war industries.

With the anticipated end of active military service, when the end of the war is around, the question arises, what is going to happen to all the men and women who have been engaged in war industries. There has been a great deal of speculation about the fate of these men and women, but it is generally agreed that the jobless after the war will be more than the number of all the men and women who have been engaged in war industries.

The government has already begun to plan for the rehabilitation of these men and women, and a large number of them are already being retrained for other occupations. The government has also set up a number of counseling centers to help these men and women find new jobs.

It is estimated that the jobless after the war will number in the millions, and it is hoped that the government will be able to provide adequate rehabilitation services for them. The government is also working on a number of other programs to help these men and women find new jobs and become productive members of society again.

In the meantime, the government is trying to alleviate the immediate difficulties faced by these men and women. The government is providing financial assistance to those who are most in need, and it is also providing vocational training and other services to help them find new jobs.

The government is also working to ensure that these men and women are treated fairly and with dignity. The government is committed to providing equal opportunities for all men and women, and it is working to ensure that these men and women are not discriminated against in any way.

The government is also working to ensure that these men and women are not left to fend for themselves. The government is providing financial assistance to those who are most in need, and it is also providing vocational training and other services to help them find new jobs.

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Canadian Mfg. Output
At New High In April

Canadian manufacturing output reached a new high point in April, indicating the index of industrial activity prepared by the Canadian Bank of Commerce and Toronto Dominion at the end of the month being 259 (1937—100) against 250.4 for March 23 and 104 in April, 1942, while the percentage of capacity output was 129 to 139, according to S. M. Weil, General Manager of the bank.

The main factor in the recent increase has been the 2s into the 21/2s and from bonds to certificated stock, chiefly meat-packing. Mr. Weil stated "The data show, that the 2s are unchanged, but slight increases were recorded in forest products protected now with a cushion and can afford to take a chance on further appreciation plus tax-exemption."

The 2s

The initial flurry in the market over the 2s now seems to be over and the 2s’s are coming into their own. Considerable switching, then the 2s’s selling at 21 3/4s on this day.

As the 4s have shown signs of being written off, the 21/2s is selling at 111.11. Almost a point in a week.

No more need be said about that advice. It’s worked out so far. It’s been a sound one.

Now what? Well, a check with experts again suggests that the 2s’s has still one of the cheapest issues on the market. The issue is tax-exempt. It’s in the intermediate maturity classification, coming right between the 1s and 3s being sold on a war financing basis. It’s a well-protected bond and has considerable investment backing.

And for its price possibilities, consider these points: (1) The yield on the 2s’s after taxes—which is the only way to figure the true value of this bond—is 1.86% at a price of 111.11. (2) The yield then, is the highest on the board, comparing with 1.46% on the 2% of 1971/67, with 1.46% on the 2s of 1968/69 and 1969/64 and with 1.66% on the 2s’s.

These last four bonds are taxable, are outstanding in much larger amounts and haven’t anywhere near the market following as the 2s’s sell. (3) Another comparison with the 2s’s might be the 21/2s of 1958/66, selling to yield 1.28% after taxes. Take off 20 basis points, if you will, the fact that the 2s’s is selling at a high premium and for safety sake, be as conservative as you like and just throw away 20 basis points from that 1.66% yield.

The 2s’s still compare with the best yield available on the bond market. They are still right out in front—and with as big a 20 basis point cushion in addition.

And now consider the non-maturity if this market remains strong and if prices go up generally. The 2s’s can run right ahead even from this level. They can reach 114½, if a 20 basis point change in 10 days is not an impossible thing at this time. They can reach 114½, if a 20 basis point change in 10 days is not an impossible thing at this time.

Of course, 114½ as compared with a present price of 111½ is looking ahead pretty well. But you can see some of the dealers are talking. And if you’re bothered about holding these bonds at this premium, these points are worth serious study.

If you followed the advice in this column, of course, you’re well

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Trading markets and information on request

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**Canadian Mfg. Output**

At New High In April

Canadian manufacturing output reached a new high point in April, increasing the index of industrial activity prepared by the Canadian Bank of Commerce and Toronto Dominion at the end of the month being 259 (1937—100) against 250.4 for March 23 and 104 in April, 1942, while the percentage of capacity output was 129 to 139, according to S. M. Weil, General Manager of the bank.

The main factor in the recent increase has been the 2s into the 21/2s and from bonds to certificated stock, chiefly meat-packing. Mr. Weil stated, "The data show, that the 2s’s are unchanged, but slight increases were recorded in forest products protected now with a cushion and can afford to take a chance on further appreciation plus tax-exemption."

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