Quality in Municipals Goes Begging—
Until the Next Depression
By J. A. WHITE

In the decade of the '20s a municipal default was such a rare event that one scarcely even considered the possibility—and most municipal bonds sold in a narrow price range with little difference in yield, regardless of inherent quality. Today, much has been heard of municipal defaults, but, like the story of Roland and Charlemagne, the story of the '20s has been heard and largely forgotten—and most municipal bonds sell in a narrow price range with little difference in yield, regardless of inherent quality. So the story goes—municipal "defaults" unheard of before the '30s, common during the early and mid-'30s, forgotten by the early '40s. And so the story goes.

Intelligent Finance Should Oppose NASD Profit Limitation Decree!

NASC Setting Precedent That Could Be Used As Argument To Further Shackle Free Enterprise—Principle Behind Decree Is Vicious And Contagious And Will Be Boomerang To Underwriters—

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In 3 Sections — Section 1

The News
Behind The News

BY PAUL MALLON

Since Moscow, Mr. Hull has mentioned only the pleasant things in agreement. Sensations had planned to call him into a closed meeting of the Foreign Relations Committee to ask the important questions in their minds, but in a spirit of criticism, Mr. Hull agreed to ask the influential Mr. Hull. His decision is in favor of both houses, whose statesman would be in order. The United States of America's program of socialism—such matters are the relative influence of Anglo-American commercial and public relations (Continued on page 2130)

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4 This paper was delayed in the form of an article at a dinner held on November 17th, 1943, by New York Stock Exchange's Munsey's.

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Welcome!

Some Factors Of A Now-Planned Post-War Governmental And Economic Pattern

With Violation By Government Of Fundamental Concepts. J. Reuben Clark, Jr. Warns That If Constituational Rights Are To Be Regained We Must Assent Ourselves Through Courts And In Every Other Way Open

Touching upon the violation of fundamental concepts, the lessening or destroying of individual rights under the "directive system," the course of "directive" Government an enterprise, etc., J. Reuben Clark, Jr., of Salt Lake City, Utah, discussed recently "Some Factors of a Now-Planned Post-War Governmental and Economic Pattern." In his address delivered before the 58th annual meeting of the American Life Convention at the West side Hotel in Chicago, Mr. Clark, who is First Vice-President of the Beneficial Life Insurance Co. and Director of the Equitable Life Assurance Society of the United States, Inc., said:

"Speaking in general terms, the Federal Government has reached down and touched the individual lives of the citizens in a multitude of matters which for a century and a half were held to be unshriv-able that Government under those constitutional provisions which declare that the Federal Government is a government of delegated powers, and that those powers are expressly given to them by the people—either to themselves or to their State Governments."

Mr. Clark asserted further: "Obviously, if these unconstitutional practices and powers are to be stopped, if we are to regain our constitutional rights and the blessings of our free institutions, if we are to get back to the States and to the people the powers and rights that have been torn away from them, then we have the people's will to find out the names of the people who attack our patent system, a patent which is not a private privilege or odious monopoly carved out of the public domain. The term of a patent is not taken from the world labor, ingenuity, and expense of inventors, so far from clasping the monopoly of a product which makes his way into the world to enrich himself and eject the world, the manufacturer should be regarded as public benefactor. As you will probably remember, talks that when we consider the advent of the National Government, a system which results to the benefit of all, it is the labor, ingenuity, and expense of inventors, so far from clashing with the public interest of the manufacturer should be regarded as public benefactor. As you will probably remember, if the public interest is not the benefit of all, it is the labor, ingenuity, and expense of inventors, so far from clashing with the public interest of the manufacturer should be regarded as public benefactor. As you will probably remember, if the public interest is not

Patents and Business

By ANTHONY WILLIAM DELLER
What Is a Patent?

Under our laws, a United States Letters Patent is a grant to an inventor of the right to exclude others from making, using, or selling his new and useful invention, without his permission or license, for a limited period of 17 years. A patent is evidence of title to a house, or a stock certificate evidencing a membership in a corporation. And the law regarding patents, as well as licenses, they should be regarded as public benefactors. As you will probably remember, if the public interest is not the benefit of all, it is the labor, ingenuity, and expense of inventors, so far from clashing with the public interest of the manufacturer should be regarded as public benefactor. As you will probably remember, if the public interest is not the benefit of all, it is the labor, ingenuity, and expense of inventors, so far from clashing with the public interest of the manufacturer should be regarded as public benefactor. As you will probably remember, if the public interest is not

H. L. Sebel Electe

V. P. Of Hugh Long

Harry L. Sebel has been elected mid-western vice-President of Hugh W. Long & Co., Inc., 15 Exchange Place, Jersey City, N. J., Mr. Sebel has been identified with the distribution of investment company shares and is well-known in the Midle West and Southeast in connection with such activities. He has been a district manager for Hugh W. Long & Co., Inc., since November, 1942, making his headquarters in Chicago at 133 South La Salle St.

Republic Natural Gas Co.

Situation Of, Illinois

Republic Natural Gas Company offers an interesting situation, according to a circular being distributed by Schneider, Bickert & Hickman, Inc., Southwestern Life Building, Dallas, Texas. Copies of this circular, which is not offered for sale, show that interesting comparative data on the company, may be had upon request from Schneider, Bickert & Hickman, Inc.

Interesting Situation

Adams & Peck, 63 Wall St., New York City, have prepared a brief resume of the merger of the New York, Lacka-
Resentment To Outrageous
NASD Profits Limitation
Decree At New High Pitch

The Editor of the "Chronicle" continues to be besieged with letters, personal visits and telephone calls from dealers all over the country denouncing both the principle of the NASD's profit limitation decree and the automatic manner in which it was foisted upon the membership of this quasi-governmental organization.

In an earlier article on the subject, the "Chronicle" pointed out that much criticism was levied by dealers maintaining retail sales forces at the method that was used by the American Telephone & Telegraph Company in effecting a fair profit. The contention was advanced that the large Wall Street firms doing a volume business in institutions and those not having the capital to finance a large business operated on a smaller margin of profit and therefore should have been excluded from the survey which the Association made to determine the mark-up practice of its members. How true it was was brought home to a Wall Street dealer told him that any business done by his firm other than with investment dealers and brokers was handled purely as an accommodation for friends on a no profit basis and that 25% of the transactions reported by his firm on the questionnaire sent out to determine the membership's mark-up policies were in this category. As a matter of fact, he said, in some of these instances he even took a slight loss. So much for that.

Now the truth of the matter is that between the NASD's (Continued on page 2117)

More Dealer Comments On NASD Rule
DEALER NO. 51

This attempt by the NASD is, of course, of great importance to business generally. A securities dealer is, after all, a merchant, just as the thousands of other merchants up and down the main streets of America. The dealers in securities are selling service and merchandise, just as other types of merchants are selling service and merchandise.

The attempt at profit limitation, while now only proposed for the sale of securities, will no doubt, if carried over with this particular business group, be extended eventually to include all business selling service or merchandise and conceivably further extended to cover the charges of professional men.

The proposed attempt of the NASD to limit profits can, therefore, be looked upon as part of a program to do away eventually with the system of free enterprise which has so long been considered one of the most valuable regenerated.

If business and professional men are to awake to the hard realities of business, and the million of investors with joint ownership in securities, with the majority of dealers in securities to fight this un-American attempt to control profits by bureaucratic decree.

The dealer in securities has been a peculiarly whipped post of politicians since the vague famous call "to drive the money-changer (Continued on page 2110)
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"Deflation Hazards Post-War"

E. F. Hutton Market and Business Survey Sees Unemployment As Principal Post-War Concern — Also Cites Deflationary Influence of Excess Productive Capacity In Industry and Agriculture

The country's principal post-war concern, "after the first surge of peace-time buying, seems likely to be with unemployment and deflation, not with inflation of the boom-psychology type," according to the current issue of the "Fortnightly Market and Business Survey," published by E. F. Hutton & Co., members of the New York Stock Exchange. "If inflation comes later," the publication adds, "it may well be the inflation of despair, not optimism."

The survey warns against overestimating the importance of the deferred demand for civilian goods, citing figures to show that the nation's productive facilities are now "providing for the astronomical needs of a global war and at the same time supplying civilian needs with more goods than they consumed in the best of recent peace-time years."

Warning that "excess productive capacity in industry and agriculture have deflationary influences" and also that "unemployment is a powerful deflationary factor," the review says that these influences may be "so strong that the Government will be compelled to make enormous deficit expenditures as an aid to employment."

(Continued on page 527)

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More Comments on Dr. Anderson's

Plan To Promote Peace-Time

Reemployment

In his article captioned, "What Can the Government Do to Promote Peace-Time Reemployment," Dr. Anderson, the former economist of the National Bank of New York City, and now Professor of Economics at the University of California, Los Angeles, pointed out that the government itself can make probably the greatest single contribution toward maintaining domestic employment and employment at permanently high levels following an emergency.

He presented a program showing how the government can and should adopt in order to make it possible for business and industry to provide the maximum of employment, permanently, after the war emergency.

Since publication of the article, the "Chronicle's" Office has received large number of letters from leaders in business and finance and from other prominent individuals containing their views regarding Dr. Anderson's thesis and the program of governmental action he proposed. Many of these letters were given in our issues of Nov. 4 and Nov. 11; others are reproduced here:

H. H. OGDEN


I read the article prepared by Dr. Benjamin M. Anderson, Professor of Economics, and find it very interesting and very much to my way of thinking. If this country ever amounts to anything in the future, it will be on the basis of free enterprise, just as it was that got us into our past history.

FRANK E. RAND

Assistant Supreme Chief Ranger,
The Independent Order of Foresters, Buffalo, N. Y.

I have read the article "What Can The Government Do To Pro¬

more Peace Time Re-employment in the "Chronicle" of Oct. 21, under the heading, "What Can the Government Do to Promote Peace-Time Reemployment?" with keen interest and appreciation.

I think Dr. Anderson has displayed much constructive thought in this article. It has been a very last paragraph; it is an excellent summary.

What most bothers me about the post-war situation is the attitude of the public is being misled by the planners to believe that following the readjustment, which must necessarily come after the destructive process, we can, by some sort of planning, enter into a period (Continued on page 2126)

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Detroit Traders Ass'n Winter Dinner Party

DETROIT, Mich.—The Security Traders Association of Detroit and Michigan, Inc., announces its winter dinner party for Wednesday, Dec. 18, at the Erdman Hotel. The keynote speaker will be William R. Duff, senior partner of Duff & Phelps, Chicago, utility consultants. Mr. Duff's subject will be "Public Utility Securities and Their Place in the Investment Field." Attendance of members may be arranged with Robert R. Stoeltien of Stoeltien, Carr & Co.

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Ohio Municipal Comment

MUNICIPAL BOND PRICES — TODAY AND TOMORROW

(Continued from first page)

extreme divergence to the lower middle and middle, practically uniform in the early '90s. What will the next chapter in this story reveal regarding prices?

The history of the municipal market appears to present a picture of good tax collections bringing uniformity in price, while periods of poor tax collections bring diversification in price. Such a pat¬
ttern is perfectly consistent with investor human nature. The creditor tends to forget the past and demands that payments grow more numerous. In periods of good tax collections, less lenient treatment of quality and purchases of municip¬
also considered.

Small C. F. Conley is President of the National City Bank, and the first time in the history of the bank there has been a part of the United States since its organization in 1858 to take over the assets of the old United Trust Co. Its stock was distributed to stockholders of the United Trust who had paid their double liability in full.

Merger Opposed

In response to the proposed merger appears to be de¬
voting itself, judged by an open letter questioning the merits of the fusion which has been issued by the United Ohio & Merger committee of the United Bank of Cleveland.

The committee states in its letter that "in the past few months most of the merger of the Great Western National Bank has been a question of greater importance to the interested parties than a question of whether a financial institution per se is in a financial condition to withstand the test of abnormal times. The affected parties and the people of the city are entitled to some standard of safety for the future. The question is whether the proposed merger will result in a smaller number of banks in the city at the expense of permanent financial strength and safety. The answer to the question will be in the affirmative. It is not the purpose of our bank to resist the merger, but it is the purpose of the Ohio & Merger committee to resist the proposed merger of the United Bank of Cleveland, the Financial Times & Merger committee of the United Bank of Cleveland.

On Dec. 17, stockholders of the United Bank of Cleveland will meet in special meeting to vote on a merger of the Cleveland banks. Approval of the merger will result in a second in Cleveland with deposits of over a half billion dollars. Combined resources of the two institutions will total approximately $500,000,000, National City's 1926 net worth was $225,000,000 and United Bank $175,000,000.

United Bank will transfer Union Properties to a company operated by the merged bank. This company will be issued to United Bank stock¬

holders in exchange for 25% of their shares.

National City will exchange its stock share for shares of the stock of the new bank. Holders of 10

shares of Union Commerce who exchange shares for Union Corp. stock will then exchange the remaining eight shares for shares of the new bank.

In the letter, the committee emphasizes the necessity of maintaining the financial power of the United Bank of Cleveland. The committee states that the proposed merger would result in a smaller number of banks in the city at the expense of permanent financial strength and safety. The answer to the question will be in the affirmative. It is not the purpose of our bank to resist the merger, but it is the purpose of the Ohio & Merger committee to resist the proposed merger of the United Bank of Cleveland, the Financial Times & Merger committee of the United Bank of Cleveland.

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editor, commercial and financial Chronicle: I have read with much interest Mr. Fennell's address "Looking into the Past-Worl" which he delivered recently before the ive audience. I fully agree with Mr. Fen nell's analysis that our major considerations are to be found in the nature of our citizen goods.

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New York Security Dealers Association

41 Broad Street, New York 4

Häavover 2-2100

Real Estate Securities

We Hear That...

- View of the Beacon Hotel, before interest and depression, was better for the right moment. They will be in use Sept. 30, 1943, than they were during the same period last year. Bonds of the properties are currently selling around 16 flat. Interest payments of $5.00 per $1,000 bond made in April, 1943 and 1941 should be increased if earnings continue to be better.

- Last year the Supreme Court of the State of New York ordered as follows: "The 1925 George $3,007,758 in reducing the assessment of the property to the highest assessed valuation is incorrect, it appears that the assessment was increased in the amount of about 78% of the value of the property," and vice versa, therefore only 54% at face value. Bonds outstanding amount to $5,000,000. Upon reorganization and sale, the fund refuted a considerable amount. The bond issue is now $2,682,800 compared to $12,100,000 as of the date of filing. The 4% debenture issue is now $6,500,000 compared to $7,500,000 issued in reorganization.

- One of the more conservative of the mortgage bonds is the first mortgage bond on the 44-story 19 East 42nd Street, New York City and which does not exceed 10% of the total bond issue.

- A holder of this bond would be earning 11.82%. Property is an asset, but it is not the asset of the bank. A holder of the bond had a first mortgage of $15,000,000. Bonds sell at around 92% of their face value. A bondholder must sell his bond to companies for $86,000 per $1,000 in face value. The recent 6 point spurt in the price of stock has not been reflected in the price of the bonds of 40 Wall Street. It was caused by a tax reduction of $3,000,000 and $15,000 on a tax of about or 1942. Bond prices of these leasehold bonds (approximately 35x) does not improve its attractiveness to the writer in comparison with the first mortgage bond of the Harriman Building at 39 Broadway. It would seem that any bond with equal attractiveness to the writer in comparison with a mortgage bond at less than 10% of nominal value is that secured by a leasehold.

A meeting will be held at noon on 20th day of October next at the Park Central Hotel to determine the prospective interest payments of the bonds due on their bonds (17th Ave). A balance of 15 points in interest will be paid, if the shareholders agree, a balance of 20 points in interest will be paid, if the shareholders agree. A balance of 25 points in interest will be paid, if the shareholders agree. A balance of 30 points in interest will be paid, if the shareholders agree. A balance of 35 points in interest will be paid, if the shareholders agree. A balance of 40 points in interest will be paid, if the shareholders agree.

TRADING MARKETS IN REAL ESTATE SECURITIES

Shaskan Co.

Members New York Stock Exchange

4 Exchange Pl., N.Y. Dity 4-4192

Walter T. Fish, President

p.m. at 303 Broadway

Customers' Brokers

Appointments

The following Chairmen of Standing Committees have been appointed by the Association of Customers Brokers, Robert J. DeVries, President of the North American Securities Educational—Alfred B. Boten, Head of the American Educational—John A. McS., and President of the Chicago Bar Association.

- Appointment—John A. Hever, President of the Chicago Bar Association.


- Appointment—Mr. L. M. Leopold & Co.

National Chautauqua—Armand A., Post Office, Montreal, Clark, Attorney.

Entertainment—John A. McS., Post Office, Montreal, Clark, Attorney.

Membership—John A. Hever, President of the Chicago Bar Association.
One. It might be necessary to utilize the full brunt of regulatory tools to carry out this aim, but a few have revolved around an option—Credit economists as embodying a serious threat against utilities.

In discussing the various technical methods of securing depreciation charges the report indicates a preference for straight accounting—spreading the charge over the useful life of the property. It also implies that federal agencies operate with (until recently) been based on the so-called economic depreciation method, they are too low, and the reserves should be readjusted on the straight-line method on a repressive basis. While the report does not elaborate on these proposals and their possible effects on utility finances, executives who have studied the subject are much disturbed over possible efforts to apply such a program. It has been estimated that, if federal agencies carry out their proposed program to enforce aboriginal cost (cost when devoted to public use) together with the still newer idea of straight-line depreciation, the utility's cost might be wiped out the surplus reserves that many of the major companies and also to cut deeply into the value assigned to the common stocks. In many cases the existing surplus value might be destroyed and it is even possible that the value assigned to senior securities might be affected.

Moreover, the commissions might be expected to amortize some of these write-offs out of future earnings. As a result, the value of common stocks might be reduced or eliminated, which in turn might have serious effects on the ability of necessary income to pay interest in the future.

In increasing opportunities for the use of capital absorbed by Federal taxes, it is doubtful whether the amortization of utility surpluses by the existingly high tax rates will be sufficient to pay the large amount of capital raised in the program to enforce Section 11, which involves publication of the value of millions of shares of operating company stocks, can be sufficiently successful.

The statement of this difficulty is that some of the nation's leading utility companies, both large and small, as far as they have been able to gather information from the various commissions, feel that the value assigned to senior securities might be affected.

The fact that the Power Company and the Edison Electric Institute, and the Utility Companies, have been able to gather information on the value of millions of shares of operating company stocks, can be sufficiently successful.

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The fact that the Power Company and the Edison Electric Institute, and the Utility Companies, have been able to gather information on the value of millions of shares of operating company stocks, can be sufficiently successful.
Steel Production and National Income—Since post-war plans by industry for new plants and additional capacity have been announced by the various groups interested, the combined total of steel products used in production has been estimated at approximately 125,000,000 tons. This figure, however, does not include the 46,000,000 tons of 1929 and 1930, which was the estimated production of steel required to bring the national economy to the 1929 levels. Obviously, the adjustment period for the steel industry and also for the industries for which it supplies the major portion of its production, will be a long one, and it is possible that the interval between the termination of the period of national economic recovery and the return to the 1929 levels will be several years. The estimates of demand for steel made herein are therefore based on the assumption that this interval will be at least five years and not over seven years in length.

In arriving at the estimates, a reasonable approach is taken with regard to the probable physical and capacity needs of the steel industry as a whole. The results of this analysis indicate that the aggregate demand for steel will be approximately 220,000,000 tons of finished steel for the steel industry from the beginning of 1932 to the end of 1937. This demand is made up of an estimated aggregate of 78,000,000 tons of finished steel for steel consumers, 45,000,000 tons of raw materials for steel producers, and 97,000,000 tons of steel and castings for the general economy. The latter figure includes 12,000,000 tons of steel used for construction purposes and 25,000,000 tons of steel used for household and industrial purposes, and includes the assumptions that population growth and the increase in the value of the dollar will result in an increase in the demand for steel in these fields of 15% during the period 1932-1937.

The estimates for steel production herein made are intended to be regarded as guides toward the probable pattern of production for the first few years and not as predictions of future production for any time beyond the first five years. This is not to say that an adequate approach to steel demand is not required, for it is the opinion of the Committee that demand for steel in the next few years will be only slightly below the 1929 levels, and it is expected that this will be accompanied by a program of steel production which will be adequate to meet the needs of the national economy.

Estimates of Demand from Steel Consuming Industries—The demand for steel from steel consuming industries is estimated to be approximately 78,000,000 tons of finished steel for the steel industry from the beginning of 1932 to the end of 1937. This demand is made up of an estimated aggregate of 78,000,000 tons of finished steel for the steel industry, 45,000,000 tons of raw materials for steel producers, and 97,000,000 tons of steel and castings for the general economy. The latter figure includes 12,000,000 tons of steel used for construction purposes and 25,000,000 tons of steel used for household and industrial purposes, and includes the assumptions that population growth and the increase in the value of the dollar will result in an increase in the demand for steel in these fields of 15% during the period 1932-1937.

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Estimates of Production and National Income—While the demand for steel from steel consuming industries is expected to be expected after the war from lighter needs, it is not expected that it should not be overlooked that steel technology has also made important advances during the past five years for the improvement of steel production methods and equipment, and in more efficient manufacturing methods. The latter have largely, if not entirely, approached the present rate of production and the increased cost of production per ton is expected to continue to decrease. Moreover, the aggregate demands of the four groups of industries aggregating 100,000,000 tons of steel and castings, 12,000,000 tons of aluminum, and 25,000,000 tons of steel for several years. For convenience in discussion and to avoid overlapping, the discussion is divided into two parts, one dealing with the relative steel production of steel and the other with the relative steel production of the various groups of industries.
Resentment To Opaque NASD Profit Limitation Decree At New High Pitch

(Continued from page 2103)

from the market places." However, other lines of business and even professional men are enjoying a false sense of security if they think that if you don't agree with the new limitations no restrictions will be placed on them. These limitations do not pertain only to the security business. After the primary purpose of the new limitations is to put a brake on the security business, how much easier it will be to extend the principle to all businesses and even to take the "dog house" make a convenient and popular bull-pen for the social planners and to use the increasing concern and superstition push their plans for business regimentation and control. (Continued from page 2104) 

The Commercial & Financial Chronicle

Thursday, November 25, 1945

Steel Demand After The War

(Continued from page 2109)

amounts to be expended therefor, and the amount of existing capital improvements will be governed by the immediate need of operations. Since consideration of the potential expenditures will be based on a plausibility of increased competition from this source, very likely there will be immediate sizable reduction in traffic and an adequate inventory of available steel and iron. We do not feel it is fair to state that railroads will have unlimited steel, but we do feel that the overall situation is sufficiently strengthened financial point of view, and this is not without some degree of caution.

In estimating post-war demand for steel, we believe the following should be considered. The military requirements and construction and existing facilities will still exist, but production for the industrial uses, particularly commercial and industrial building by private capital will probably be several times greater than the current public works projects by Federal, State and local governments should be substantial, but such projects will also include highways, although we expect little use; and residential housing construction poses the greatest problem. First, the question of the amount of new residential housing financed by private capital will be determined chiefly by the level of employment of labor, but it should be noted that the Government financial aid in various forms will be a substantial factor. Also, we must consider the amount of the residential building units which will be necessary and the equivalent number of rooms in small family housing units will require less steel than large structures or luxury houses.

Concerning exports of finished steel products after the war, the immediate effect of European recovery and general economic expansion in foreign countries can provide substantial opportunities for the domestic steel industry. We think the demand for steel products will be tempered by limited recovery, but we do not believe the demand will decrease as we import heavily) and by practical limits to long-term credit and investments by our Government in the South American countries.

Assuming that after the war construction and railroads will also be a major factor in the demand for steel, and that the steel industry will have more finished steel than they did during the war, and that the railroads may approximate its 1929 volume, this will mean an opening for over 500,000 cars, or approximately 15,000,000 tons of finished steel as compared with 11,300,000 tons in 1929, or 9,100,000 tons in 1937. Furthermore, the total amount of the governing factors are engineering, economics and government policy.

Group 4 includes the steel customers. Manufacturing and building industries and the construction of new products which will have a low post-war demand for steel. Also should not be important, although its absorption was 565,000 tons in 1941 and roughly 1,000,000 tons in 1943. Assuming a post-war steel price of 50 cents per pound, the demand would be 46,000,000 tons in 1941. This is approximately the amount of finished steel which per week, we have served our clients in a manner entirely to their satisfaction.

The method employed by the NASD in reaching its conclusion does not exceed 8% and of course substantially lower in certain cases.

Of increased disaster is the depreciation of the different methods of dis-

tribution which are necessary to be employed, is to unjustly penalize the small dealer who operates in the smaller towns and rural places remote from the financial center.

In reviewing this entire question, one cannot but question what, if any, benefit accrues to the consumer; whether the consumer is better off or worse off, as a result of the over-the-counter dealers, in an effort to prevent their ex-

We have not been built up over a period of about 16 years. We have compiled our business in the past 15 years, and the test of the small dealer represents, as far as we can gather, to be able to articulate for their group.

Our company has been built up over a period of about 16 years. We have compiled our business in the past 15 years, and we have a well established position in the market. Some of our clients have followed us for three years before we have been able to establish a position in the market. High pressure methods. We specialize in competitive, stabilizing, incomes, using the same methods as we always follow, and in out of investments, generally considering that what we have added is so much for the coming year. We perform all sorts of course, the costs of our services to the public.:(Continued from page 2104)

reasonably expectations from the issue appear good, what is to determine how much time, effort and resultant expense must still be expended to properly appraise the situation and thereby guard against present or future misunderstanding. The situation may well happen at any time, and this is the point where the most important place will be given to the matter.

We have been working with the same dealers for something like 10 years, and we have always been satisfied with the service we have received.

We will not be able to come out in the open and permit the publication of our firm's name, but we will use our best efforts to follow the practice of those living in a "Facist state" and to request that you refrain from doing so.

We are, as dealers, appreciate the items you have been running on (Continued on page 2112)
Some Factors Of A Now-Planned Post-War Governmental And Economic Pattern

(Continued from page 2102)

must assert ourselves, through the power of necessity or through any other way open to us.”

The very act of the consolidation of the life insurance business was also dealt with by Mr. Clark, who pointed out that consolidation was based on the most important single factor in all this—the financial soundness and stability of the life insurance business. The panic, he said, was a result of the calamity which could ensue in our existing national financial, economic, and governmental structure in the event that plans for the setting up of Federal life insurance should be adopted. Mr. Clark said: “I suggest that voluntary, as well as compulsory, consolidation of life insurance should be one of our most important tasks to establish a continuing national insurance system. Further, he asked: “What can be done to consolidate the existing insurance system and impose upon us a socialist or communitarian regime, with the enactment of such legislation as that which brings to the husband and father an insurance that those whom he loves more than life itself, shall be cared for after his death. This is in the mission and has been the destiny of life insurance. I shall speak of two aspects of life insurance: The first is the attempt to do matters affecting the existence of the system itself, while the second, is the question upon the maintenance of life insurance companies under the non-planned order.”

Preservation of Life Insurance System

It is not necessary to say much about the first. Before the war began, the Government had already entered the extent of national life insurance—field with a Social Security plan. All that has been accomplished by legislation, and Federal Corporation, Federal insurance contributions and benefits, and Federal Old age and survivors Insurance benefits. Other socialistic plans (such as socialized medicine) seem in the immediate offing. Thus the principle of Federal insurance of the individual is thoroughly established and working. It is not a long step from this to set up Federal life insurance. In the beginning, this Federal life insurance, if it can even be called a side-by-side enterprise, is little more than a branch of the existing company life insurance, mutual or others. But almost certainly the Government will, if present plans carry through, soon crowd down the regular life insurance companies, absorb their assets, and turn over their Federal Corporation policyholders—half the entire population of the nation—to the public payrolls to be the wards of the Government. Thereafter life insurance will be one—perhaps the most important one—of the political shibboleths with which glib-footed politicians of all parties will bid for votes.

It is not necessary here to argue the calamity which this could bring into our existing national financial, economic, and governmental life. To get $47 million out of $15 billion behind any political nostrum would guarantee the continuance of life insurance. I suppose further that no one would seriously deny that the taking over by the Government of the whole institution of life insurance would be one of the most important factors in establishing a communal state. What will you gentlemen say of your policyholders, duly instructed thereto by the proponents of Federal insurance, shall argue: We have to work and save economically and sacrifice, to meet our obligation to the people, the people, the Government, by taking over the insurance company assets, which, are the accumulations from our premiums, can with slight additional funds from the Federal Treasury meet our policies; the premiums we have already paid will be our contribution to the new Federal insurance; under Government insurance we will not need to contribute any more in order to protect our loved ones, whereas you we must continue to pay premiums to the full end of the term or until death; in this situation, we shall, under Federal life insurance, stand at worst in the same positions as those who are in the Federal social security system; and the Government has paid and is paying the social security funds to the people; if it can pay them, it can pay us. What will you companies say to these and a hundred other specious and deceiving arguments that are going to be paroted into our ears? You must be prepared to explain the basic factors of Government and economics if you are to meet these deceptions.

Maintenance of Life Insurance Operations

But assuming something may be left to us of our life insurance system, what about the maintenance thereof. Generalizing, it may be said (Continued on page 2112)

875,000 Shares

Public Service Company of Colorado

Common Stock

$20 Par Value

Price $25 per share

Certiﬁcate of the Prospectus may be obtained from any of the several underwriters, including the undersigned, only in States in which such underwriters are qualiﬁed as such securities and in which the Prospectus may legally be distributed.

The First Boston Corporation

Beboeher and Company

Blyth & Co., Inc.

Goldman, Sachs & Co.

Harriman Ripley & Co.

Kidder, Peabody & Co.

Lazard Frere & Co.

Lehman Brothers

Mellon Securities Corporation

Merrill Lynch, Pierce, Fenner & Beane

Smith, Barney & Co.

Stone & Webster and Blodgett

Union Securities Corporation

Eastman, Dillon & Co.

Glore, Forgan & Co.

Hornblower & Weeks

F. S. Moseley & Co.

Paine, Webber, Jackson & Curtis

E. H. Rollins & Sons

Shields & Company

Tucker, Anthony & Co.

White, Weld & Co.

A. G. Becker & Co.

Central Republic Company

Harris, Hall & Company

H. G. Walter & Company

Whiting, Weeks & Stubbs

The Wisconsin Company

Dean Witter & Co.

A. C. Alllyn and Company

Clark, Dodge & Co.

Coffin & Burr

Estabrook & Co.

Hemphill, Noyes & Co.

W. E. Hutton & Co.

Kebbon, McCormick & Co.

W. C. Langley & Co.

Lee Higgenson Corporation

Laurence M. Marks & Co.

November 23, 1919
DEALER NO. 62

Judging from the dealers' letters published in your issue of the 18, the overwhelming consensus of opinion is that the NASD serves no purpose in the affairs of the brokerage business, and its cost of operation would be better spent on a constructive change in membership or on committees; all of which helps not at all to prevent the collapse of the market.

The only central point of concentration for the rank and file of NASD membership, it seems to me, is through your office, now that the NASD is an active force, and while I have been on the 5% ruling. One thing I noticed the other day which your boys in your office fail to see is that they are running the NASD for their own benefit. They are running the NASD because the NASD majority of them are stock exchange houses or purely municipal houses, and the three or four houses that are running the Com-mex on any other day and I looked them over carefully. They even had one fellow, Bill Smallwood, down in Ft. Worth who, I happen to know, wrote a letter to the city auditor asking about anything about corporate business—he is 100% municipal. I'd like to know which is the lower grade.

I certainly don't believe that the present governors who helped write that rule should be the judge of what profits are. Without it or two exceptions, they are either big-name houses, stock exchange houses or municipal men.

I have checked with various fellows around the country on the phone, and also locally, and I have yet to find one dealer who agrees that this 5% rule is a good thing. As all of them of them don't, quote me, but the above might give you additional ammunition.

There is no question in my mind that the "Financial Chronicle" revolves lately on the foolishness of the number of investors Dealers Fraternity, and as S.-I. I wonder what the so-called "blue-blood" municipal boys would think if the NASD backed up the dealer.

DEALER NO. 59

I have yet to be shown that the NASD has issued a definite rule flatly restricting the profit on any transaction to a maximum of 5%.
The rules in line with the articles as published are based upon the fact. Your reply does not attempt to present any fresh facts or justify your position. I have received five or six such letters, and I am to warn窑 its members that any profit in excess of 5% on a virtually riskless transaction should be supported by unusual relevant circumstances or performance of any such margin on the general course of business.

Would it not be well for you to check into the true intent of the NASD rule before you pursue the campaign you have under-taking? In your own columns you introduce the facts correctly, based on the accompanying paragraph of your letter. You say quite correctly that the maximum profit of 5% should be "construed as being fair in cases where a dealer acts as principal and not as a servant of his customer." . . . prior to the time the customer's order had been received at the office and before the dealer had committed himself to the transaction; however, in such cases it is not applicable to any and all cases.

Just how you substantiate your allegation that a 5% profit limitation has been decreed in all other types of trades? I should not be waiting for you to tell me, any more than the NASD dealers have to be under the impression that they cannot make a profit on this 5% or 5% to 10% basis at all.

I am still confident you have the good of the industry at heart, and I remember the good work you did in connection with the pro-posed "unbundled disclosure" rule. In the present discussion, however, I think you are injuring us all because your premises are erroneous. I would be willing to print this letter if you desire—(John B. Shober, Woolfberg, Jennings & Shober, New Orleans).

DEALER NO. 60

You certainly deserve the heartfelt thanks of every small se-coard of our industry, and for the most part the members of the NASD, for the two issues of the "Chronicle," regarding the SEC bill and asked disclosure rule. You are saying as much as though the small dealers will be forced to form their own association, if the SEC bill is passed. I have been occupying several letters on the subject and feel that some action will be taken before the front end of the year, and while our boys are fighting for "freedom" on the front all over the country.

We, for one, appreciate the good work you are doing in our behalf, and assure you that we will help the cause along in any way that we can.

P.S. Please don't use our name, just say "from a small dealer in Indiana."

DEALER NO. 61

I am pleased to see that you have opened the columns of the "Chronicle" to the dealers, that is: recognize as I did in my letter to the NASD that a dent in the 

To obtain the full text, please visit the Digital Repository for Financial and Economic History at the Federal Reserve Bank of St. Louis. For more information, visit FRASER (federalreserve.org/fraser) or contact us at fraser@ifr.frb.stlouis.fed.us.
Concentrated Power Versus Democratic Government

Federal Government has lapped upon the States and their subdivisions by appropriating their control, the Treasury. They must resign and resign until their only responsibility is to the heads of government.

A warning that "when a people yield to not centralized government to think and plan and care for them free they lose the grave, it is not for the grave for everything which free man hold dear.

The address of Representative Sumners in a luncheon before the first New England Council in co-operative Government the England Governors follows in full. I am deeply grateful for the privilege to address this gathering of people who constitute which New England. Great are the achievement of the people's control, if greater than they were, our States must be, and greater our people must be to preserve free government, and the time is now.

We are rapidly destroying our States. In their government the States constitute the habitable purpose of the machinery through which our Democracy can function in the discharge of general governmental duties. The Federal organization was never intended to do that job. It cannot do it except as a bureau. When the people wanted one, they have some diplomatic corps, one system of coinage, weights and measures, free commerce, free paper, and a relatively small number of other things. So they create the Federal organization to be their agent; not their master. The government developed for these few things which the States could not afford to discharge or control to themselves and their people government.

More and more in recent years we have been in the hands of the Federal government and the Federal government is the responsible heads of government. It is not too long ago, Mr. Sumners summed up: "We have over-centralized the government and if we are going to escape a serious offensiveness in our scheme of Government, we must suffer from a bad attack of Federalitis." Fortunately for us, he said, "we have the States not too large for Democratic control, and the development of the governmental capacity of the people, the only defense in a democracy.

It is axiomatic in our system of government—and I think it is axiomatic everywhere—that the people control the purses strings, must mortgage to get money to pay the expenses of the civil and military, of debtors, and others. Let us not deceive ourselves. We are now in the initial stages of what will prove to be another of the battles between concentrated powers, and democratic government. The States must retain control over the purses strings, control, except that it is exactly in the opposite sphere, and control to decentralize power, move it back toward the people. It is the opportunity and provide the machinery, the opportunity to decentralize democratic institutions, and the development of the capacity of the people, who are the governing people, and with whom. All commentators, in so far as I know, agree that the Habbits Corporation Act the Magna Charta, the Petition of Rights, and our own Declaration of Independence mark great epochs in democratic government, because their effect was to decentralize governmental power and move it back toward the people. On the other hand, no great monument can be built along the road to Democracy by creating the place where governmental power and responsibility have been moved away from the people, out of the units of government which they can control, toward a central government which their direction of movement is not progress in a democracy. No period of concentration of governmental power, of bureaucratic development, of government by edict instead of government by law, will ever be cited by the historians of the future as a time of democratic progress. Except by conquest, no people privileged to govern themselves ever lost that privilege until they had first lost their capacity for self-government. Capacity is lost by its non-use. There must be capacity and a governmental power must be lodged in a governmental agency which the people can operate. No people who failed to use their capacity for self-government were able to remain free. People learn to govern by governing. They retain the ability to govern by using it. They lose the ability to govern by not using it. They acquire the greater ability to meet the greater problems tomorrow by using the ability today possessed to meet the problems of today.

Regarding these fundamental laws of nature we imperil our democracy, it is in the nature of, God, the Big Boss, the individual of government. The States, of government, like us or not, it will be difficult to do this job. Only a great people can do it. It will test patriotism, the passion, and the purpose of the people. The States of a great government, like all other difficulties, have been provided for the development of people. Nature has no disposition to avoid difficulties. It creates them. (Continued on page 2123)

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

NEW ISSUE

249,741 Shares

THE DOW CHEMICAL COMPANY

Cumulative Preferred Stock, Series A

(Without Par Value—$4 Dividend)

Holders of the Company's Common Stock were given pro rata rights to subscribe to an aggregate of 249,741 shares of Cumulative Preferred Stock, Series A, under terms outlined in the Prospectus. Such rights expired at 3 P.M. Eastern War Time, November 22, 1943. This announcement relates only to such shares as have not been subscribed for through the exercise of the rights.

Price $105 per share

Copies of the Prospectus may be obtained from such of the several underwriters, including the underwriter, as may legally offer this Stock in compliance with the securities laws of the respective States.

SMITH, BARNEY & CO.

November 24, 1943
Resentment To Outrageous NASD Profits
Limitation Decree at New High Pitch

(Continued from page 2112)

small investor, heretofore serviced by the small houses, will have no places to go. While this is an undesirable development from the investment requirements.

I am certain, however, that to try to limit the earnings of the small investor, heretofore serviced by the small houses, will have no places to go. While this is an undesirable development from the investment requirements.

DEALER NO. 64
May I add my voice to the clamor in your columns over the recent changes in NASD rules? I believe that the changes have been made for the betterment of the small investor, however, I do see no reason why the SEC should not be more lenient in this respect. Surely, any price above $25 or $30 should not be considered excessive, especially in view of the recent stock market developments. It is only fair that the SEC should have some power to control the prices of stock.

DEALER NO. 65
I have read with interest the article in the "Chronicle" of Nov. 4, 1936, concerning the "Chains of Control" at large. I think your Board of Directors and Mr. Fulton have the right idea. The premature dealing in so-called "closed-end" issues at large in the promulgation of rules and regulations for the control of stock exchanges is a matter of concern to me. I see no reason why the NASD cannot have a "closed-end" issue similar to a "closed-end" issue in the "Chronicle" and we believe it is a great advantage to the dealers.

DEALER NO. 66
I have been a member of the board of directors of the NASD for many years and I have never heard of any unscrupulous practices among our members. However, on January 1st of this year, I heard of a member of our board who had been selling NASD stocks at a rate of $250 per share; thereafter over 3 points, this application for the sale of NASD stocks was made, but the SEC finally ruled against the application. The SEC felt that there was a possibility of selling the stocks at a profit to the members of the NASD. I think it is only fair that the SEC should have some power to control the prices of stock.

DEALER NO. 67
Pursuant to your letter we are writing you in connection with your earlier suggestion expressing concern over the Survey of the New York Stock Exchange for the quarter ending September 30, 1936. We have examined the survey and feel that your suggestion is warranted. The survey shows that the average daily volume of stock exchanged at the NASD was 3,000,000 shares, which is an average of 5,000 per day. This is approximately 10% of the total volume of stock exchanged at the NASD.

DEALER NO. 68
Naturally, we are interested in the recent developments in the stock market. We have noted with interest the recent rise in the stock market and feel that it is only fair that the SEC should have some power to control the prices of stock.

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DEALER NO. 73
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Some Factors Of A Nov-War Governmental And Economic Pattern

(Continued from page 2111)

Business is a fact and in which they are probably trained—they
are not made without notice or disci-

tion, in violation of established
laws, or made by the representatives

of their employers, are responsible

returns to the people; on the other
hand, by young, frequently idle, bureaucrats, with

powers and duties, which, if abused, could

impose a heavy tax on every man for the

power; they seemingly make no
d an adequate accounting for the
people.

They have made rules and reg-

A number of financial directives
involves more than the legislative
unemployment. The unemployment
Berry and others have been

therefore, they are not

under the law for violations,
acting as government agents; and, finally,
having made the law, and judged
for it, they act as sheriffs to carry out
all the elements of government into
its most complete form, however benefi-
cent it may happen temporarily
to the Government. Senator Jefferson
said: "What has de-

The legislative and executive

power of the people is vested in
the General Assembly. It is the
generalizing and consolidating
of all beings in one body."

Influence of "Directives" Government in Economic Pattern

Whenever, in making the laws
for the people, the people is not consulted, but only the
whim, the fancy, or the bias, or the
egotistical theory or ambition
of a bureaucrat, acting under
the pressure of too many improper
motives, then you have

in the community, and the
strength of the same system, with
a safe and sound insurance basis.

Now, all that I am saying as to
the activity of these agencies is from
a public knowledge. I shall not stop to prove it. The
investor and in pecuniary
impediments of the

monetary agencies and

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Thus through direct grants
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Municipal Bond Prices

(Continued from page 2107)

Two studies of prices of municipal bonds in the 1930's showed a wide divergence. One study, by the state Bankers Association, was based on prices of municip al bonds actively traded from January 1, 1933, to December 31, 1938, and the second was based on prices of bonds outstanding at the end of 1936. It is not surprising, therefore, that there is a wide divergence in the estimates of the average yield on 10-year high-grade bonds for the period 1933 to 1938.

The first study, by the Bankers Association, shows that the average yield on 10-year high-grade bonds for the period 1933 to 1938 was 3.24 per cent. The second study, based on bonds outstanding at the end of 1936, shows that the average yield on 10-year high-grade bonds for the period 1933 to 1938 was 2.24 per cent.

The difference in the average yield on 10-year high-grade bonds for the period 1933 to 1938 is due to the fact that the Bankers Association study was based on prices of bonds actively traded from January 1, 1933, to December 31, 1938, while the second study was based on prices of bonds outstanding at the end of 1936.

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THE FAJARDO SUGAR COMPANY OF PORTO RICO

ANNUAL REPORT TO THE STOCKHOLDERS FOR 1943

To the Stockholders of
The Fajardo Sugar Company of Porto Rico:
The Board of Directors hereby submits its Twenty-fifth Annual Report to the Stockholders of the Fajardo Sugar Company of Porto Rico for the fiscal year ended July 31, 1943, a copy of which was mailed to all stockholders of record on July 1, 1943. The last dividend paid was 94.97494 of a cent. Included in said figures is the dividend of 1942.

The following is a comparative statement showing the individual income and expenditures of the Fajardo Sugar Company of Porto Rico and the Los Comunales Sugar Company for the year ended July 31, 1943:

Fajardo

Total cane grown into sugar, 497,318 tons.
Total cane grown into sugar, 452,810 tons, or 323,549 bags of 200 lbs. each.

Los Comunales

Total cane grown into sugar, 479,318 tons.
Total cane grown into sugar, 452,810 tons, or 323,549 bags of 200 lbs. each.

The weather conditions as far as very favorable may be agreed to this year. In the past, the Sugar Companies have not been made available in proper time, as well as due to the scarcity of sugar, the price of sugar charged by the authorities, as well as other factors beyond our control.

The Fajardo Sugar Company of Porto Rico and associated organizations

Municipal dealers also recognized the existence of such a thing, and in their circulars called the attention of the investors to it by saying that it was not reported in the Federal Reserve Bank of St. Louis for 1929 average. In the case of the investor to a conclusion of the quality of the bond. Some few dealers—too few, indeed—stressed the fact that they were not selling any overlapping debt along with the direct debt. But the general trend after it was discovered, is simply to recog nize it as a thing that should be considered, but is not.

In the case of the investor it shows an interest in learning what the true debt of the Security is. In the commercial world, it is supposed to expect that a proper appreciation will be made of the bond, of quality and price, and that the quality and highest price bonds are those of poor quality—for the next depress ion period. The investor will prove the value of quality, and the wisdom of having purchased the Security at a good price properly when it cost so little.

Earnings, Jobs & Hours

At New Peaks in Sept.

Says Conference Board

Earnings, employment, man power, and profits reached new peaks in September, according to the Conference Board of Federal Reserve Bank's industrial conference board. The work week was longer than in any other month since May, 1930.

"At $1,035, the average hourly earnings of all workers in these industries was 1.5% above the average before September, 1942, 26.4% above January, 1941, the base date of the little circle formula, and 74.5% above for the 1929 range. The sharp rise from the previous month is believed to result largely from the high payments for work on Labor Day.

"At $47.18, average weekly earnings of all workers in the previous month, 12.8% above September, 1942, 51.4% above January, 1941, and 65.2% above the average in the base year 1929. Hourly and weekly earnings were 2% above the previous month, 8.2% above September, 1942, 28.8% above January, 1941, and 60.6% above the average in the base year 1929.

"The work week in September was 0.2 hours, or 0.4%, longer than in August, 1943, 1.1 hours, or 4.4% longer than a year earlier, but 3 hours, or 6.2%, shorter than the pre-war week in 1929.

"Man hours rose 0.7% from August to September, and reached a level 11.5% above that of September, 1942, 14.1% above the average for 1929.

"Payrolls in September stood at $26,344,700, which figure they were 2.2% above those of August, 20.5% above those of September, 1942, and 143.7% above the 1929 average."
Patents and Business (Continued from page 2103)

he bad before." These royal grants became the basis for many of the patents that were issued in the future. However, they did so many articles of every description, such as salt, vinegar, ginger, pepper, oil, paper, starch, tin, sulphur, etc., that the right of the extension of these monopolies culminated in the granting of the famous British Statute of Monopolies in 1623. By this statute all monopolistic privileges in a given art, like character, with the express exception of patents to the invention of new manufactures, limited periods of time, might be granted, and the grantee was declared the "inventor" of new manufactures.

The American colonists carried over this idea of monopoly for the sake of this theory of a reward for a limited period of time, for invention by the true and first inventor. This idea of patenting of new inventions was, in the days of Locke and modern patents were issued by special acts of legislature. Thus, as early as 1641, we find Massachusetts granting one to the patentee for a period of 10 years by a patent on machinery was granted by the Massachusetts Bay Colony to Jenkjs for a mill for making clogs. Early patents were granted by the states for methods of making lens, oilpress, machine, distillation, steel, petath and glass.

One of the questions to be answered today is what today is known about Article I, Section 8, of the Constitution, which provides that:

"... Congress shall have power... to Promote the Progress of Science and useful Arts, by securing for limited times to Authors and Inventors the exclusive right to their respective Writings and Discoveries..."

Under the patents statutes enacted in pursuance of this Constitutional provision, a patent may be granted for:

(a) A useful and workful machine, manufactures, manufacture of any kind or character, of any description, matter of any kind or new and useful improvement thereof, and

(b) In recent years, patents were authorized for certain plants.

Theory of Patents

Patents are intended as a reward to inventors for disclosing their inventions to the public as a stimulus for the progress of the arts and sciences. The prime importance that society should have the benefit of inventions and their proper exploitation.

When inventors know that their discoveries and inventions will be protected, they will be encouraged to disclose their inventions to the public. This fact will make every effort to disclose their inventions public as possible. The inventor thus gives something to the public which he never had before, and the public gives to the inventor patent protection for a limited period of time for the disclosure of the invention. Patent protection also encourages manufacturers and engineers to engage in research and development and in commercialization of the patented products developed from the inventions.

Without going into a discussion of the actual validity of the nature of the patent grant and the conflict between the rights of the individual and society, it can become universally recognized that the right of the inventor to invention and energy is one of the most effective means of promoting national prosperity. That the power of the public is conducive to the public good, is conceded by most. The problem is whether there is a consideration paid to an inventor for his invention. As a matter of fact, it is the public of his invention, and his invention is a matter of public concern. One court summed up the situation concisely by stating:

"A patent is a written contract between time of not giving

Patents As Property

When forming the basis of a new business, a patent is a valuable asset having a going business, a patent can be evaluated as any other piece of property. When considered to be the actual accounting value of the patent, legal expenses incident to the patent, and the value of the products made and experimental expenses in connection with the manufacture of the products are considered as capital expenditures. In the long run, the patent, like any other capital asset, may lose its value. In one case the Supreme Court held that a patent is a right taken into consideration in the determination of the value of a public utility when a rate is being fixed. Compensation for services rendered by inventors in the development of new inventions, the situation, whether by way of a royalty or license, has the same effect on the net profit of the company. The research and development of a new invention is an investment. It is held that a patent is an investment and should be capitalized. The research and development of a new invention is an investment. It is an investment that is made in order to secure the right to sell or use the invention. It is a right that is granted to the inventor for a limited period of time. The right to use the invention is the only right granted to the inventor for a limited period of time. The right to use the invention is the only right granted to the inventor for a limited period of time.

In a statement filed with the Supreme Court, on October 15, 1952, Mr. John W. Anderson, Chairman of the Federal Trade Commission, of the American, and, as the years go by, does all the work, it nevertheless will forever be remembered by the man to the machine. He uses it as a tool. More and more people are thinking about some of the things that have been done. And often his thoughts lead to the invention of useful or improve improvements. In a statement filed with the Supreme Court, on October 15, 1952, Mr. John W. Anderson, Chairman of the Federal Trade Commission, of the American, and, as the years go by, does all the work, it nevertheless will forever be remembered by the man to the machine. He uses it as a tool. More and more people are thinking about some of the things that have been done. And often his thoughts lead to the invention of useful or improve improvements.
must be realized that most countries are now engaged in research for new products. The best technical brains in the world are working on synthetic substitutes for food and fuel, and the various chemical works around the world are working on new products. These will be introduced into the market as soon as they are ready, and the result will be a great increase in the output of new products.

In order to encourage the development of new products, the United States government has established a patent system. This system is based on the principle that the right to make, use and sell a new product should be granted to the inventor who first makes it. The inventor is given this right for a limited period of time, usually 17 years, after which the product becomes freely available to the public.

The benefits of the patent system are many. It stimulates progress and development of new products, it encourages competition, and it helps to provide a steady supply of new products to the market.

Patents can be licensed to other inventors, or they can be sold. In the case of a large invention, the patent may be divided into several smaller patents, each covering a different aspect of the invention. This is known as a division patent.

Many inventors are not able to afford the costs of applying for and maintaining a patent. In these cases, the government may provide a patent for free, if the inventor agrees to make the invention available to the public. This is known as a public use patent.

The patent system is not without its problems. There are concerns about the length of time a patent is granted, and the cost of obtaining a patent. However, the overall benefits of the patent system far outweigh these concerns.

In conclusion, the patent system is a valuable tool for encouraging progress and development of new products. It provides a steady supply of new products to the market, and it helps to ensure that the inventor is rewarded for their efforts.

Senator Adams approved the bill for war bond 'ads' on April 20, 1919. The bill would authorize the Treasury to spend $15,000,000 to advertise the sale of war bonds. The purpose of the bill is to encourage the sale of war bonds, and to promote the war effort.

The bill would allow the Treasury to use the services of newspapers, radio, and other media to advertise the sale of war bonds. This would be done with the approval of the Senate Committee on the Conduct of War and the Senate Committee on Ways and Means.

The bill would also allow the Treasury to use the services of other government agencies, such as the United States Post Office, to advertise the sale of war bonds. This would be done with the approval of the Senate Committee on the Conduct of War and the Senate Committee on Ways and Means.

The bill would be funded by the Treasury, and the proceeds from the sale of war bonds would be used to finance the war effort.

The bill was approved by the Senate on April 20, 1919, and it was signed into law by President Wilson on April 21, 1919.
Intelligent Financial Should Oppose NASD Profit Limitation Decree!

(Continued from page 2100)

received general public recognition, the Association will regret the day they established the principle.

From the standpoint of the larger firms in the industry, this also poses a serious problem. Any inflcible profit rule applied to the small retail firms in particular, will do a great deal of harm. The larger firms, who are in a position to serve the public, but are in a position to serve the public, can promise to charge a higher underwriting spread than 5%. Doesn't this mean in a serious difficulty in passing on these underwriting spreads? As a simple illustration, the recent sale of 60,000 V. T. Certificates of Chicago Stock Exchange, a 6%, 1952, 15-year bond, amounted to $14,600,000 at 102.50, with a spread of 4.50%. The profit made by the underwriting firm would be $670,000. This is a most important principle to the taxpayers. It means that the spread of the underwriting firm will be contrary to the fair and equitable principles of trade. Once this public impression prevails, how can the large underwriting firms, who dominate the industry (and probably this Association) defend their own position and the position of all firms?

It is the intention of this Association to assure that all such transactions, if carried out, must be disclosed on transactions where they feel it is necessary to charge a higher underwriting spread than 5%. It is the intention of this Association to assure that all such transactions, if carried out, must be disclosed on transactions where they feel it is necessary to charge a higher underwriting spread than 5%

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Intelligent Finance Should Oppose NASD Profit Limitation Decree!

(Continued from page 2130)

writers protect the salesman and be sure he can make a living. The NASD should be a是多少 of the salesmen of the industry, and not just the salesmen of a few large houses.

After the way this particular matter has been handled it doesn't seem out of order to suggest the membership has the right to prior information about any important change in its plans that should be given for the individual members to express their opinion. These expressions of opinion should be available to any policy committee that the Board should be furnished to the membership in writing on every important matter. The membership should be allowed the democratic privilege of considering and adopting any regulation proposed. If some more equitable method of dealing with its members is not adopted, the usefulness of the Association will be destroyed, and the plans of the Board will fail for this earth.

One method of expressing dissatisfaction with the present NASD organization set-up, and this profit rule in particular, might be for members to urge the various trading organizations to petition the Board directly to the Chairman of the Board of Governors of the NASD expressing any dissatisfaction we all feel. The over-all purpose of the Board, and the small firms in particular, not be able to get the proper representation within the Association to properly protect their welfare then they can appeal directly to the members to express their interest cooperatively. The Association must correct the impression they care little about the problems of the small firm, or the small firms will force their own plans.

The "Commercial and Financial Chronicle" is doing excellent work and serving a worthy cause for the entire field of finance in writing against the present NASD policy. The Association is young. There is ample room for improvement in building up a worth-while and sensible trade body.

I would express my personal views. Please withhold my name and that of the firm I am associated with should you publish this letter.

Other letters received in which the subject appear in this issue start- ing and other comments are solicited by the Editor on the NASD profit limitation decree or any related phases of the subject. The Editor will withhold his name unless the writer does not wish his name revealed. Communications should be addressed to Editor, Commercial and Financial Chronicle, 30 Spruce Street, New York, New York.

Gold Under The Stabilization Plan

Editor, Commercial and Financial Chronicle:

All the currency stabilization proposals have been based on the gold standard, but they do not set forth for a position as a medium of international exchange and as a medium of countries' savings.

The first point, the departure from the old gold standard was easily seen. The gold standard had two main objectives: by mak- ing all currencies based on the gold standard exchangeable into gold, and gold exchangeable into any of these currencies at a fixed rate of exchange, international stability of such rates was auto- matically determined. Any departure from these currencies to a metal product, either by the local government or by producing arbitrarily, a general and world-wide inflation was made difficult, if not entirely impossible. By a concerted effort, the principal banks of the world can hold the scarcity of gold and increase the price of gold, but nothing can be done if they mutually considered foreign exchange as a volume of gold, which based their own bank notes in the same way as against their own metal products. In this in reverse, the world's cur- rency prices could be varied, and the price level could be increased without importing inflationary pressure on the currency rates. However, even this procedure could be accomplished in a restricted extent.

The plans of stabilization under discussion do not go back to the gold, but they place the currency in a very different position from what it was under the old gold standard. The White Plan and even the Keynes Plan link the value of the various currencies to a fixed rate of exchange subject to changes only with the approval of a majority of the countries concerned, but curiously enough the price obligation on the part of the government and banks in member countries is only to convertible into gold, whereas—according to the White Plan—currency obligations can be met in gold, thus making gold in- exchangeable in currency. The principal effect of such a system is to increase the price of gold, but with the price of gold, the market of a commodity which can be always gold at a fixed price, but no one available at a fixed price. In countries where there is any certainty, becomes a one-way market. The value of gold in currency, the price of gold could be lowered, and when a majority of the In- ternational Monetary Fund has set up, to decide on this, but the prices of gold can only happen in the course of a severe and world-wide deflation, and only happen, not expected, to happen away if one considers the present political and economic tendencies. The really important problem, therefore, for the White Plan is the management of gold producers and owners of gold. The pay-off of the chances are for an increase in the price of gold, and any new sys- tem established. It can be easily foreseen that the balance of the currency will be in favor of the non-American coun- tries, and they are in a position to demand for foreign currencies. If gold producers, however, will have exhausted the amount of "unites" they can borrow under the stabilization plan, they will then have three ways will be to them 1. to accept a price change in their balance of payment with the United States.

The stabilizations under VII 4 are nearly contradictory. A country that has not one of the exchange dealings with member or outside member countries, can always be undermine exchange rate established by the Fund, but it shall as soon as possible to regulate restrictions on foreign exchange transactions to free capital transfers. Would that prevent in- creases in the value of the exchange in a non-member country and deposit- ing in the gold a safe deposit at home or using it to buy raw materials or selling at fixed dollars rates. The stabilization under VII 4, which forbade countries to accept increases in the exchange value of any member country which for, because of capital export and exchange changes that such flight capital, will not prevent in the United States, and gold at a premium and hoarding of gold. The gold dollar is not seen or it is used as a means of international payment.

How can the abolition of foreign ex- change restrictions with a scheme of free gold markets and devaluation of non mandatory exchangeable into gold, does not prevent government- ing policy at home and is not mandatory exchangeable into gold, it is highest free gold markets with higher gold price. The gold dollar will remain, the established rates are unavail- able. The only possibility to prevent this course is the abolition of exchange restrictions, but a strict control of gold production, gold price, and gold supply is to be effective, the abolition of the stabilization of which is one of the main aims of the new stabilization plan.

Not only from the side of the members, but also from the side of the internal situation in the United States. The United States will certainly be influenced to move up- wards. A policy of full employment may be established only by continuing the present rate of increase in the volume of credit to a certain extent, from buying bonds, at a certain percentage of the amount that is now made available. If this is the case, then the buyers in the free gold markets outside the United States in the United States may pay a pre- mium, but the gold price will not only in terms of weakness currency, but also in terms of decline. Gold, the remaining free markets such as India, Peru and some countries, might be entirely to gold. The market of gold is fixed at $50. The stabilizing of gold in the United States will not only ease the unemployment of the unemployment, but will make the gold standard the standard of the world. But there are many arguments against the gold standard, and the abolishment of the stabilization of which is one of the main aims of the new stabilization plan.

The Treasury explains: (Continued from page 2150) or more, if the Treasury Depart- ment can make the above statement about China's external loans owned by Americans or citizens of the United States is of importance to the commercial and financial authorities, will not the latter suf- fer the same fate as the Japanese? Certain information may in certain in- stances be withheld.

The close similarity to the above three (A-C) could be cited to show what appears an inexpressible inconsistency on the part of the Treasury Department before the filling of Form TFR-500. In a letter of July 24, the Treasury Department under date of August 15, 1943, the joint report requires to the Department writers an Act of 1926, the following significant observation is made:

"... payable in foreign currency, and alternately in dol- lars, need not be reported, unless their value added to that of other reportable property belonging to the foreigner is in excess of the amount of $10,000 specified in the Act." (No. 25, p. 23) The department throws further light upon the nature of the information it is seeking.

The following statement should be re- ported, regardless of value...

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In other words, the Mexican 5s of 1899-1945 which are payable in United States dollars, need not be reported unless the amount owned together with other re- portable property, is valued at or exceeds $10,000, while the Mexican 4s of 1904-1925 must be re- ported regardless of value. The Japanese claim that these two bonds "do not have the same quality as coins," and there is a difference in dollars, while the latter is pay- able in Mexican pesos.

The Mexican 5s and 4s are the two bonds "do not have the same quality as coins," and there is a difference in dollars, while the latter is pay- able in Mexican pesos.

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need, indispensable farm machinery to aid in the production of food, and much of the clothing that the owner has to sell in order to get the fields worked. The farmer, the small manufacturer, and the Plan of the people to whom they are the owner of a majority of the banks, the owner of a majority of the insurance companies, the owner of a majority of the railroads, and the owner of a majority of the utilities, are all the same. They have the power to control the prices, the wages, the profits, and the whole economy of the country, and to do it at their own discretion.

They are the leading people in the country, and all that lies behind it. They are the people who control the banks, the insurance companies, the railroads, and the utilities, and they are the ones who can make or break any system of government.

They have engaged in and promoted class and race hatreds, and have used them to divide the people and to keep them from working together.

They have created a system of corruption and fraud, and are using it for their own personal gain.

They are the ones who are making war, and are using it as an excuse for their own personal enrichment.

They have violated constitutional principles, and are using them to justify their actions.

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Concentrated Power Vs. Democratic Government

(Continued from page 2113)

The development of people is the primary concern of states. The states are the gymnastic para
dise of human activities in the human development. We know by our own experience and observation that people develop more than his difficulties. No victory is proved until the people have won it. The greatest wisdom of people is to realize that people should be directed by people, which people is the manners and customs of the world is but a record of the greatest mind and will of the top of the hill is not important in the greatest mind and will of the people. We all would have been croated on the top of the hill, and we all have gained the strength from the climbing to the top. In a great and difficult political problems involved in immi
ting-politicians would provide Congress might provide for the lapse of the entire appropriations upon the violation of the restri
tions they fix upon the expendi
ture of those funds. Congress could also set up restrictions to prevent secret expenditure of those funds.

Why Insurance Companies Should Act

Should there be insurance companies, we should still see insurance people doing anything. Insurance companies have the same function as other human relations: He who holds the purses rules the house through the purse strings. Hence, if you are going to control their actions, you should control their purse strings.

If Congressmen wish to restore the power of Congress and the rights of the States and of the people, let them send back to the White House the key to the executive. If they did not, you, the people, have control over those who serve us. There is one principle as old as human nature, as old as man himself and as old as human relations: He who holds the purse strings rules the house through the purse strings.

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The Control of Expenditures

One aspect of any other social control can be accomplished, and our control of government can be done in two score statutory lines: They are: (1) to hire no one who does not employ in Government civil serv
er; (2) to allow no one who has not been a citizen of the United States for ten years last past, to be employed in Government, without the consent of the people, and then make the penalties against the clerical vicinage and also against all dissenting offices, INCLUDING THE DISTRICT ATTORNEYS OF ALL STATES, and astronauts should also provide against the ill-advised service of the so-called "so-called" at the expense of the Government.

Furthermore, Congress has a duty to act toward the executive and unconstitutional government inconstitutions and preven
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Our Reporter on Governments
By S. F. Porter

It's a "good" basket—And has some excellent terms—As well as some very serious drawbacks—In the bond for you, for investors of all types, for traders—The prospects that you can make a very good investment is very great consideration and would be offered if the proponents of "something different" could be shown to be soundly based in reason, but . . . We are getting something new . . . We are getting something different from a 10-year 2 . . . Unless the authorities are discussing a 10-year 2 . . . But at the present time this is an issue of about 10-year 2 . . . the support of the weak is quite strong . . . In the period the drive is in full swing . . . For the market, it is the news of the Fourth War Loan in spite . . . Looks better today than in many weeks . . . Gains grow stronger that some definite action will be taken between now and the long liquidation of the market . . . Either wide-scope of purchase of bonds in the market by the Treasury . . . or no real requirements for redemption of an outstanding maturity, namely the December 1 1/2 . . . Government-cashing is easy, as the authorities know as well as you . . .

The December Maturity

The $3,000,000,000 Treasury 1% certificates due Dec. 1 are being sold at par at the close of the market, with a new issue of one-year certificates . . . Which is sensible and exactly in line with forecasts . . . has been nothing new yet is the disposition of the 1 1/4 , outstanding in the amount of $2,612,000,000 and tax-exempt . . . After the sale, the market will be in the December maturity and by the money market's need but also by the price quoted on the issue in the market today . . . It's down to 100 1/2 .

Since announcement of the Fourth War Loan, the general attitude of the market has improved somewhat . . . Sort of the "new and different" production as a stimulus to the market . . . and tax-exempts are coming back . . . The market during the last fortnight, that market was in for an up-a-bit-down-a-bit period is coming true . . . Disappointing as it is, the money situation plus the short war rumors have combined to hold down the Government market to a minimum level . . . Trading is sparse, interest is similar so and . . . With the holidays approaching, they may not take a big run . . . an important change for the better until the new year arrives . . .

One Switch Suggestion

From one of the most informed dealers in New York come the recommendation that institutions not needing tax-exemption to the utmost consider switching out of various issues surrounding the 2 of 1933/51 and into this newest 2% loan, selling at what approximate . . . Or at this writing, at 100 1/2 to yield 1 1/8% after taxes . . . To be exact, the switch would be out of the 3s of 1955/51, selling at 101 1/2 to yield 1 1/2 . . . Out of the 3s of 1953/51, selling at 101 1/2 to yield 1 1/2 . . . Out of the taxable 3s of 1953/51, selling at 101 1/2 to yield 1 1/2 . . . Out of the 5s of 1954/55, selling at 102 1/2 to yield 1 1/2 . . . And into the new 5s of 1933/51, selling at par to yield just about these levels . . .

There is a strong bid in yield . . . And, in most case, there is a definite advantage to lower cost . . . And, of course, there is the shorter maturity . . . And the fact that the new 2% bond is evidently of a type not being purchased by the authorities since it is the key note . . .

The power of the new issue suggests using the same yardstick of reason to get out of some of the 1949 and 1950 maturities and into these 1933-51's that were purchased for increasing yield slightly . . .

Thusly, this can apply only to investors not bothering about the exemption feature on several issues covered . . . Study your portfolio and check on whether this idea fits in .

Inside the Market

The market's nervousness disturbing experts today is the rapidity with which the short-term debt has been built up to a point where Morganthau can't take off more than a few weeks before he must return. The danger is that interest rates are creeping over the bills every week as well . . . It seems as though it were only yesterday when the banks were calling for short-term bills but it was a short cry even then . . . Morganthau came in with his . . .

Court Decision in Dealer Mark-Up Case on Offer

(Continued from page 219)

leaving because of its omission to state a material fact, but reads the certificate on the face of the certificate with the word "without . . ." then proceeds under this broad implication to hold the defendant liable for the confusion by simply failing to disclose the fact, not that it was made . . . The court declared that the defendant's 'without knowing . . ." was misleading but merely statement of fact that the defendant . . . At the time of sale it would have been impossible for the dealer to know that the certificate was not true . . . It is fundamental that in the operation of a certificate there must be no discrimination as to the deductions for sales and overhead and the return must be made on the certificate before arriving at such a conclusion.

"The Commission's definition of a blanket transaction is that the dealer at the time of the sale does not own the securities. In addition to the fact that a marketed dealer today assumes a risk by the mere fact that he is selling a certificate, the court in UNDER THE SUPERVISION OF THE COMMISSION, there is the case of the dealer who contracts to deliver a security which he does not own . . . He makes no payment even a higher price for it or it would . . . It is the possiblity of a breach of the actuality which should determine the definition.

"The court's approach in the fallacy of using the NASD fair practice standard for cases of this type . . . The dealer's brief goes on to say: "It's our position that there is no basis for interpreting the definition of act. The question is . . . The power of the Commission is not to be limited by any act of Congress, but is broadest or the narrowest and the thing that matters is the spirit and not . . . But the court is relying quite clearly on this spirit, whatever it is.

"In this case (3c) a 1% commission exercised the power thus unlawfully given to it and defrauded the investor, and the court held that the license of petitioner was revoked for a violation of the regulation and rests wholly upon the definition of act. Nothing in the statute suggests or lays down the power to determine the definition of act . . . The power of the Commission is not to be limited by any act of Congress, but is broadest or the narrowest and the thing that matters is the spirit and not . . . But the court is relying quite clearly on this spirit, whatever it is.

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The Treasury Plan For Proposed World Bank

The Treasury Department made public on Nov. 23 its tentative draft of a plan for an International Na

tional Bank for reconstruction and development. Secretary Morgenthau announced the outline was being sent to the Foreign Ministers of the United Nations for consideration.

The new bank and the projected currency stabilization are to be the subject of an inter
country conference. Treasury officials hope will be held this late fall.

The bank proposed call for capital of $500,000,000, a member countries contributing according to an approved formula. It is said, it would subscribe approximately one-third of each country's capital, but only 20% of this sum would be called upon.

In reporting this latest action, a Washington dispatch Nov. 23, the "New York Times" stated:

At the same time, Harry White, the Treasury's monetary advisor, estimated that our share in the contemplated International Stabili

zation Fund, called Interna
tional Bank, would be around $500,000,000, requiring a Congressional appro

val of 280,000,000. The United States was to be par

ticipating in both of these international arrangements on the basis upon presented to the experts.

In discussing the proposal at a press conference, Mr. Morgenthau stated the plan for Inte

rnational Settlements as a possible method for reducing dollar demand from the monies under consideration

for Reconstruction and Develop

ment and the International Bank.

The announcement further stated:

"After providing for all taxation, net profits would be $94,000, from which $100,000 was trans

ferred to the invest
dence Bank, $150,000 written off book capital, $715,000

amounting to $50,000, and for

equipment, an increase over $13,000,000, and Domestic bonds and other high grade secu

rities, totaling $10,000,000, stock against $17,000,000 represented by purchase of addi

tional shares issued to the underwriters.

Commercial loans and investments for $60,000,000, a decrease of over $10,000,000 due to a lowering

to $15,000,000, with total assets of $135,000,000, reserve fund $7,000,000, remaining uncharged, down from $965,790. The bank's annual meeting will be held in Vancouver on Dec. 8.

House Begins Debate

On Tax Legislation

The House (Nov. 24) began debate on the $2,146,000,000 income tax bill. In considering only the question of the "net income tax" to be capitalized in war prices even though it was reported by the Ways and Means Committee last night, the debate was decided on a standing vote of 208 to 77. It was decided to place an end on some controversial points in the bill, and the Committee will meet on Wednesday.

The bank would "scrupulously avoid" any attempt to encourage private investors are willing to make on reasonable terms," Mr. Mor
genthau declared.

Following are some high points of the plan as described by the Treasury Department:

- The bank would be capitalized at $150,000,000. It has already been agreed upon by technicians from 30 countries as the Exchange Committee, State Depar
tment and the Export-Import Bank.

- The bank will serve its own member countries, and the United Nations like Russia.

Bank and Insurance Stocks

This Week—Insurance Stocks

By E. A. VAN DEUSEN

Although there are no such things as "insurance stocks," there are "sound" investments. A "sound" investment is one whose characteristics do not violate certain principles, the following:

- Dividend, stability, income, marketability, and growth.

- When looking for a sound investment, one must consider the following factors:
  - The company's financial strength.
  - The company's management.
  - The company's past performance.
  - The company's future prospects.

- Insurance companies are classified as follows:
  - Life insurance companies
  - Property and casualty insurance companies
  - Health insurance companies

- The best insurance companies are those that have been in business for over 100 years, have a strong financial position, and have a good record of profitability.

- When choosing an insurance company, it is important to consider the company's financial stability, its management, and its past performance.

- Life insurance companies are usually more stable than property and casualty insurance companies, because they are less dependent on changing market conditions.

- Health insurance companies are often considered to be a good investment, because they have a steady demand for their products, and they are usually very profitable.

- It is also important to consider the company's future prospects when choosing an insurance company.

- When looking for a sound investment, one should choose an insurance company that has a strong financial position, good management, a good record of profitability, and a strong future outlook.

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- Health insurance companies are often considered to be a good investment, because they have a steady demand for their products, and they are usually very profitable.

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- When looking for a sound investment, one should choose an insurance company that has a strong financial position, good management, a good record of profitability, and a strong future outlook.
DIVIDEND NOTICES

A dividend of thirty-seven and one-half cents (371/2) per share on the outstanding preferred stock of the Company has been declared payable, payable January 14, 1944, to holders of record at the close of business December 30, 1943. Checks will be mailed.

J. R. Ayger, Jr.
Secretary.

November 19, 1943.

MAKERS OF PHILLIES

ANACONDA COPPER MINING CO.

DIVIDEND NOTICES

The Board of Directors of the American Security & Trust Company, New York, N. Y., has approved a dividend of 72 per cent on its $5,000,000 of outstanding preferred stock. The dividend will be payable January 14, 1944, to holders of record at the close of business December 30, 1943.

E. B. McINTYRE,
President and Treasurer.

ANACONDA COPPER MINING CO.,
2129 Broadway, New York.

THE ALABAMA GREAT SOUTHERN CORPORATION

A dividend of 4% per cent on the Preferred Stock of the Company has been declared payable January 14, 1944, to holders of record at the close of business December 30, 1943. Checks will be mailed.

D. A. TAYLOR, Secretary.

THE CONSOLIDATION COAL COMPANY

The Board of Directors of the Consolidation Coal Company, New York, N. Y., declared a dividend of 3 per cent on its outstanding common stock payable January 14, 1944, to holders of record at the close of business December 30, 1943. Checks will be mailed.

C. B. BRADLEY, Secretary-Treasurer.

E. F. DU PONT DE NEMOURS & COMPANY

The Board of Directors of E. F. Du Pont de Nemours & Company has declared a dividend of 3% on April 1, 1944, payable May 1, 1944, to holders of record at the close of business March 30, 1944. Checks will be mailed.

J. F. MULLIN, Secretary.

THE ELECTRIC STORAGE BATTERY CO.

The Directors have declared a dividend of 33 per cent on the par value of the $350,000 of 6% stock due December 15, 1944. Dividends in arrears as of December 15, 1943, will be paid together with a dividend of 34 per cent on the par value of the stock due December 15, 1944. Checks will be mailed.

W. F. RASIOR, Secretary.

THE INTERNATIONAL HARVESTER COMPANY

A dividend of four and three-quarters (4 3/4) cents per share on the outstanding common stock of the Company has been declared payable January 14, 1944, to holders of record at the close of business December 30, 1943.

H. K. BUCKHOLTZ, Treasurer.

SOUTHERN PACIFIC COMPANY

DIVIDEND NO. 104
A dividend of 19 cents per share will be paid on the Company's outstanding $100 par value 5% Cumulative Preferred stock (Series B) on the first Monday following the thirtieth day of March, June, September, and December, being the anniversary of the date of issue of the stock. The record date for dividend payment will be the close of business at the close of business on December 30, 1943.

C. S. DUGGAN, Treasurer.

THE YALE & TOWNE MFG. CO.

On November 22, 1943, a dividend No. 211 of 8 cents per share will be paid on the Common Stock of the Company payable December 14, 1943, to shareholders of record on December 3, 1943.

F. DUNNING, Secretary.

President.

THE UNION CARBIDE AND CARBON CORPORATION

A cash dividend of seventy-five cents (75c) per share on the outstanding common stock of this Corporation has been declared payable January 14, 1944, to stockholders of record at the close of business December 30, 1943. The transfer books will close on January 10, 1944, at the close of business.

J. E. SNYDER, Treasurer.

November 24, 1943.

DIVIDEND NOTICES

J.M. Johns-Manville Corporation

DIVIDEND

The Board of Directors of the Johns-Manville Corporation has declared a quarterly dividend of 5 cents per share on the 1% Cumulative Preferred Stock of the Company, payable January 14, 1944, to holders of record at the close of business December 30, 1943.

J. E. SNYDER, Treasurer.

November 24, 1943.

DIVIDEND NOTICE

COAL CORPORATION

A dividend of 55 per cent on the outstanding preferred stock has been declared payable January 1, 1944, to holders of record at the close of business December 30, 1943. Checks will be mailed.

G. N. CLARK, Secretary.

November 19, 1943.

DIVIDEND NOTICES

KINNECOTT COPPER CORPORATION

A cash dividend of 15 cents per share will be paid on the Company's outstanding Common Stock on the last day of March, June, September, and December, 1943, being the anniversary of the date of issue of the stock. The dividend will be payable January 14, 1944, to holders of record at the close of business on December 30, 1943.

A. C. COCHRANE, Secretary.

November 19, 1943.

DIVIDEND NOTICE

SOUTHERN PACIFIC COMPANY

DIVIDEND NO. 105
A cash dividend of 19 cents per share will be paid on the Company's outstanding 4% Cumulative Preferred stock (Series B) on the first Monday following the thirtieth day of March, June, September, and December, being the anniversary of the date of issue of the stock. The record date for dividend payment will be the close of business at the close of business on December 30, 1943.

C. S. DUGGAN, Treasurer.

THE YALE & TOWNE MFG. CO.

On November 22, 1943, a dividend No. 211 of 8 cents per share will be paid on the Common Stock of the Company payable December 14, 1943, to shareholders of record on December 3, 1943.

F. DUNNING, Secretary.

President.

DIVIDEND NOTICE

UNION CARBIDE AND CARBON CORPORATION

A cash dividend of Seventy-five cents (75c) per share on the outstanding common stock of this Corporation has been declared payable January 14, 1944, to stockholders of record at the close of business December 30, 1943. The transfer books will close on January 10, 1944, at the close of business.

J. E. SNYDER, Treasurer.

New York, N. Y.
November 24, 1943.

Tomorrow's Markets

Walter Whyte Says

Market now approaching buying ranges. But except new lows between now and mid-December, current rally-top-signal already given.

By Walter Whyte

A buying spot is beginning to appear in the market, but before you go off and buy your favorite stocks let me clarify this further.

The market now at about 132. In the middle of last July it was at approximately 145. Between last July and the end of October it made three efforts to go up through the old highs. In mid-August it climbed to about 130 and dropped back to approximately 139 on declining volume. After spending a couple of days at that figure it broke down to 124 and a fraction. The rest of that month and practically all of September was spent in laborious effort to get back to the old prices. On Sept. 20 it set a high of 142 5/8. At that level optimism was riding high but despite the general feeling that the July highs would be reclaimed a slow tiresome decline set in culminating at a base at about 125 in the second week of October.

Following the usual pattern, pessimism set in but again the market confounded its interpreters by refusing to decline any further. Instead it began another advance this time managing to get up to just under 140.

The rallies, meanwhile, followed. They went up with the market and then went down with them. Only one time between July and mid-October did they break the pattern; that was when the market broke a previous low by about 20 cents, without an accompanying

Suggest Procedure on NYSE Firm Changes

Member firms of the New York Stock Exchange, before now still above an old support line of 225, began to weaken in mid-October, but the rallies refused to follow the industrial pattern. This action, under the circumstances, could not be understood. Under ordinary conditions the action of the market would have been expected to be repeated. But the fact that the industrials were themselves close to old levels indicated a pull on the immediate trend.

Before the end of the first week of November the indications (which readers of this column will doubtless have noted) showed up their bearish face as the averages both broke and volume jumped up over 2 million shares.

A retrace from such a break is a logical expectation, and though the industrials have emphasized it and rallied slightly. The industrials went from about 130 to 133; the utilities from 200 to 202. But logic and the stock market seldom have much in common and even though the rally by the time any well developed logic reaches the market, the chances are somewhere, somewhere, has already acted on it long before customers' rooms began agreeing that such and such was likely to be the case. So instead of extending its rally (a logical development) the market again went down. This time the industrials plunked through their old lows to 129 5/8. But the rails acquired the position of independence and reacted fractionally only.

If I had the patience, and you had the inclination to read it, I might develop a link between what makes the market go. You may wish to read the news and point out why some things happened and why others likely will happen. But I am not, seldom, more academic. They are either hindsight or out of crystal gazing.
Investment Trusts

Diversification And Management

It is hard to believe that there are still investors in this country who need to be convinced of the necessity for diversification and management. This experience shows that investing in a continuing educational job on these two vital points.

Many are the arguments and case histories which have been brought to drive home the importance of diversification and mutual management. Sometimes these arguments lead to tedious and complex. However, the American Security Company of San Francisco has just got out a letter and folder of its Investment Company which drive home these two points forcibly and with a minimum of verbiage.

The folder shows, by means of charts and text, that "Commonwealth has outperformed the standard index from 1943 to date—approximately 10 years. This is shown on the record as follows:

1. You will do no better if you have not a sense of the value of good common stocks.
2. The trend has been upward since the war.
3. The investment in common stocks is the best means of increasing your wealth.
4. The investment in common stocks is the best means of increasing your wealth.
5. The investment in common stocks is the best means of increasing your wealth.

The letter concludes with the point that "Citi’s returns are not perfect" but "they are superior to the average for its class of investments.

Distributors Group has just released another "Undervalued Investments in the philosophy of the stocks of the Investment Research Department is presented in simple terms. The following General Motors and U.S. Steel are compared from the standpoint of historical price-earnings ratio. It is shown that, had the inventor owned General Motors at the present level, he could have sold it at a profit in only one of the 17 years of the period. You will find a profit in fifteen of the 17 years."

From the price comparison the investor concludes that the price of the stocks of the Investment Research Department is presented in simple terms. The following General Motors and U.S. Steel are compared from the standpoint of historical price-earnings ratio. It is shown that, had the inventor owned General Motors at the present level, he could have sold it at a profit in only one of the 17 years of the period.

Most recent in the Hugh W. Long & Company series of "Distributor's" folders on New York stock is the six cttind "Fifth Avenue & Main Street." As the title indicates, this folder has to do with merchandising issues, in our opinion it is one of the most astute.

(Continued on page 2128)
Municipal News & Notes

Wire Dispatches

VIRGINIA—WEST VIRGINIA
NORTH AND SOUTH CAROLINA
MUNICIPAL BONDS

F. W. CRAIG & CO.
RICHMOND, VIRGINIA
Net Sinking Fund, Type D, $52 to $54

Texas amended its chain store tax to exempt sales of electric appliances and other utilities in small towns under certain conditions. Washington exempted its sales tax on persons selling water and electricity to any person selling water and electricity current up to $5,000.

Freedom of Opportunity Keystone To Nation's Prosperity

(Continued from page 2103)

2. I think we can begin by abolishing unnecessary b unequal and unequal taxation. The rapidly increasing national expenditures seem to have made it possible to eliminate many of the primitive forms of taxation, and to limit our national expenditures to the barest essentials of national defense. We are prepared to consider the idea of taxation as a source of revenue, and to this end we are willing to make a study of the various methods of taxation. The idea of taxation as a source of revenue is not new, but it is a new idea for us. We are willing to consider the idea of taxation as a source of revenue, and to this end we are willing to make a study of the various methods of taxation.

The edict of the Garden of Eden of the Bible is that man shall not eat the fruit of the tree of knowledge of good and evil. This is a very important idea, and we are prepared to consider it. We are willing to consider the idea of taxation as a source of revenue, and to this end we are willing to make a study of the various methods of taxation.

Washington authorized creation of joint utility commissions, subject to approval by referendum, for the generation and distribution of electrical power. Taxes, imposed on gross revenue of the commissions, will be collected at the rate of 5.6% for every $25 invested in property, and 1.0% of the gross receipts of sales. The rate of 5.6% for every $25 invested in property, and 1.0% of the gross receipts of sales. The rate of 5.6% for every $25 invested in property, and 1.0% of the gross receipts of sales.

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Tennessee, in excluding intramural and export sales of the coal company services from a group of services that would be considered for tax purposes, has imposed a new privilege tax on such services. The tax rate is 2% of the gross receipts, or $100, whichever is greater. The tax is levied on all sales of coal company services to intramural and export sales of the coal company services from a group of services that would be considered for tax purposes, has imposed a new privilege tax on such services. The tax rate is 2% of the gross receipts, or $100, whichever is greater. The tax is levied on all sales of coal company services to intramural and export sales of the coal company services from a group of services that would be considered for tax purposes, has imposed a new privilege tax on such services. The tax rate is 2% of the gross receipts, or $100, whichever is greater. The tax is levied on all sales of coal company services to intramural and export sales of the coal company services from a group of services that would be considered for tax purposes, has imposed a new privilege tax on such services. The tax rate is 2% of the gross receipts, or $100, whichever is greater. The tax is levied on all sales of coal company services to intramural and export sales of the coal company services from a group of services that would be considered for tax purposes, has imposed a new privilege tax on such services. The tax rate is 2% of the gross receipts, or $100, whichever is greater. The tax is levied on all sales of coal company services to intramural and export sales of the coal company services from a group of services that would be considered for tax purposes, has imposed a new privilege tax on such services. The tax rate is 2% of the gross receipts, or $100, whichever is greater. The tax is levied on all sales of coal company services to intramural and export sales of the coal company services from a group of services that would be considered for tax purposes, has imposed a new privilege tax on such services. The tax rate is 2% of the gross receipts, or $100, whichever is greater. The tax is levied on all sales of coal company services to intramural and export sales of the coal company services from a group of services that would be considered for tax purposes, has imposed a new privilege tax on such services. The tax rate is 2% of the gross receipts, or $100, whichever is greater. The tax is levied on all sales of coal company services to intramural and export sales of the coal company services from a group of services that would be considered for tax purposes, has imposed a new privilege tax on such services. The tax rate is 2% of the gross receipts, or $100, whichever is greater. The tax is levied on all sales of coal company services to intramural and export sales of the coal company services from a group of services that would be considered for tax purposes, has imposed a new privilege tax on such services. The tax rate is 2% of the gross receipts, or $100, whichever is greater. The tax is levied on all sales of coal company services to intramural and export sales of the coal company services from a group of services that would be considered for tax purposes, has imposed a new privilege tax on such services. The tax rate is 2% of the gross receipts, or $100, whichever is greater. The tax is levied on all sales of coal company services to intramural and export sales of the coal company services from a group of services that would be considered for tax purposes, has imposed a new privilege tax on such services. The tax rate is 2% of the gross receipts, or $100, whichever is greater. The tax is levied on all sales of coal company services to intramural and export sales of the coal company services from a group of services that would be considered for tax purposes, has imposed a new privilege tax on such services. The tax rate is 2% of the gross receipts, or $100, whichever is greater. The tax is levied on all sales of coal company services to intramural and export sales of the coal company services from a group of services that would be considered for tax purposes, has imposed a new privilege tax on such services.
Investment Trusts

(Continued from page 2127) tractive in the entire series to date.

In a recent issue of Brevi
ty, Louis J. B. Hale discusses "Security
buying," in which he says a com-
pany's chart reveals, in contrast to the
positions between stock price movements in
World War II as compared with the present
situation, the market is no longer in a bull
frenzy, whereas at the correspond-
ing time during World War II, the
prices were approximately 50% higher
than at the start.

Calvin Bullock's Perspective

The continuing bull market
since the outbreak of the
war has raised the question
of the profit index of "confidence" is shown in a
chart extending back to 1939. Although it reveals a very sharp
recovery in confidence from the 1942 low, the present level of
this index is only slightly above where it stood at the low point in 1939
and 1955.

Another chart in this bulletin shows the trend of preferred stock
prices. The spread between the
high and low was 44.7 and
approximately 36% ahead of their
levels before the outbreak of the
war.

Investment Company Reports

Equitable Life Assurance Soc-
ty, in its "1942-43 Review of the
Year," reports that its assets, including
$1,275,526 on Oct. 31, 1943, equal
$3,700,000,000. The income from net assets of $10,917,360,
behind the quarterly dividend
rate on Dec. 31, 1943.

George Putnam Fund—A di-
vided of 3 cents per share payable to stock on record Dec. 10, 1943, to stock of record Dec. 31, 1943.

N. Y. Security Dealers Elect To Membership

At a meeting of the Board of
Dealers' Security Associations, Na-
tional of New York, C. J. Mor-
ris & Co., New York City, was
unanimously elected to mem-
bership. The application of Allen
& Co., New York City, for
membership from Frank H. Blair to
Herbert Allen and the election of
Mr. Blair as the same firm as an
associate member was approved.

The members of this year's list also indicated the election of
Blackership, Gould & Blakely,
Ferris & Co., New York City, and
Geyser & Hickey, Inc., Transferred
to Haff, Geyer & Hickey, a corpo-

Stable Election To Be Held December 3rd

The annual meeting of the Sec-
tity Companies, 1943, will be held on
Dec. 17 at the Century Club.

The election of officers for the
year and the setting of the by-
laws, and other business. This
will be followed by the election of
the officers of the national commit-
me. The nominations now being closed, the Secretary will
post for their election:

Presidents: Wm. M. Summer-
Trotter, Currie & Summers; First
Secretary: W. C. Newell; Second Sec-
Vas-Tyul & Assate; Second Vice-
President, Chester & L. de Wille;
Secretary: E. E. McLaughlin, John S. French, A. C. Alllyn & Co.,
Trenor, William, George L. Co.
Frank C. Casterman & Co.; Truste-
es of the year at 40 cents per share
The nominations now being closed, the Secretary will
post for their election:

Presidents: Wm. M. Summer-
Trotter, Currie & Summers; First
Secretary: W. C. Newell; Second Sec-
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Trenor, William, George L. Co.
Frank C. Casterman & Co.; Truste-
es of the year at 40 cents per share

Tomorrow's Markets Walter Whyte

Saw

(Continued from page 2126) neither has a place in the stock market.
Yet, paradoxically, trends are being set by past performances—not in
news occurrences—but in mar-
ket action.

With the rails refusing to follow the industrials into new low ground the opinion has begun to spread that the bottom has been seen. Here is where the action, not the noise, lies, and clarifying my opening sentence.

I think the market is headed for new lows. I don't think they will go as low as some of the pessimists be-

tomorrow. For example, the in-

 industrials now at about 123.50 (Tuesday), will decline to about 122.50 (the rally to about 30.31. I think these fig-

ures will be approximated be-

early the middle of December. I
think that when you see this happen pessimism will be so thick you will be able to cut with a knife. But that's when I believe stocks should be bought. Not for a great big move, but for a rally that will carry them back to about present prices. This may not sound like much, but in a market where stocks in some stocks isn't anything to be sneezed at no matter what.

So between now and the middle of the month start looking around. I'll give you suggestions, perhaps in the next issue.

More next Thursday—Walter Whyte

(Sources expressed in this article do not necessarily agree at any time, the New York Times or the Wall Street Journal. They are presented as those of the author only.)

LAMBORNO & CO. 99 WALL STREET NEW YORK 5, N. Y.

N. Y. Cotton Exchange Bldg. NEW YORK 4, N. Y.

SUGAR

Exports—Imports—Futures

OCT 15 1943

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More Comments On Dr. Anderson's Plan To Promote Peace-Time Reemployment

(Continued from page 210)

The most effective plan is to increase the flexibility of our American system of movement of capital, labor, and enterprise, to take sand out of the oil, and to reduce friction.

JOHN T. HOLDSWORTH

Dr. Anderson's Plan To Promote Peace-Time Reemployment

Dr. Anderson's Plan To Promote Peace-Time Reemployment

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Dr. Anderson's Plan To Promote Peace-Time Reemployment

I note the criticism and veiled polemics in Dr. Anderson's article. I also note that Dr. Anderson's plan consists of increasing the flexibility of our American system of movement of capital, labor, and enterprise, to take sand out of the oil, and to reduce friction. This is in line with the recommendations of the Bowers Commission, among others.

I am not a specialist in economic theory, but I believe that the following points are important:

1. The government should not try to control the economy directly, but should provide a framework within which businesses and individuals can make decisions.
2. The government should provide incentives for businesses to invest in new technologies and to hire more workers.
3. The government should ensure that wages are fair and that working conditions are safe.
4. The government should provide a safety net for those who lose their jobs or become unemployed.

I believe that Dr. Anderson's plan is a good starting point for a discussion about how we can promote peace-time reemployment in a way that is sustainable and fair.
Calendar Of New Security Flotations

OFFERINGS

Dow Chemical Company
Dow Chemical Company's Registration Statement No. 1-2635, filed June 24, 1943, has been declared effective 4 p.m. by the SEC. The company proposes to offer 500,000 shares of its common stock at $41 1/2 per share through a syndicate headed by Hanover Trust Company of New York. The proceeds of the offering are to be used to acquire additional working capital.

PUBLIC SERVICE CO. OF COLORADO

The company's registration statement for 50,000 shares of its 7% cumulative preferred stock, due Dec. 1, 1942, has been declared effective. 11,000 shares of the preferred stock were registered.

THURSDAY, DEC. 1

AUTOMOBILE DELUXE CO.

The company filed its registration statement for 10,000 shares of its 5% convertible preferred stock due Dec. 1, 1943.

FIVE STAR CORPORATION

The company filed an amendment to its registration statement for 50,000 shares of its common stock due March 13, 1944.

THURSDAY, DEC. 8

THE COLORADO & TRINITY RAILWAY

The company filed its registration statement for 5,000 shares of its 4% cumulative preferred stock due March 1, 1944.

FLB SEUKE.

The company filed a registration statement for 5,000 shares of its common stock, due Dec. 1, 1943.

FRL STOCK

The company filed an amendment to its registration statement for 5,000 shares of its common stock due March 13, 1944.

WEDNESDAY, DEC. 7

CENTRAL POWER & LIGHT CO.

The company filed an amendment to its registration statement for 5,000 shares of its common stock due March 13, 1944.

New Security Flotations

January 2-8

For security offerings in the January 2-7 period, see the Legal Section for the week ending December 23, 1943.

Post-War Outlook For Insurance Stocks Good

The post-war outlook for insurance stocks has been discussed by Walter C. Putnam, president of the Northwestern Mutual Life Insurance Company, and A. H. Lea, president of the Connecticut General Life Insurance Company, at the annual meeting of the American Society of Actuaries, held in New York City.

Lea said that the prospects for the insurance business were good, and that the industry had a strong foundation on which to build. He predicted that the post-war period would be a time of rapid growth for the insurance industry, as people sought to rebuild and expand their financial security.

Putnam agreed with Lea's optimistic outlook, stating that the insurance industry had come through the war years with a strengthened position and a strong base of reserves.

He noted that the industry had seen a significant increase in new business during the war, and that this trend was expected to continue in the post-war period. He also said that the industry had benefited from the high interest rates of the war, which had encouraged savings and investment.

Both executives emphasized the importance of proper underwriting and sound management practices to ensure the industry's long-term success. They urged actuaries and insurance professionals to continue to develop their skills and knowledge in order to meet the challenges of the post-war era.

Compulsory Savings Are Necessary

Leland says

Simeon E. Leland, Chairman of the Board of the Federal Reserve Bank of Chicago and Professor of Economics at the University of Chicago, told the National Association of Securities Dealers on Nov. 22, that the Government is borrowing too much money and that compulsory savings are necessary to prevent a future war.

"We are now borrowing too much money," Leland said. "We are living beyond our means, and we must find a way to save for the future. Compulsory savings are the answer."
Sethram Opposes Proposal To Reduce Tax Allowance On Invested Capital

Views It As Punishing Companies Which Have Acted To Set Aside Conversion Reserves—Urges Action

On Problems To Restore National Economy To

Peace-Time Basis — Commonds Name

Of Baruch By President

Opposition to the proposal which has been advanced by the House Ways and Means Committee to reduce the tax allowance on invested capital, was expressed by Emil Schram, of the National Coal Association, as given on Nov. 17 at the Country Club of Virginia in Richmond, Va., in his address to the Governors of the Stock Exchange Firms.

Mr. Schram referred to the proposed reduction as "in effect an attack on business success". In voicing his opposition, Mr. Schram said:

"The proposal has been defended on the grounds that some concerns which use the investment capital credit have been an

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force the supply and the direction essentially to the acceptance and implementation of the new program.

"The plans and policies which we work out must, if they are to measure up to our expectations, be free of any suspicion of ideological or political influence. We must be sure that such influence will not enter into any plans which Mr. Baruch and his associates devise upon, and this is an absolute requirement. It must be encouraged by the fact that this most vital task has been turned over to him. We know that we can rely not only upon his craftsmanship, but also upon his allegiance in forestalling any effort to prevent our American way of life. The full restoration of our democratic methods in all spheres of life is the least that we should settle for as we look ahead to the removal of the restraints which we have willingly accepted in order to win the war."