The Preservation of Free Enterprise

Senator Revercomb Of West Virginia Says Planned Economy Is In Essence Tyranny And Has No Place In America—Sees Extension Of Controls After War As Ending Freedom

Declares That First Duty Is to Our Own and Wears Nation Must Not Become Impoverished Through Exhaustion of Resources, Destruction of Enterprise or Stultification of Liberty of People

Declaring that "free enterprise is the only sound foundation upon which creative work is built, and the only method by which opportunity for work may be assured," Senator Chapman Revercomb, of West Virginia, said last month that a high duty of all the people, equal importance to the defeat of the foreign enemy, is the preservation "of the liberties and rights that we inherited as freemen and American citizens."

In an address over the Columbia Broadcasting System from New York, Senator Revercomb, who is a member of the Senate Committee on Military Affairs, announced that "even in the midst of war the people and their government cannot forget the fundamental rights of citizens if we are to retain a nation of free people, as we have heretofore known the meaning of freedom." Pointing out that freedom can be lost through domination within a country, Senator Revercomb said the time has come for those in government to plan the internal affairs of America as well as her affairs in relation to the other nations of the world. He added that

(Continued on page 1786)

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Volume 16 Number 4226

New York, N. Y., Thursday, November 4, 1943

Price 60 Cents a Copy

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(Continued on page 1786)

Can The Small Dealers In Securities Be Forced Out Of Business In Defiance Of The Will Of Congress?

Dealers throughout the country are thoroughly aroused over the 5% profit limitation decree (ukase is the word our President used for it and is perhaps more fitting) issued last week by the National Association of Securities Dealers, Inc., a creature of Congress born of the Maloney Act. Many have indicated their intention of ignoring it entirely and making a court test of the decree if need be. A large number made it clear that if they were forced to adhere to the 5% mark-up or even a 10% one they would be obliged to close up shop. Unfortunately comments received from dealers on the subject could not be accommodated in this issue owing to space limitation but will be given next Thursday.

Much criticism was levelled by dealers maintaining retail sales forces at the method that was used by the Association to determine what constituted a fair profit. The contention is advanced that since the large Wall Street firms doing a volume business with institutions and those not having a retail sales force can operate on a smaller margin of profit

(Continued on page 1976)
Approach To Problems of Peace Should Rest Upon Reason, Not Emotions: Charles R. Carroll

Declines To Accept View That By Prolonging War And Refusing To Make Formal Peace We Can Take Advantage Of Rights We Now Exercise

As Belligerents Thereby Creating Unilateral International Economy That Stems Only From Our Will And That Of All Others

Wars Against Being Mislabeled By Phrase "Transitional Surrender"—Criticizes Trend Toward Submerging Basic System Of Laws In Mass Of Administrative Rules

Charles B. Carroll, Counsel of the General Motors Overseas Operations, asserted on Oct. 26 that the bar views with alarm the tendency to submerge the basic system of laws in a mass of administrative regulations and controls, which, however useful or necessary, they may be in general, in particular lack the essential qualities which we must, and some are of our own making.

"It will be necessary to recognize not only the depth but the finality of this diffusion and that this governmental body, which, under the guise of merely idealistic reforms, seeks through governing to gain control over the economic life of the nation," Dr. Haney demonstrated at length why the many ideas put into operation during the past 10 years to stimulate production and secure unemployment were destined to fail utterly in attaining the objectives sought.

Since publication of Dr. Haney's article, a number of comments have been received pertaining to it; some of these were given in our issue of Oct. 28 and others are given herewith:

HENRY C. CHEN

Bank of China, New York Agency

I would like to congratulate Dr. Haney for his excellent article which appeared in the Chronicle of October 7, 1943. I have the fortune of being Dr. Haney's student for over three years while working for my Ph.D. in Economics at New York University. In 1942 I received the degree, and since then I have been serving as an economist of the Bank of China, New York Agency, as an economist.

I believe in Dr. Haney's assertion that Capitalism, and the profits system rely upon freedom of individual choices and (Continued on page 1794)

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Elected Trustee of U. S. Trust Company

Edwin S. S. Sunderland, a member of the firm of Davis, Polk, Wardwell, Sunderland & Kent, has been elected a trustee of the United States Trust Company of New York.

Kaufman Representing Dan'l F. Rice Co. in NYC

Daniel F. Rice & Co. members New York Stock Exchange, with headquarters in Chicago, announce that Ralph D. Kaufman has become associated with them as New York representative, with offices at 14 Wall St.

Mr. Kaufman was formerly Vice-President of Consolidated Dearborn Corporation and President of the predecessor company, Manchester-Dearborn Corporation. Prior to that time he was Vice-President of the. President of the Sureboard & Co.

Seattle Bond Traders Elect New Officers

SEATTLE, WASH.—The following have been elected officers of the Seattle Bond Traders' Club for the coming year:

President: Sidney J. Sanders, Foster & Marshall; Vice-President, Jack E. Jones, Hartley & Rogers & Co.; Treasurer, W. L. Stein, Branshall & Ston; Secretary, E. D. Petersen, Drumheller, Enrichman Co.

Lehigh Valley Interesting

Raymond & Co., 148 State St., Boston, Mass., have prepared an interesting new display of the Lehigh Valley 4s of 2000. Copies of this memorandum may be had upon request.

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Pgh., Canon, & Washington 5s, 1937

Queen Dying 5s, 1934

Second Ave. Tr., 5s, 1934

Southern Traction 5s, 1950

*Washington & Canadian 5s, 1932

*West End Traction 5s, 1930

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What Can The Government Do To Promote Post-War Re-employment?

A Memorial To The Senate Committee On Post-War Economic Planning

BY BENJAMIN M. ANDERSON, Ph. D.

Much has been written and said of the responsibility that business and industry must assume in maintaining full employment and at high wages in the post-war period. Indeed, private industry accepts this challenge and, with this in mind, has been engaged for sometime in formulating plans which will enable it to do so. The task is also recognized, of course, that the success of its efforts will be determined in large degree by the attitude of Government towards business and the system of free enterprise and the policies it elects to follow. For the record is crystal clear that without the rule of law, and the system of free enterprise, business and industry cannot prosper and thereby perform the essential function which it alone is capable of performing: provide maximum employment at maximum wages. What then can the Government do to make it possible for business and industry to provide employment, permanently, for the millions of service-men and women who will return to private life at the conclusion of the present conflict and idle industrial millions who will be released from their wartime jobs?

A forthright answer to this most important question was furnished by Dr. Benjamin Anderson in an article captioned "What Can The Government Do To Promote Post-War Re-employment?" which appeared in the "Chronicle" of Oct. 21. This noted authority on finance and industry, who was formerly Economists of The Chase National Bank of New York City and is now Professor of Economics at the University of California, Los Angeles, presented a plan which is essentially that of a singular clarity a policy of government action which, in his opinion, will make it possible for private industry to perform the tremendous task of assuring the maintenance of a permanently healthy internal economy. Since publication of the article, the "Chronicle" has been favored with an array of a large number of comments regarding Dr. Anderson's carefully drawn program. Those that are incisive, come from individuals in all walks of life: bankers, industrialists, trialists, lawyers, etc. Unfortunately, it is not possible to quote all the comments favoring the publication of all these letters in this issue. Those that can be accommodated will appear in this issue. The New York Stock Exchange

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More Comments on Lewis Haney's
Analysis of New Deal Theories

In an article published in the "Chronicle" of Oct. 7, captioned "The Theories of the New Deal Economists," Lewis H. Haney, Professor of Economics, New York University, presented a detailed analysis of the "Theories of the typical New Deal, altruists," whose views, based upon what Dr. Haney describes as "an extensive set of unreal assumptions," have been "readily adopted by a government which, under the guise of extremely idealistic reforms, seeks through spending to control the economic life of the nation." Dr. Haney demonstrated at length the reasons why the many ideas put into operation during the past 10 years to stimulate production and cure unemployment were destined to fail utterly in attaining the objectives.

Since publication of Dr. Haney's article, a number of comments have been received pertaining to it; some of these were given in our issue of Oct. 28 and others are given here:

HENRY C. CHEN
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William H. Long, Jr., President of Doremus & Company, 212 Broadway, New York City, announces that John E. Miller has joined the public relations department of that advertising agency. Mr. Miller was formerly financial editor of the "Evening Mail" and in recent years has been in Industry.

New York Majestic Corp. 4% Situation Of Interest

Seligmans, Lubetkin & Co., 41 Broad Street, New York City, have prepared an interesting descriptive circular on New York Majestic Corp. 4% non- cumulative Income bonds, which offer attractive possibilities, the firm believes. Copies may be obtained from Seligmans, Lubetkin & Co., upon request.

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Seattle Bond Trustees

Elected New Officers

SEATTLE, WASH.—The following have been elected officers of the Seattle Bond Trustees' Club for the coming year:

President, Sidney J. Sanders, Porter & Marshall; Vice-President, Jack E. Jones, Hartley & Co.; Treasurer, W. L. Stein, Bramhall & Stein; Secretary, E. D. Peterson, Drumblower, Eliotichom Co.

Lehigh Valley Interesting

Raymond & Co., 143 State St., Boston, Mass., have prepared an interesting descriptive circular on the Lehigh Valley 4s of 2003. Copies of this memorandum may be had upon request.

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Patrick B. McGinnis, of Phippsfelder, Hampton & Rust, New
York City, will speak from the
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G. O. P. Sweep Nation-Wide

The election results on Tuesday showing a nation-wide	
trend toward the Republican Party indicates nothing more or less than repudiation of the New Deal philosophy of
government calling for spending, regimentation and bu-
reaucratic tyranny. It is tantamount to a directive to Con-
gress to repeal the New Deal and, among things, abolish 
bureaucracy not related to the war effort and revert to government by law instead of government by
men. This is the true American philosophy of government.

Where’s the Money Coming From?

Stuart Chase, Liberal Economist, Visualizes No Difficulty
In Supporting $200 to $300 Billion Dollar National
Debt—Contents Public Debt Can Be Used As
Instrument For Making Full Employment
Checking Inflation and Providing Safe
Haven For Investment Funds

Reiterates “We Owe it To Ourselves” Theory Precludes
National Bankruptcy

America’s productive power is so great that we need not fear a
national debt of $200,000,000,000 or $300,000,000,000 at the end of
the war, says Stuart Chase, noted writer on economic subjects, in a
special post-war report. “Where’s the Money Coming From?” he is
completing for the Twentieth Century Fund. The report is the third
in a series of six explorations of post-war problems which Mr. Chase
is submitting to the Fund, and the full text will be issued in about
a month.

The key to handling our post-
war national debt, Mr. Chase
says, is to keep employment and pro-
duction and national income at
high levels, and to use the debt
goal of this process. “A public debt can be
used to bring a part-time econ-
y on up to full employment, to check inflation, to give investors a
safe place for their funds, to keep
the dollar circuit turning over at the necessary rate.”

However, Mr. Chase, who is of-
fering his personal findings and conclusions in this summary re-
port, warns that he sees no guar-
antee whatever that we shall have an
automatically stable economy at the
end of the war. Due to the greatly
improved machinery and processes
and labor-saving devices that have
been developed in wartime, he
says, “Department of Commerce
statisticians calculate that if our
output after the war were the same as it was in 1940, there would
be more than $19,000,000,000 worth
of government surpluses.”

But Mr. Chase expresses great
faith in the purchasing power of
American consumers. He says, “The
end of the war ‘the physical struc-
ture of the American economy
should be the strongest in its his-
tory . . . plant, raw materials,
skilled workers should be avail-
able for a vast increase in living
standards.”

Against this background, he as-
serts that “A national debt of two
to three hundred billions on D-
Day need not terrify us. Nor is
it anything to be left off. Three
major readjustments must be
made:

1. America must give up—be
proud and unique position as the
only nation without a large stand-
ning national debt. Any ideas about
paying off $200,000,000,000 in short
order must be quite finally laid
aside.

2. We must accept taxes high
to cover the interest charges, always remembering that a
large part of the taxes come from those who receive a large
part of the interest.

3. We must use the tax struc-
ture and the debt, if necessary, to keep the national income high.
If national income falls precipi-
tately, the debt will presently be
come unnecessary. If national income is now geared to a national output
in goods and services of around
$150,000,000,000 a year. We are
like a flying fortress which must
maintain a garrison against attack.
Analyzing the nature of Gov-
ernment debt in general, Mr. Chase
says: “I have learned not to identify national debt with
my personal debts. It is NOT
something akin to a mortgage on
the output of the nation, but something
(Continued on page 1800)

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Tomorrow’s Markets

Walter Whyte

Says—Continued refusal of steels to go up, not a good sign. Spe-
cialty markets nice to watch but dangerous to bet on. Over-
staying a specialty market very risky.

By WALTER WHYTE

The presence of up and down “failures,” to which atten-
tion was called last week’s column, is still in evi-
dence. By this time the market
should have emerged from either of its signals and
been on the way. The fact that it has failed to do so,
however, doesn’t mean much.

If this condition continues it will create a vacuum, and
markets on the curb vacuums as does nature.

The talk of an early peace is again being revived, with
most of the current rumors based on nothing more tang-
able than a report made by Lord Halifax in Washing-
ton the other day. In his in-
terview, Lord Halifax implied that “anything can happen to
Germany,” adding that it was
“beset” on all sides. Lord
Halifax is a diplomat, but his past record hardly points to
his being a seer, having been

(Continued on page 1800)
Banks Should Survey Depositors' Intentions Now
To Assure Post-War Liquidity

"Hot money" has become the beta virus of virtually every banker in a war-stimulated center, for this money which may leave the bank on short notice because of a shifting from wartime production to peacetime production. The possibility of sudden withdrawal of this "hot money," coupled with the inability of banking experts to agree on what the trend of interest rates may be after the war, has many bankers worried.

A group of out-of-town banks, J. A. Ritchie of J. A. Ritchie & Co., 70 Pine St., New York City, and Neil H. Stevens, Bank Consultants, have made an investigation to determine what the war on the country's banking system is doing to the war on the banking system itself. They are questioning the question, "Can a bank under present conditions obtain liquidity without undue sacrifice of earning power?"

"From the banker's point of view," it is slated in this study, "the immediate effect of the war is the irreducible-to-losses and discounts essential to full earning power, and the rapid, apparent and unlimited expansion of deposits which create an investment problemDuplicates" complicated by abnormally cheap money. These are reflected in distorted capital structures and in bank investments in bonds out of all proportion.

"The vast majority of the country's banking systems. If, therefore, there are more dependent than on loans for short-term mortgages as banks are to pull their weight after the war, they must study at once and under all conditions to convert any specified amount of the present negligible loan, into cash.

Six selected New York schools of thought add to the confusion of the bankers. One contended that no bank can prevent a drop in bond prices; the other that bond prices would fall nothing less than 600 points in the next 10 years after Germany goes under. If that is the case, the banks in New York will have to provide themselves with less money, fewer and less immediately liquid assets, and more advances at a cost of money in all conditions in which such bonds would be bought. In the interim before Germany cracks, banks must prepare to accommodate local enterprise, individual depositors, and most important of all, the United States government, and wait for a final answer to their question. By far the select crowd, Messrs. Ritchie and Stevens believe, is to assume that any rise in interest rates is coming.

Several investment plans have been evolved to combat the rising interest rate problem. The greater part of them, according to the authors of the study, are (1) either too general to be helpful to the bankers or (2) fail to take into account all of the factors involved. Each banker must "sweep in front of his own door-step."

As a preliminary step to arriving at conclusions which will serve the bank, the authors urge that each community survey the manufacturers, storekeepers, and dealers whose stock and familiarize himself with their post-war intentions.

A means of rounding out his survey he could also include the statement of the municipality, county or state carrying an account with his bank, and subject compensate balances of transient war workers to careful analysis.

Another survey and classification of the depositors' intentions; a tailor-made investment program, described in detail in the study, should be set up to meet the particular needs of the bank involved.

Tunell Favors Post-War Peace Plan

Adoption of the Connolly resolution for international cooperation to maintain peace was urged in the Senate on Nov. 2 by Senator Tunell (Dem., Del.), who declared that a detailed formula prepared at this stage of the conference might prove embarrassing than helpful.

"The problem is so complex that any human being, or any collection of human beings, could at this stage prepare a treaty of peace that would be as much of a sham as an attempt which would be inappropriate at the end of the war is extremely unlikeliness."

Senator Tunell stated, according to the Associated Press, which added:

"He said that he had examined the four-power declaration announced Nov. 1 at Moscow and remarked that: 'nothing is so any conflicts with the spirit of the resolution we are considering. I don't believe there is any way simply indorse the Moscow conference and its conclusions, and drop its own resolution.'

Railroad Reorganization Securities

The opening week of the court hearings on the Special master's reorganization plan for Seaboard Air Line (in re Second District of the Court of Chancery presiding because of the death of Judge Way) brought little hope that this 13-year receivership may be completed soon. The opening sessions were devoted largely to the question of the proposed redemption of the remaining receivers' certificates. Later in the week, this question was solved indifferently in favor of a comprehensive examination of the different earnings segregation for the railroad companies and out by various interested groups during the earlier stages there would be a net balance of Modifications made in the Kansas City receivership of the Special Master in drawing up his pro-

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Amount Security Rate Maturity Price 
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25,000 Penna. Tpk Rev. 3.5% Aug. 1965 105 3.45% 
100,000 Common. of Penna. 4% Sept. 1945 116.04 0.65% 
50,000 City of Philadelphia 3.5% Jan. 1965/67 114.20 2.00% 
50,000 City of Philadelphia 3.5% Jan. 1975/67 112.34 2.10% 
100,000 City of Philadelphia 3.5% Jan. 1975/65 118.62 2.15% 

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2/1/50

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6/1/53

6/1/54

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New York

MEMBERS NEW YORK AND BOSTON STOCK EXCHANGE

GREHAM, PARSONS & CO.

New York Boston Chicago Pittsburgh Providence York
Why Pennsylvania Municipalities Enjoy High Investment Status

(Continued from page 1786)

important in examining the economic background of the broad picture of the State, although there are many fine details that do not exceed 7% of the assessed valuation.

NOTE—Under special constitutions the municipalities of the State may incur debt, with the consent of a majority of the elected assessors, not exceeding 10% of the assessed valuation.

2. Laws Relating to Issuance
a) Complete and widespread notice must be given to the electorate twenty-five days prior to the election.

b) A statement must be filed with the Court of Quarter Sessions (County Court) by the authorized officers of the municipality showing: (1) Amount of existing gross liability and net debt; (2) amount of assessed valuation; (3) amount of bonds to be issued; (4) form, number and date of maturing of the bonds. The officer or officers preparing such statement must append his or their oaths to the fact therein stated.

c) The issuing ordinance must state, inter alia the estimated period of usefulness of the property or improvement for which such bonds are to be issued, the maximum cost of the funding or refunding bonds which are governed by special provision, and that it is required that the bonds must mature within the period of the usefulness of the property for improvement but in no event more than thirty years from the date of issue.

d) All issues over $120,000 per valuation district shall be preceded for to the bonds of each municipality for each year of $120,000 there is a formula which governs the amounts of each maturity and yet to provide for the refunding or funding of bonds which are governed by special provision.

e) A special tax sufficient to pay interest, principal and State charges may be levied for the purpose of paying debt service on bonds of the same issue.

f) The corporate authorities must deliver to the Department of Internal Affairs (a State Body) a complete certified copy of the proceedings of the bondholders' committee of this statement filed with the Court of Quarter Sessions. The Department of Internal Affairs

(Continued on page 1801)
Atlantic Coast Line Railroad Company

INmVITATION FOR TENDERS

To Holders of
Atlantic Coast Line Railroad Company

$50,863,000 First Consolidated 4¼, due July 1, 1952,
34,850,000 L. & N. Collateral Trust 4¼, due October 1, 1952,
34,341,000 General Unified 4½, due June 1, 1964,
100,000 General Unified 4½, due June 1, 1964:

The Atlantic Coast Line Railroad Company hereby invites tenders on or prior to November 16, 1943, for the sale to the Company of the above mentioned bonds. The Company has approximately $6,500,000 available for this purpose, and any bonds purchased will be retired.

Interest with respect to bonds accepted for purchase, whether in registered or coupon form, will be paid through November 30, 1943, but not thereafter. The Company will reserve the right, in its discretion, to accept or reject any or all tenders in whole or in part.

Holders desiring to tender bonds for purchase by the Company pursuant to this invitation shall fill out and mail to the Company at its office, Room 900, 21 Broadway, New York, N. Y., a form of tender, copy of which may be obtained from the Company, stating the price at which such bonds are so tendered. All tenders must be received by the Company at or before eleven o'clock A.M., Eastern War Time, November 16, 1943, and will be on file at that time.

Notice of acceptance or rejection of tenders will be mailed not later than November 20, 1943, to the makers thereof at the addresses designated by them. Bonds accepted pursuant to any such tender must be surrendered to the Company at its office, Room 900, 21 Broadway, New York, N. Y., at or before three o'clock P. M., Eastern War Time, December 1, 1943, or such later date as the Company may agree upon.

General Unified 4½% and 4¾% Bonds should have attached coupons maturing on and after June 1, 1944. The December 1, 1943, coupon should be detached and presented for payment in the usual manner. Other coupon bonds should have the next maturing coupon and subsequent coupons enclosed with the tenders. Registered bonds must be accompanied by proper instruments of assignment and transfer in blank.

Tenders may be signed either by the owners of the bonds, or by a Bank, Trust Company, or Member of a National Securities Exchange or National Association of Securities Dealers, Inc. Any such Bank, Trust Company, or Exchange or Association Member, signing a tender and delivering and accepting settlement for bonds pursuant to an acceptance thereof, will be paid by the Company $2.50 per $1,000 principal amount of the bonds so delivered.

By F. D. Lemmon, Vice President.

Atlantic Coast Line Railroad Company

New York, N. Y.

November 1, 1943.
The Preservation of Free Enterprise

(Continued from first page)

"If America is to contribute to the better life of the world, it must be richer than the gift she makes." This is a "personal right" and as the "economic state," we read: "The national right is Ex-President Roosevelt warned that the government to freedom of enterprise. Freedom of free men is an end and not a means. He urged that enterprise and individual to the highest and best use of all the resources of America. He demands serious other men and will still be a thing to be reckoned with. He urged that enterprise and in here is the great sound and healthy way to provide work for men and women. For all who have the power and the understanding to act on the principles that America stands for, the day of enterprise is open to them.

America will be great in the world because she is a strong, healthy, wealthy country. She will be great and strong as long as she is willing to do the things that the people of this country the natural wealth that God Almighty placed in her hands and turn them to the highest and best uses. Freedom of enterprise will continue to be a national asset which will increase in value. Freedom of enterprise is the security of the nation. The State at the head of the great industrial system that makes America great. The State is the army of businessmen, it is the army of enterprisers. The State is the army of men and women who produce the goods and services we need. The State is the army of men and women who make the laws that govern us. The State is the army of men and women who defend us from aggression. The State is the army of men and women who work for the good of all the people. The State is the army of men and women who are the backbone of the nation.

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Post-War Outlook With Special Reference To Savings and Investments

(Post-War Outlook With Special Reference To Savings and Investments)

(continued from page 1)

spent suddenly and because "new things are necessary" and "a greatest productive mechanism that has been seen in a century." With respect to the political situation in the post-war period, Doctor Robey said that it will be "natural" and that, regardless of the President, the government will be a Republican Congress.

He further declared that there will be a change in the utilization of debt in the post-war period. Long-term bonds will be issued along with a reduction of taxes.

Doctor Robey called the savings bankers' attention to the fact that they will have the Government's "as very real competition in the payment of interest" in the post-war period in view of the problem of whether to cash in Government certificates that are due from savings accounts.

Privately, Doctor Robey said that the post-war period is the real problem facing this country, Doctor Robey concluded, calling attention to the present tax system and the present rating of the country.

Incident as to whether we are going to maintain private enterprise, Doctor Robey said that he was a private enterprise man. Doctor Robey observed that we have a lot of people who have not "don't like private enterprise"; he added that you have to have a private enterprise, such as a managed economy. They want to run everything, and they are sincerely well-intentioned people, but as sincere as we are in our belief that we can do it, a way to improve the social welfare of this country, which Robey calls them the 'newest.' It is not a new idea.

"Those boys are clever. You come up against them at a round table and talk to them and they can make you look silly.

"One thing that is a real threat. If we don't win that fight now, we'll have nothing to say about anything.

Doctor Robey's address follows:

"Post-War Outlook With Special Reference To Savings and Investments." I am quite frank to say that I wouldn't think of discussing this topic if I were not a member of the United States which has the knowledge, the skill, the education, and the leadership of an individual autonomously.

So what am I going to say, and all I am going to say, is merely a report of information that I have picked up as a result of very seriously having tried to gather opinions on this.

About two years ago I started to work with a group of business men who were convinced and continued to work right down to the present on the subject of what are the possibilities of our economy today and what are they going to be in the post-war period. Now I think we are far better acquainted, if I may use this word, with this subject than we were before we started, but I wonder if we are any closer to a group. How do you get there?

Last spring I decided it would be a good idea to get a survey primarily of the opinions of business men in order to see our outstanding corporations and financial economists that the United States is going to be afraid, my editor thought that my interest in the matter should get him to want to get off on a vacation, and he may have. But, anyway, I did. For weeks and weeks and weeks I rounded up everyone that I could find at almost endless dinners, and we discussed this thing up one side and down the other.

It happened that Kiplinger—well, you know of course, apparently had already written a business man's opinion and wrote an article. I took it home and I started to do some thinking on it in order to get it from which I could start to do some thinking. That is really going to be a tough job. That is where the problem of conversion, and they were very, very pessimistic about this whole thing.

The next thing I had to do was to talk to myself. I picked up the post-war period and I got practically the same conclusions.

I have often wondered if Kiplinger—had this same reaction when he first made his draft of the situation which I was preparing, and read it over, I could scarcely believe the optimism that ran all through it. I found that it was just as it was. "Look, do you really believe that we would stand back of that; that they did that?"

I was present in a lot of them in whom I have confidence; therefore, I will stand by this as the judgment of the best informed man. I have found over a period of years that their judgment is worthwhile. I will not be actuated by political affiliations, but be actuated by the best judgment of the future.

First, I would like to give you a very brief resume of what they told me, that is, the overall picture that they presented. Following that, I would like to talk about our savings and banks. I picked up your specific question about the Federal Reserve banks in the post-war period. Finally, it will be a very futile effort, I think, to give off the record, and one of these, I don't even think it is going to be very useful. Here is our report.

I mean by that not necessarily that you are going to get rid of your 

Post-war period if not key: The trend

into our own field of economics, savings and conversion. That is always going to be the key in the future. You will have to take us to convert back to peace-time production? Not long ago, but I would like to get your reaction.

There were about a dozen there, and I picked up seventeen. But they have the conflict with the exception of myself. We will have to do the problem of conversion, and they were very, very pessimistic about this whole thing.

I really started to come to the conclusion that we have to go back to work. We have to be the best workers, and we have to go back to a productive society.

Finally, I said, "Now, let's stop a minute and go around the table and see what the best man thinks we should do to each one of you to recon-

We went around the table, and I think there was even a recent conversion report. That is, he would be producing and doing work. And he is going to be doing this at the end of the war that he is doing today, and he is doing this at the same time—except of the field in which he has worked started. I don't really know how much American industry has a reconstruction problem, but the post-war period is going to fall between 10 and 20?; this I think is the point, the thing that I am worried about. Let me explain.

What I ask you to bear in mind is that the overall picture on production, on the national income, on the irrigation of our industrial industry. Of course, you can get a lot of data on details. But I think you have to think about that. The picture isn't close, but I think you have to listen too much to how long it is going to take.

What is the answer to that I like best? I answer that I'm going to be in the post-war period. I have asked my question. I think that the answer to the problem is going to take you to recreate. There is probably an hour and cost me 50 cents.

The automobile industry, in its own way, recognized this was the case. It told us, "We will have six months."

One of the things that you have to be careful of is not to do an explosion. Are not any going to get off? "Don't think we are not going to do something."

"I don't think we have a problem, but I don't think we are going to be able to buy money and do it."

Secondly, Doctor Robey said that he had the greatest productive mechanism that the world has ever seen, and that he would be the like of which no one ever saw it. I am not saying anything about the Federal Reserve.

Thirdly, which will apply in lot of cases, there are going to be new things coming out. The washing machine we had before the war may be all right. I think it is going to be a runaway rise. I don't think we should assume that 1920 dollars is suddenly going to become a spendthrift just because you don't have to worry about being rich in the past, but there is many doubt in his mind as to the continued existence of that kind of stuff. We have to hold back a little bit.

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thing if you are working against a national income of $75,000,000,000,
that is an appalling thing if you have Nationalists or anti-nationalists,
but at least you can see your way through. So I think it's really not just
to say crystal-gazing. What is it going to be? I think the easiest way
for you to get through the problem is to make a three-fold classifica-
tion of your Government bonds into those that are in the Savings
banks. You know the answer
much better than I do, because
you know your depositors. But it
is a problem.
I let me put it this way: There
is a chance in the post-war period
that you will be faced with withdraw-
als of deposits, because you will
have the Government as a very real competitor in the pay-
ment of interest, and it may be a
type of competition which it is
ever hard to meet, because
your earnings may not be adequate to
meet it dollar for dollar in
interest rates.
Well, I merely throw those
tings out as I gathered from
this particular group.
Finally, I would like to say
a little about the broad investment
problem, and I think, had I been
perfectly honest with you, I might have started in by saying, "Gen-
tlemen, I have all kinds of stuff
that I can say about employment,
reconversion, prices, but it isn't
of a—of b—bit of importance.
The only thing that is important
is, will we get private investment
in the post-war period? That is
the post-war problem, and you
know it as well as I do.
We have a philosophy in Wash-
ington today that no man should
be permitted to make more than
$25,000, and apparently no one
should be permitted to have less
than $2,500. That is not an ade-
quate income range, if we are go-
ing to have private investment.
We have—and have had for 10
years—in Washington an economic
thory that came true by wishing
it so, an economic theory that said
that the United States is now ma-
ture, that private investment will
not be forthcoming, and conse-
quently we must tax in order to
spend and thereby support the
ecology. By taxing so that you
can't have private investment,
they very simply prohibit private
investment, and then they say,
"You see, boys, there is no private
investment."
It is a beautiful way if you can
get hold of that particular theory
and believe it. However, if we are
going to maintain private en-
terprise in the post-war period,
we have to break that kind of
cycle. You can't have private in-
vestment in this country with the
present tax system and with the
present kind of regulation.
Are we going to change it or
aren't we? I don't think there is
much use to mince words. We
have a lot of men in Washington,
I am not talking of Judge Vinson,
(Continued on page 1793)
What Can the Government Do To Promote Post-War Re-employment? (Continued from page 783)

affairs in the last few decades. Indeed, the problem of finding and spending should be still further complicated by the fact that the course of history, beginning some centuries ago, has been not strewn with the wreckage of unplanned economic policies.

Mr. Anderson's main thesis is that no one person or body of people was responsible for this phenomenon of industrial revival. That being true, he requests the government to remember that the failure of a policy may not be the fault of the government itself. He states that post-war economic production. This, indeed, would be the greatest contribution which the government could make. For this explication of this dictum it will not come out as a result of government planning, but as an outcome of the efforts of the individual producers which includes labor as well as management.

We may sum up his reference to the labor, for Dr. Anderson's statement that there should be an equality of bargaining power between employers and employees. Does this equality of bargaining power exist today? In my opinion it does not. That labor, which is so far as it is at present, care. No one wishes to deny labor's due, and I believe that an expanded role for the industrial and laborers more than anywhere else. It remains to be seen whether, in the post-war period, technological advances will be opposed to the labor movement. The post-war period favors the laborer who is the invisible worker. The policies are introduced. For the unemployment of any individual is natural that an industrial laborer who feels himself aggrieved if he is displaced by a new labor saving device.

Gerald M. Loeb

and unhesitatingly subscribe to his proposed plan, and I might add that I regard it as the most generous statement that I have had the pleasure of reading. W. W. McLaren

In the final analysis, we know that high employment and high wages are all the by-products of jobs well done. Under F. J. LUNDING

Gerald M. Loeb

F. J. LUNDING

President, Jewel Tea Co., Inc.

Harrington, Ill.

For this reason, I believe that the Bank of England and the Reserve should be as closely associated as possible with the government in the problem not only as to the rate, but also as to the method of distributing the money. Indeed, the rate at which the money is distributed will have a most determining influence on the rate of interest in the country.

Gerald M. Loeb

I think Dr. Anderson's argument that the post-war period is characterized by a widespread desire among the general public to return to the normal state of affairs is quite sound. However, I believe that it is not fair to compare the post-war period with the pre-war period in terms of the pre-war period was characterized by widespread unemployment and depression, while the post-war period has been characterized by widespread employment and prosperity.

George S. Hovey

Chairman, The Inter-State associations...
Among ourselves about what it is all about, no one understands what is to be done, and it is now how to become better salesmen.

Realism, for example, may dictate that the present results of the S&D be decoded to mean that we do not feel that the general public is ready to accept or propound the idea that it should be abolished. Advocacy of the removal or transmogrification of the most odious of the BSA (which the many do not like) has become in the past few years the most objectionable in the hands of those who have the present major and more general favor and yet would see them reduced or practically as much as the proposal to abolish the Commission.

The thesis that a strong and active speculative fraternity is essential to the healthy market and for that matter, to capitalism, is still a popular one in the country, at least in certain circles; yet I do not believe that there is any such a case for it which can be comprehended by the average man and which can not be turned against you by your clever opponent.

I would like to see as much emphasis as possible given to the importance of equity investment in the creation of jobs and I do not know of anyone better qualified to argue this point than Dr. Anderson. It seems to me that the need that there is to convert the equity to "sold" to the masses, to suspend temporarily the need for directing the savings of the masses of people to make those securities attractive.

Robert Struthers
Wood, Struthers & Co.

The record supports Dr. Anderson's arguments and I think he is right in all of them.

I am a little surprised that the market has not followed, in some other step further than has been the case, a referendum in which the present capital gains tax on capital market unless the tax on capital gains is con-

Robert Struthers
CHANNING POLLOCK

I find myself heartily in accord with the views expressed by Dr. Anderson. On the Can the Government Do to Promote Savings and Re- Employment? and full of admiration of the cheerfulness with which they are expressed. * * * Congratulations to you and Dr. Anderson.

To Elect Chicago

Robert Bank Directors

Balloting for the election of a Class "A" and a Class "B" Director of the Reserve Bank of Chicago opened yesterday and will close on Nov. 16. Walter F. Rose, of Chicago, and Dr. W. W. F. Harcourt, of the Waukesha National Bank of Waukesha, are the President of the Milwaukee Av. Bank and Mr. C. H. H. A. Moore, President of the Peoples National Bank of Canal Bank, would meet with Mr. C. H. H. A. Moore, President of the Citizens National Bank of Canal Bank, and Dr. W. W. F. Harcourt, of the Waukesha National Bank of Waukesha, at the election to be held on Saturday, June 20.

Mr. C. H. H. A. Moore, President of the Citizens National Bank of Canal Bank, would meet with Mr. C. H. H. A. Moore, President of the Peoples National Bank of Canal Bank, and Mr. W. W. F. Harcourt, of the Waukesha National Bank of Waukesha, at the election to be held on Saturday, June 20.

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More Comments on Lewis Haney's Analysis of New Deal Theories

(Continued from page 1704)

up on free competition. Such mine both what shall be produced and what prices shall be paid for goods and services in the market is necessary to the health of the nation. It must be noted that the backbone of the American economy is the small business, which represents the will of the people, and that the government regulations "that are not necessary to maintain order and to prevent fraud and蒙骗 of goods and services through which the public health and safety are not subject to measurement." Government projects, however, are subject to the test of the market. However, the small business is also subject to the government's programs, but the selection to elected representatives with the hope that net utili- ties of the current system will respond to the change brought about by Mr. Haney's call for a fiscal system that will insulate a livelihood corresponding with reasonable income to the worker's service to his fellow men.

Under the same framework of the American type of free business, it is concluded that all communitarian and socialist schemes of plan- ning are a necessary element in the argument that the American business man is going to have to be subject to the spirit of public interest and thus to the Federal Reserve System.

And in my opinion the best kind of economic order that can be achieved is one in which the individual developer will be free to develop himself. It is the ultimate aim of all men to be able to exist for the nation, rather than for the State. The former idea has been the responsibility of the State in the form of corporatism or totalitarianism, be it Nazism, Communism, or Fascism. The economic consequences brought about by those ideas are well known.

Perhaps it is not too late for us to make a plea for a new cardinal truth as so ably brought forth by Dr. Haney. Mr. Haney is again pointed out as being the political and economic luminary of the United States for the years to come.


ALLEN B. EDWARDS

Mercury University, Muncie, Ga.

In the "Compilation of Economic Philosophies," an article by Professor Lewis B. Hannah, is a discussion of "New Deal and Financial Philanthropy." This article circulated in pamphlet form by the Economists National Commit- tee, gives Mr. Haney an opportunity to offer such comment on the government's programs, methods, and the objectives of the New Deal. Professor Haney explains that and that many of the policies which he implies are part of the New Deal program are really war measures which have no permanence in place of New Deal philo- sphy. The writer is not a New Dealer but even we can consider the New Deal as a middle of the road philosophy there would be a huge gap remaining between such a position and that taken by Mr. Haney.

Whenever change takes place in a social or economic system the causes of the change are always due to the conditions which are inevitably relevant to the time. This is a matter of how others who always assume that the change is due to the characteristics of all past experience, and this status quo is finally becomes sur- vived as the dominant characteristic of a new era, discipline, "law," etc., any departure is supposed to be a "naturalism" of this status quo.

Accordingly, Mr. Haney believes that change is due primarily to the fact that the idea of a new development was simply a particularly bad one but that it failed because it could not be organized on a wide scale. (Such generalizations about opposition to capitalism are based on how the market is operating in such a way as to sway the layman. For instance, there has been a development among the New Deal have been established. The second is a free market to allow manipulation of these in- dividual differences, a practical impossibility during war time. Mr. Haney knows very well that the market is currently an impedi- ment to production and the statistical differences of even of certain "average" due- to overproduction and the resulting inflation. If the market would bring inflation of a very serious order, all the grievances against the New Deal are dropped. Mr. Haney's solution to this, if this according to the difficulty of the Great Depression, are shown clearly in the price levels, which Mr. Haney claims that the Great Depression is due to the failure of free trade and free price fixing.

Mr. Haney objects to most Government projects on the ground that they are worth- less because they are governmental in origin. From this belief he goes on to say that the basic idea of the creation of purchasing power must be destroyed. But unless the actual workings of public spending are clearly understood, it is hard to see how the whole concept can be fully appreciated. Although some of Mr. Haney's books, we are convinced that this is a logical principle involved but is not able to say just why those are economic concepts are, but it is supposed that A. H. Hansen was right in saying that the thought of the nation is not to be discouraged and the idea of socialism is not to be discouraged.

Again, I have not observed that the New Deal has been done for the last 20 years have tended to reduce the concept of "economic production." Indeed, I thought that their major complaint was that the amount of money was so extremely low and that it was capable of producing perhaps only a fraction of the amount that it was capable of making in the year commonly produced money. Mr. Haney has pointed to the fact that there would seem to the problems of the present output rather than the production of an absolute product which certainly did not belittle the other in the production of the money.

Doctor Haney seems to find the disposition to identify oneself with "the group" as an "escape," which is the view of the disposition of business to identify themselves with groups, whether trusts, cartels, or other organizations. In the case of economic interests instead of insisting on playing a lone hand.

Or, a more correct way of thinking, it may be seen as the process of change in the way of maintaining that all income gets paid and that the final investment in the amount spent for consumers' goods and services is the equipment. They might even de- crease the total output of a triple volume of output or buy the fact that something had money and the consumer's goods which should or would pay better than to let the consumer save his money as a "lump sum" hazard. It scarcely seems likely that we will be able to alter the process of production, which will be willing to let production exceed very much from its present levels. There is no reason to think that there will be considerable power for such a total.


ALLEN A. POTTER

Bethesda, Md.

The question of the social, political and economic catastrophe lurk in the failure concealed in one of the works of Professor Haney's article on "Economic Philosophy." The phrase is as follows: "Thus in the pudding, a great post-war depression.

On what grounds does the good of the best of the weak-solving the great pre-war depression? In the case of a depression, it is by no means that he got the cart before the horse. This is a great pre-war depression argument would seem to be purely a matter of chronology; yet such arguments are not a material one. On the other hand, for 1933 was only six years of the depression and a year or two bigger and better war than that which it followed by 15 years.

Moreover, 1933 saw the birth of the earth's latest crop of New Dealers, and that with the threat of depression in the world, for all of the conflict was present in Hitler's program when he was elected as Germany's Chancellor and at the time of the failure of his New Deal he finally realized that the only possible solution was to bail out an escape mechanism that would have been the result that resulted furnished a very convenient escape and screen for this operation that was in total failure to make the pound of butter a pound and the ounce of financial prevention worth the weight of a dollar.

It is, indeed, difficult to comprehend how an informed writer can pass over the current monitory program of the United States, the origin of the inflationary gap and the urgent necessity for taxation to the point where you can give that in war, for war is not a merry dance and not an enterprise. It cannot be had at a price and the interest of economy. War is
Incidentally, the corporate tax...
"Our Reporter On Governments"
By S. P. PORTER

The dealers are slowly getting cleaned out. They've had some difficulty in reselling their positions—they were allotted $87 million. They've also been un¬
questionably disappointed in the premiums received. . . .

The dealers have not been given the $92,000,000 of 2 1/2% bonds allotted them has been passed along. Other dealers said the $84,000,000 of 2 1/2% gold bonds allotted them has not been received. Comfortable amounts of the $480,000,000 of 2s they took down also on the $12,000,000,000 of 2 1/2% gold bonds have been passed along. Comfortable amounts of the $22,000,000 of 2% gold bonds have been passed along. . . .

They've been un¬
questionably disappointed in the premiums received.

And although this observer admits that the premium to date has not been up to expectations, this is not too surprising when you consider the deal because even if the premium to date hadn't been up to expectations, the dealer would be making money on the deal.

The importance of this shift in holdings needs no elaboration, of course. . . . What it means is that the pressure is slipping off. . . .

The dealers have been heavily discouraged and have been pushed out of the market. . . . Some of the dealers who speculated about the 3% bond have not completed their operations and are back on the sidelines. . . .

And although the shift in holdings position of the market, in short, is better than it has been in several years. . . . And although this observer admits without hesitation that the extent of the recent reaction was not accurately foreseen, it is safe to say that it was not without the given market a better atmosphere, and a clearer outlook in . . .

In a word, for the 2s around now, incidentally, Report a few days ago was that a million-share order was in the Street and it was filled on the way up. . . .

Company insurance re-selling and realigning of positions also been straightened out for the most part.

The 2s may get their play in the near future, therefore. . . . As for the remaining interest in 1% notes, it seems to be out of the 5-year premium level at first and then higher than that as the market starts to turn.

MAJOR SWITCHING

Talking about important switches without first analyzing the taxable position of an institution is futile and even dangerous. . . .

The price of the 2s, in fact, is not only the price of the bond, the taxes on buying or selling Government. . . .

The next step is to decide whether ... the bond is a taxable bond. . . . It's really as simple as that once the information on taxes is estab¬
lished.

If you're in the category of institutional managers not interested in exemption—and happy position that it-is your wise move well be to... you're in a position to sell when the bond is a taxable bond and hold if the bond is nontaxable. . . .

In the long-term is greater than the shorts. You need not . . . bothered with the problem of rolling over your maturity was in the Street and it was filled on the way up. . . .

You get your interest, or you're helped by the popularity of the last four issues of partially-taxed bonds-

about action changing the position of the bond. In any of these 2s tax-loaded bonds and other investors.

Again, the market's poppoppop. . . . Unless the rumors themselves compel Congress to action on a situation it would rationalize the last for a long time, you're getting a sense of exactly the thing feared most by tax-exempt security holders - the idea of a concerted talk of the people unfamiliar . . .

The Washington scene today.

Frankly, the Treasury would prefer to hear no more about tax-exempt bond actions than any other bond issues as cause and maturity dates come along and give tax-exempt bondholders.

Our Congressmen are ignorant of the general situation and wouldn't know one bond from another about the idle talk referred to above...

And frame you'd be in a more sensible frame of mind if you overlook that sort of talk and concentrate instead just on the point of tax-exempt vs. tax-exempt in relation to your own needs.

NICKNAMES

In reference to the recent comments here on the difficulty of finding nicknames for the huge loans now on the market, here are the ones finally decided upon. . . .

For the gold loan, due in 1967-68, is called the "taps," because of the fact that the method under which the bonds were sold.

For the 2% 1/2 loan, due in 1968-69, is called the "Victory One." Obviously, in reference to the idea of the victory financing, a further indication of the tremendous capacity of the Treasury.

And this last one—due in December, 1968-69—is called the "Victories Three." This is to easy with the 2s, for there are so many of this na¬
turality... But the way to identify will no problem. You've got to be in the full maturity schedule.

IN THE MARKET

Late last week, the fourth war loan pace it in January, with the total running between $10,000,000,000 and $12,000,000,000. Saturday's total was $12,000,000,000. Secretary Morgenthau could meet the smaller figure looks right, for the balance of the fiscal year this with a $10 billion fi¬

nance.

Commercial banks would be excluded. . . . Absolutely. And there's nothing about holding the loan to individuals and non-insurance company corporators. In fact, so far as this observer knows, you can bet on the exclusion of commercial banks.

Approach To Problems of Peace
Should Rest Upon Reason, Not Emotions: Charles R. Carroll

"Continued from page 1723."

of industrial techniques through¬
out the world, and the destructive capa¬
"If urging that in our ap¬
country, the victory 2% bond, has been in a state since its adoption in 1863. . . .

More, all but a few of the nations whose interests we are con¬
ervation, and its yields, provides for the making of a sharp strike upon the enemy-owned arms. . . .

All Australia, for the defense of the United States, was rendered to the enemy-owned arms. . . .

"Liberty for the individual, under the domestic law, and in¬
creased capacity to make the war, will again pre¬
ferably. . . ."

But the needs of the men arms die down, we may hear again. . . .

As a voice of reason and justice, we . . .

the conduct of men and nations. . . .

all, we may open our minds and hear it.

Payment On Rio Grande 7s

Lodenburg, Thalmann & Co., are nominaly notifying holders of State of Brazil (Rio Grande do Sul United States of Brazil) 7% gold bonds, external loan of 1930, that have been paid with it sufficient to make a pay¬
ment, in the amount of the United States of America. . . .

the face amount of the coupons due May 15th, 1943, $1,062.50, for each $35.00 coupon.

the provisions of the presidential Decree of the United States of Brazil, such pay¬
ment, if accepted by the holders of the bonds and coupons, must be accepted in full payment of such coupons and of the claims for interest for the period.

No provision present, the notices of the states, has been made for the coupons due May 15th, 1943, 1931 inclusive, but they should be retained for future adjustment.

Fifth loan—and there'll be a fifth, according to all present calculations, will come in April or May, following the income tax payment. . . .

The amount of banks still tight and there's no questioning the difficulty outlined buying. The price of the note¬

indefinitely. It terminates by one of three events: the payment of the 2% 1/2, right, or the conclusion of the compromise settle nothing in most cases; it but the court of the parties, or a resumption of hostilities, or cessation of hostilities. In effect, if we are to go by the terms of the declaration of annexation.

in any event, a state of war, does not continue indefinitely. It terminates by one of three events: the payment of the 2%, right, or the conclusion of the compromise settle nothing in most cases; it but the court of the parties, or a resumption of hostilities, or cessation of hostilities. In effect, if we are to go by the terms of the declaration of annexation.

. . .

...
Can The Small Dealers in Securities Be Forced Out Of Business In Defiance Of The Will Of Congress?

(Continued from first page)

they should have been excluded from the survey which the SEC is trying to conduct in order to determine the mark-up practice of its members.

Dealers voiced indignation, too, that the stick, automatic manner in which the decree was "put across," as they put it, was the only way in which the Association would accept such a proposal. The Association were assembled in Cape Cod recently, their opinion on this 5% profit limitation was deliberatethey not sought even though the old bid and asked discrinely related to the subject was brought up. Shortly after this meeting, according to a reliable executive personnel sent a copy of the letter it proposed sending to member firms advising them that it was the Association's intention to ask the Commission to decree to every Governor of the Association with the word whatever rule anyone else could say would that all there is to it boys, because the old interpretation is the way we damn please and dictate to you in any manner we see fit with the exception of telling you how to vote.

Under the circumstances, it is clearly the duty of the Board of Governors to cool down the Association to meet forthwith and rescind the 5% profit limitation, which the duty of the SEC to see that this is done. The "Chronicle" believes, too, the Board of Governors has the duty to lift the veil of secrecy from the affairs of the Association, just as it will be opened up to future freely discuss what is going on with those in the commercial and the press.

The "Chronicle" holds, too, that the phraseology of the SEC is expected to make it mandatory for the Association to adopt a profit limitation, which is in the interest of the public or the industry that it do so, and utterly opposes the attempt made by the SEC to issue a decree that shall determine whether the small dealer throughout the country shall be permitted to live and breathe, or die, without their having any voice in the matter.

Since the above was written press reports have hit the B.S. the SEC is unable to make the profit limiting of the NASD from evading the decree by promulgating some rule in an unfair manner to give to the whole industry. The Commission for sometime had been trying to stretch the Securities Exchange Act in some manner, shape, or form which made this possible. They first proposed a全村 friendly bid and asked disclosure rule that in effect would make a dealer or selling agent declare what profit he would make on the purchase or sale of a security and that he would make a few firms into doing business, at least partially, on an agency basis. Both are in

In Favor Of National Sales Tax

Results of a survey by George Gallup, director of the American Institute of Public Opinion in Princeton, N. J., on whether association: national sales tax instead of increased income tax rates, according to New York Times of Nov. 3, which also had the following to say regarding the survey: "This fact is brought to light in a nation-wide study of public opinion in which field reporter New York Times. "If the Government decides to continue to make the claim that the extra amount be the sales tax or everything people buy, or that the extra amount be raised by increasing everybody's income taxes?

The vote: Prefer national sales tax....55% Prefer increasing income tax...34

When the question in the press release was: "Would you pay income taxes, the vote in favor of the national sales tax is higher than that of the entire voting population. This is shown as follows by vote of the National Sales Tax?

Prefer national sales tax....57% Prefer increasing income tax...31

The majority of persons in all occupations, with the exception of the unskilled labor group, favor the sales tax. Even among the laboring group more persons prefer the sales tax than prefer the increased income tax.

Guests Of N. Y. Exchange

John P. Rogers, Vice-President of Farnsworth Television & Radio Corp., and Edwin M. Martin, Secretary and General Counsel of the company, were guests of Emi Schram, President of the New York Stock Exchange, on Oct. 29 on occasion of the admission of the company's stock to trading. They were accompanied by Lloyd S. Gilmour, a Director of the company, and a partner of Eastman, Dillon, Co. and Henry J. Bogart, also a partner of that firm, on the floor of the company's stock. After visiting the floor to witness the opening transactions in the stock, the gentlemen were guests of the Bankers and Company of the Exchange and were entertained at luncheon.

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N. Y. Stock Exchange Weekly Firm Changes

The New York Stock Exchange in its weekly firm changes for the week ending Oct. 6 under the Exchange membership of Anton W. Herbeck to Byron A. Hofer will be considered. The Exchange, in its weekly series of firms transferred, the week ending Oct. 6, was understood, will act as an individual floor broker.

Transfer of the Exchange membership of John Parkinson, Jr., to Constantine Hutchins will be considered. Both are partners in Hutchins & Parkinson.


Division Notice

NEW YORK STOCKS, INC.

The following distributions have been declared payable November 26, 1933, to stockholders of record November 9.

DIVIDEND NOTICE

NEW YORK STOCKS, INC.

The following distributions have been declared payable November 26, 1933, to stockholders of record November 9.

NEW YORK STOCKS, INC.

6.00% Cum. Preferred Stock Series—$100 Par Value

New York Stock Exchange.

Morris & Estell, Industry Series

Fullop, Van, & Company.

Fullop, Van, & Company.

Fullop, Van, & Company.

Fullop, Van, & Company.

Fullop, Van, & Company.

Fullop, Van, & Company.

Judith, Van, & Company.

Fullop, Van, & Company.

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Public Utility Securities

Consolidated Natural Gas Company

A new fashion in Big Board trading is the "when distributed stock, similar to the familiar "when issued" method of trading. The new stock is being distributed by Standard Oil Company of New Jersey, which is also well known as a "utility holding company." While the institution of this system is quite small, the company decided to form a sub-holding company which would take over Standard's entire holdings in five natural gas companies, in exchange for its own stock, which would be distributed to the public. This method of trading the new stock would be similar to the "utility holding company" system of four gas utilities and one wholesale gas company is well integrated, and while the SEC has not relented of its obligations under Section 11, it is thought that the system will probably not be disturbed in the future.

The new stock is being distributed by Standard Oil Company of New Jersey to its other stockholders of record on November 15th. Distribution will be made on or about December 15th, according to present plans, and assuming there is no last minute hitch with SEC approval. Instead of giving scrip for fractional shares, cash will be distributed in small amounts on the Exchange on November 15th. Distribution will be made in the ratio of one share of Consolidated Gas stock to five shares of Standard Oil stock.

While trading in the new stock represents the consummation of SEC proceedings under way for the past two years, Standard Oil controls certain natural gas companies, some of which distribute gas at retail, thus becoming public utilities. Accordingly, Standard Oil was classed as a "utility holding company." While the SEC has not released its decision in this case, it is thought that the new system will probably be regulated in the future.

The five companies together have common stock with par value of about $75,000,000 (prior to all surplus of about $25,000,000) preferred stock and 2,000,000 shares of debentures. Since these companies have enjoyed considerable tax advantages in the past, Standard Oil could have realized a profit of perhaps $50,000,000 (Standard's stock, based on the SEC's estimate, is worth about $275,000,000)

In considering the Consolidated Gas Company as a "utility holding company," the SEC must consider the probity of the entire group of companies, and the probable financial results.

While a few of the companies might have had a better chance had their taxes been levied at a higher rate, the SEC's decision in this case does not indicate that the SEC is going to discontinue the utility Holding Company.
U. S., Britain, Russia And China Sign Pact—Closest Military Unity And Post-War Cooperation
Future Of Italy And Austria Also Covered At Moscow Conference

The Governments of the United States, United Kingdom, Soviet Union, and China have joined in a declaration providing for closer collaboration in the prosecution of the war and setting forth the principles upon which the four countries intend to build a system of international organization. This declaration was signed at an international conference, held in Moscow, where the principal participants being Sec- retaries of State, Prime Minister, Foreign Minister, and Soviet Commissar of Foreign Affairs which was held from September 19th to October 12th.

The text of the agreement reached at the conference, together with the texts of the declara-
tions on restoring a non-aggressive role and a statement on atrocities by Kar-Len, Secretary General of the Communist party of the Soviet Union, and Ambassador of the United States, was made public simul-
taneously in Washington, London, Moscow, and Beijing.

In the course of this trilateral conference it was decided that the four Governments will work together in the conduct of the war and in economic and political cooperation and to hold periodic conferences in order to maintain and develop the close collaboration already existing.

Secondly, on the principle of hastening the end of the war and the mutual defense of the four countries, the Governments were asked to promote the peace movement, to cooperate in the conduct of the war, and to work for the establishment of an organization for the prevention of hostilities, and that only in this way could the peace arrangements and the political, economic, and social progress in the post-war period be fully promoted.

This conviction is expressed in a declaration signed by the Chinese Government and the United States, in which the four countries are agreed to the principles upon which the four Governments agree that the negotiations concerning the post-war period shall be conducted in such a way as to ensure the exclusion of all other peace-leaving nations, and to meet the needs of the world in this respect.

The conference was attended by the Foreign Secretaries of the United States of America, Britain, and China, and by the Secretary of the British Foreign Office, Mr. V. M. Molotov, took place at Moscow, from September 19th to October 12th, 1943.

The conference took place in the presence of the members of the Governments of the United States and China, and was attended by the following delegations:

The conference was attended by the Foreign Secretaries of the United States of America, Britain, and China, and by the Secretary of the British Foreign Office, Mr. V. M. Molotov, took place at Moscow, from September 19th to October 12th, 1943.

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DIVIDEND NOTICES

THE ATLANTIC REFINING CO.

A dividend of 40.8 of $1 par value per share, subject to the requirements of the Internal Revenue Service, will be paid on February 27, 1944, to stockholders of record at the close of business on February 15, 1944.

F. W. SMITH, Treasurer.

October 28, 1943

J. P. Morgan & Co. Admitted To Membership In Clearing House Association

The admission on October 28, of J. P. Morgan & Co. Inc., as a member of the Clearing House Association was announced by the Association. While 1300 banks are members of the Clearing House Association, and mergers and absorption reduced the number to 1300 at the close of the year ending December 31, 1943, there is no group in the world so financially powerful as the City of London. The admission of interest by the Government does not decrease the nation's purchasing power. True, the Government does not spend its money, but it does so, the dollar circuit is unaffected. If it is spent, however, the usual trouble results. For this reason it is most desirable that the public should be held by investors from all classes of the population.

7. Government debt per se is not the cause of inflation. If the economy is on part-time, an increase in debt cannot cause general inflation until full employment is reached. The "Chronic" invites comments on the following statements by members of the Board of Directors for the resolutions and views expressed by Dr. Chase in the foregoing. This is the official statement of the special report which will appear in the Twenty-Fifth Century Fund.

Tomorrows's Market Walter Whyte Says--

(Continued from page 1764)

the Chamberlain government which saw "peace in our time." However, let's get back to the market and its current action.

Last week the market indicated higher prices but no doubt readers were confused. For while I said the market looked higher, having avoided recognition of the significance of specific stocks. There was a reason for that neglect. The market is up in the absolute sense and for still is, honeycombed with specialities. One day a group up will break down and it either falls asleep or breaks down. The old-line leaders continue conspicuous by their inability to participate in any advance.

The question probably arises: why don't I recommend these specialties?

The answer is, few possess sufficient market action to warrant more than a day-to-day holding. And any little accident can break them down and keep them down for so long it would create a virtual lock in many instances and drive the higher of the prime requirements of market speculation. And any stock that is sold close enough to the market, in the event of a decrease, does not interest me.

Most of the present active stocks are one-way affairs. When they go up they look fine. But once they start going down the picture will be far from cheerful.

In order to trade one has to look for exits as well as entries. And in the case of the liquor stocks, for example, it was said that few of those who put their bread out in the crowd that getting out in a hurry may be difficult, if not impossible.

The action of the steels is declining. They are the logical leader to start any general advance. The fact that they continue to hold back may mean that the old indications appear only on the surface. If that is the case, discounting certainly the policy to follow.

More next Thursday.

Out of Sight, Out of Mind

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

DIVIDEND NOTICE

SOUTHERN UNION GAS COMPANY

COMMON STOCK

A dividend of one-twelfth (1/12th) of a share of new (reclassified): Common, $9/12th, at par value, $50.60 of ARKANSAS WESTERN GAS COMPANY, on each share of Common Stock of the SOUTHERN UNION GAS COMPANY has been declared by the Board of Directors of the SOUTHERN UNION GAS COMPANY stockholders of record at the close of business November 1, 1943. No fractional shares of the Common Stock of the SOUTHERN UNION GAS COMPANY will be paid. Certificates and/or shares will be mailed within ten (10) days after the record date. The Northern Trust Company, Chicago, Illinois, as Distribution Agent.

October 28, 1943

H. Hentz & Co.

LAMBORN & CO.

N. Y. Cotton Exchange Bldg.

39 WALL STREET

NEW YORK 5, N. Y.

NEW YORK 4, N. Y.

SUGAR

Export Imports—Futures

(Continued from page 1790)


Bank & Insurance Stocks

"World Sugar Bowl" Strauss Bros., 22 Broadway, New York City, has prepared a significant review of Cuba's strategic position in the world sugar picture, which appears in their latest bulletin entitled "World Sugar Bowl." A copy of the bulletin together with reports containing interesting conclusions on current market conditions, may be had upon request from the company.

Comments should be addressed to Editor, "Commercial and Financial Chronical," 25 Spruce St., New York (6), N. Y.
Why Pennsylvania Municipals Enjoy High Investment Status

(Continued from page 1378)

Office, and to tabulate the pertinent statistics. With a full realization of the importance of the information at hand, the following data is nevertheless adduced to show a tendency. Many of the units would show even more favorable statistics than those here given. We use therefore for the purpose of the section one county and 33 cities of over 20,000 population.

4. School Districts
   a) Real Estate Tax.
   b) Adding Real Estate Tax.
   c) State Appropriation (see below) for operating expenses.
   d) Township Tax.
   e) Miscellaneous revenues.

5. Townships
   a) Real Estate Tax.
   b) Occupation Taxes.

6. Institutional Districts
   a) Real Estate Tax.
   b) Occupation Taxes.

IV. CERTAIN STATISTICS AND AVERAGES

It is unfortunately not within the scope of this paper to examine the over-all governmental position, and to tabulate the pertinent statistics. With a full realization of the importance of the information at hand, the following data is nevertheless adduced to show a tendency. Many of the units would show even more favorable statistics than those here given. We use therefore for the purpose of the section one county and 33 cities of over 20,000 population.

Tax Collection (1941) of boroughs and direct cities

<table>
<thead>
<tr>
<th>County</th>
<th>Current Service</th>
<th>Current Service Per Capita</th>
<th>Current Service Per Capita of 1940</th>
<th>Current Service of 1940</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allegheny</td>
<td>6,400,000</td>
<td>90</td>
<td>61.9</td>
<td>72.9</td>
</tr>
<tr>
<td>Beaver</td>
<td>300,000</td>
<td>62</td>
<td>44.2</td>
<td>64.1</td>
</tr>
<tr>
<td>Berks</td>
<td>4,800,000</td>
<td>84</td>
<td>61.8</td>
<td>72.8</td>
</tr>
<tr>
<td>Butler</td>
<td>500,000</td>
<td>84</td>
<td>61.8</td>
<td>72.8</td>
</tr>
<tr>
<td>Delaware</td>
<td>1,800,000</td>
<td>113</td>
<td>82.6</td>
<td>100.0</td>
</tr>
<tr>
<td>Erie</td>
<td>6,000,000</td>
<td>120</td>
<td>85.4</td>
<td>100.0</td>
</tr>
<tr>
<td>Luzerne</td>
<td>3,000,000</td>
<td>110</td>
<td>79.9</td>
<td>93.3</td>
</tr>
<tr>
<td>Northampton</td>
<td>4,000,000</td>
<td>90</td>
<td>61.9</td>
<td>72.9</td>
</tr>
<tr>
<td>Montgomery</td>
<td>1,500,000</td>
<td>110</td>
<td>79.9</td>
<td>93.3</td>
</tr>
<tr>
<td>Washington</td>
<td>4,000,000</td>
<td>110</td>
<td>79.9</td>
<td>93.3</td>
</tr>
<tr>
<td>Westmoreland</td>
<td>1,000,000</td>
<td>110</td>
<td>79.9</td>
<td>93.3</td>
</tr>
<tr>
<td>Wyoming</td>
<td>500,000</td>
<td>59</td>
<td>41.9</td>
<td>52.9</td>
</tr>
</tbody>
</table>

**Note:** In some of the above instances complete statistics are not readily available.

V. DEFAULT RECORD

In respect to the number of municipalities involved and the par values of the obligations, the number of defaults has been relatively small. Perhaps the most illustrative is the experience of the Pennsylvania Retirement Board Fund, which over a period of the past twenty-five years has been one of the largest investors in Pennsylvania municipal bonds and whose purchases represent a current and future investment for the State. Their experience may be epitomized as follows: In the past twenty-five years they have purchased approximately $500,000,000 of Pennsylvania municipal bonds, and the board has never lost a penny of either principal or interest. At the present time there is in default approximately $150,000 principal amount of notes which have been defaulted, but ultimately expect to recover 100%. The Pennsylvania municipalities involved in such defaults have occurred mostly in urban areas where the distress factors are more prevalent. However, throughout such a period of time there has been no evidence of any defaults.

The above is a portion of this article: Moody's Municipal Manual; Dun & Bradstreet Municipal Reports; Municipal Affairs Reports; Reports from Cities and Counties. For a complete analysis, the interested reader is referred to the original source.

Pennsylvania Brevities

(Continued from page 1378)

The Philadelphia Transportation Commission has offered a $10,000 short-term loan from the Pennsylvania Railroad. The bill of sale of the company's real estate is to be used for tax purposes. The Philadelphia Transportation Commission has offered a $10,000 short-term loan from the Pennsylvania Railroad. The bill of sale of the company's real estate is to be used for tax purposes.

The City of Philadelphia, a capital city of approximately 1,000,000 in population, has a system of in-town tax service as part of its municipal affairs. The city has a system of in-town tax service as part of its municipal affairs. The city has a system of in-town tax service as part of its municipal affairs.

Milo S. Meier Now Is With Paine, Webber Co.

MINNEAPOLIS, MINN.—Milo S. Meier has joined the staff of Paine, Webber, Jackson & Co., Inc. Mr. Meier has been active in the investment banking field for many years and has been engaged in many of the important bond issues in the state of Minnesota.

SEC Takes Action

The broker-dealer registration of Hermann Green & Co., Inc. of New York City, was revoked by the Securities and Exchange Commission, which denied request of the registered broker-dealer for the withdrawal of their registrations.

L. B. Van Ingen Dies

Lawrence B. Van Ingen, retired broker, died in the Le Boi Sanatorium, at the age of 45 after a long illness.
The Securities Salesman's Corner
Avoiding Some Common Pitfalls Inherent In Security Merchandising

Retailing of securities is full of pitfalls—probably no business has more natural hazards and pitfalls in a bucolic brook-surrounding it than has the securities business. However, if these impediments are recognized in advance, the dealer who knows how to avoid them can at least guard against becoming needlessly involved in avoidable pitfalls.

One of the main stumbling blocks that often makes for trouble even with experienced brokers is the idea that in the future events will unfold and unpredictable circumstances bring about a change in the value of a security, especially after it has had an emphatic recommendation. This is a natural optimistic and persuasive sales effort.

While this idea is sometimes implied to assume a very natural attitude (which most experienced securities men are able to reason out for themselves), it is likely to be the extent that future business possibilities are endangered. Whenever you have to state that a great deal more of his future business is lost—you have lost the value of all the hard work you previously put into the development of the account. When you stop to consider how much time and effort is necessary to develop accounts which are profitable, you can keep them after you’ve got them, it’s a pretty unsatisfactory situation from every angle.

It is advisable to do everything possible to forestall any unfavorable reactions on the part of the customer. If he is selling when a security you have recommended and sold has declined in price, the customer will not want to know that it will happen again, and again—so we might as well avoid the situation entirely.

There are several cardinal rules to remember if you are to keep customers with you at this game. First, DON’T SELL SECURITIES ADAPTED TO THIS STEEP FALL. First, APPRECIATION POSSIBILITIES TO CUSTOMERS WHO ARE INTELLIGENT and sound. Second, DISTRIBUTE INCOME PRODUCING INVESTMENTS, and if the emphasis during the sale is 3. You must receive approval for this special delivery. And you RECEIVE THIS INCOME, INTERMEDIATE FLUCTUATIONS WITH ITS INCOME.

Secondly, MAKE CERTAIN THAT YOUR CUSTOMER UNDERSTANDS THAT HE IS BUYING A SECURITY THAT IS SUBJECT TO THE DOWNSIDE or DECLINE. This is the so-called "PROFIT" AND "PROMISES OF QUICK GAIN" TO THE EXCLUSION OF THE SECURITY IN THE SITUATION. If a security is sold to an old man with price enhancement possibilities, try and point out the reasons for an alternative investment. Offer him the chance to study the advance for the possibility of a price decline taking place before a final decision is made. Perhaps he will think again and change his mind. Even in the case of an investor who is losing money in the market, wherein considerable faith can be placed in the intrinsic value of the security, you may be able to point out that if a decline takes place the client is going to be able to buy more of the same investment.

MunicipAL BONDS

Rock Island, Ill., To Redeem All Past Due Special Assessment Bonds

The City of Rock Island, III., has issued a statement that on or before Dec. 18, 1943, all of its past due special assessment bonds, which were issued for the construction of a Municipal Amusement Park, will be finally paid off. This action is to be taken by the City Council in accordance with the city charter law of Dec. 29, 1943.

The bonds were issued on Dec. 18, 1943, by the City Council, for the purpose of building an amusement park, and the proceeds of the sale were to be used for the construction of the park.

The bonds were issued in the amount of $1,000,000, and the interest rate was set at 3% per annum. The bonds were secured by a mortgage on the property to be used for the park.

The bonds were sold to the Rock Island Savings Bank, and the bank agreed to pay the interest and principal of the bonds as they became due.

The City Council has now decided to pay off the bonds on or before Dec. 18, 1943, and the bonds will be retired from the city’s books.

The City Council has also authorized the City Manager to make a report to the City Council on the condition of the park and on the progress of the park construction.

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the public offering will constitute one of the largest in the recent past. The public offering is expected to be made through a straight equity sale.

Gene But Not Forgotten
One of the leading brokers of "the quiet" secrets of the moment is the personal loss of Mr. J. M. Rees, who passed away recently at the age of 60. He was a director of the Rochester Telephone Corp. and was actively engaged in the firm's activities. 

The proposed common stock sale was offered at a price of $100 per share, with an option to purchase an additional 100,000 shares at the same price. The offering was expected to raise approximately $10 million.

Morgenthaler Returns From Front Tour
Following a three-weeks' tour of Mediterranean battle fronts, Secretary of the Treasury Morgenthaler returned to Washington on Tuesday, Nov. 1. Mr. Morgenthaler, as a member of the American Expeditionary Force, was actively engaged in the planning and execution of the European operations from his position as one of the Assistant Secretaries of War.

Morgenthaler will make use of his experience in European planning to present the plan of the nation's strategy to the ministerial conferences of allied military commanders, particularly in regard to the use of invasion money by the armed forces.

To Form Ames Brothers
Stephen M. Ames and Paul S. Ames have formed a new partnership with offices at 29 Broadway, New York, N.Y., as of Nov. 10. The firm will hold membership in the American Exchange, Mr. Paul Ames acquiring the membership of Raymond S. Rose.

The firm will be in business as Ames Brothers.

Collateral Record For
N.Y. Title & Mtg. Series
Newburger, Loeb & Co., 46 Wall St., have just announced that they have acquired collateral security in the amount of $6,000,000 of New York Stock Exchange, which will be held in trust for the benefit of the firm.

The firm is expected to make use of the collateral to secure loans and to provide security for various financial transactions. The collateral includes shares in the amount of $6,000,000 of New York Stock Exchange, which will be held in trust for the benefit of the firm.

Sees Bright Outlook
Interstate Aircraft & Engineering Corporation, owners of the S. W. S. C., Ltd., are planning to make use of the S. W. S. C. Ltd., to sell a new product in the aviation market. The firm plans to sell a new type of aircraft, which is expected to be successful in the market.

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BRITISH ECONOMIC AND SOCIAL HISTORY

For Dealers

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

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

Trading markets and Information on request

Kobbe, Gearhart & Company

INCORPORATED

Members New York Security Dealers Association

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PHONE TELEPHONE TELEGRAPH
BRADY 2-3000 BRADY 2-3000

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40 Exchange Pl., N. Y., N. Y.

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23 Broadway, New York 7, N. Y.

ForTHE COMMERCIAL & FINANCIAL CHRONICLE

Thursday, November 4, 1943

E. R. Squibb & Son

United Merchants & Manufacturers

M. S. WIEN & CO.

LAWRENCE & MORRISON CORPORATION

Common, V. T. C.

BIDS MADE ON BONDS

GOUPS MISSING

MUTULIZED

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MEMBERS N. Y. SECURITY DEALERS ASS'N

40 EXCHANGE PL., N. Y., N. Y.

Phone 5-4202; Telegrams N. Y. S. T.

M. S. WIEN & CO.

MEMBERS N. Y. SECURITY DEALERS ASS'N

23 BROADWAY, NEW YORK 7.

Phone 5-4202; Telegrams N. Y. S. T.

BOB. KEANE IS NOW WITH SAILOR-MERRICK

(Walt's to the Financial Community)

LOS ANGELES, CALIF.—Robert E. Keane has become associated with Sailor-Merrick Co., 234 South Spring Street, members of the Los Angeles Stock Exchange. Mr. Keane was previously with London & Wellington and in the past was an officer of Edgington, Riley & Walter.

Empire Ship & Title Plate Situation Attractive

The first mortgage $6 of 1943 of Empire Ship & Title Co., offers attractive possibilities according to a memorandum prepared by Empire Ship & Title Co., 120 Broadway, New York City. Copies of this interesting memorandum may be had upon request.

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State, City & County

Bonds

1943

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First Mortgage 6s, 1948

Arden Farms

Memorandum sheet available upon request

Hill, Thompson, Co., Inc.

Markets and Situations for Dealers

120 Broadway, New York 5

Tel. Elector 2-2020

Telegram: N.Y.S.T.

Eagle Lock

Bought—Sold—Quoted

Hay, Fales & Co.

HANover 2-0059

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Carribean Securities

all issues

CARL MARKS & CO. INC.

FOREIGN SECURITIES SPECIALISTS

50 Broad Street

New York 4, N. Y.

AFFILIATE: CARL MARKS & CO., INC. CHICAGO

HIGHER COSTS, Prices And Wages Held Major Post-War Problem

National Bureau of Economic Research Study Warns Inflation Danger Not Yet Passed

Outpointing that industry can absorb present higher material and labor costs so long as the volume of output remains at capacity, Mr. Robertson warns that "maintenance of full employment and wage relationships would present a substantial decline in output," as a study issued Nov. 1 by the National Bureau of Economic Research.

"Such a decline is to be avoided in the contemplation of peace," the study finds, "it is perhaps the major economic question we shall face at the end of the war.

The study by Mr. Mills on Prices in a War Economy is a part of a series of studies issued by the Bureau, which is being issued by the National Bureau, Dr. Mills, Professor of Economics at Columbia University, is a member of the Economic Research Board.

"The present high cost structure, Dr. Mills points out further, is the result of a number of complex factors of inflationary movements in recent years, and notes, "have exerted restraints on the side of advancing wages and prices which have inhibited the policy, varying coverage, and serious exemp-

tion of price increases, so that costs as a large proportion of the price has been the working out of these re-

straints under present circumstances.

"The price system of 1943," the study concludes, "is under continua-

tion of pressures from the cost side are strongly and the agent of the price of power payments by manufacturing

the average unit purchasing power of farm products was 49 percent greater. Allowing for the 20 per-

cent rise in physical output of farm products between 1939 and 1942, the aggregate purchasing power of farmers in terms of goods and services increased fully 63 percent between these years.

Manufacturing Corporation Property

$81 Per Cent Larger

3. Net profits after taxes, per unit of property, of manufacturing corporations in the first quarter of 1943 were 54 percent less than in 1939, but production pressure was rose by 94 percent, so that estimated

profit after taxes were 81 percent larger. Estimated divided manufacturing corporations in 1942 were 4 percent

larger than the 1938 figure, indicating that larger wartime profits were not being distributed to sharehold-

ers.

Consumers Incomes Increase More Than Prices of Consumer Goods

4. The normal increase between the rise in prices of producer goods and the rise in consumers goods prices that occurred in past concentration of rising prices has not mani-

fested itself during the current wartime price rise. However, while consumer goods prices are high by previous standards, consumer incomes are higher still.

Further increases in consumer goods prices are indicated because of of study updated pressures from the cost side, strongly sup-

plimented by others from the de-

rect pressure, and increases in the cost for the purchase of consumer goods far exceed existing sup-

plies, at present price levels.

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Empire Ship & Title Plate Situation Attractive

The first mortgage $6 of 1943 of Empire Ship & Title Co., offers attractive possibilities according to a memorandum prepared by Empire Ship & Title Co., 120 Broadway, New York City. Copies of this interesting memorandum may be had upon request.

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