This Is America
By GEORGE E. SOKOLSKY*
Willard H. Dow, President of the Dow Chemical Co., made
statement concerning his company
in the Truman Committee of Congress in
which he said:
"(The company) was founded by
my father, Dr. Herbert H. Dow, on an
idea which he worked out as a student in the
Case School of Cleveland. He had discovered
that by passing
an electric current through brine from the Ohio
wells he could liberate bromine, and by blowing out the treated
brine in a wooden tower he de¬
vised, he could separate and re¬
cover the bromine. My father
had a basic idea... My father
had a basic idea..."

*Mr. Sokolsky's pri¬ties, titled "These Days," are a feature of the New York "Sun" and the
above is reprinted from its issue of March 22, by permission of that publication and King Features Syndicate.

(Continued on page 1313)

In This Issue
CALIFORNIA SAVINGS AND LOAN ASSOCIATION—Special section starts on page 1314.

General Index on page 1328.

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The Commercial and
FINANCIAL CHRONICLE
Established Over 100 Years
New York, N. Y., Thursday, March 30, 1944
Price 60 Cents a Copy

Planned vs. Free Markets After The War

By MORDECIA JOSEPH BRILL EZEKIEL*
Economic Advisor to the Secretary of Agriculture

Government Economist Favors, In Most Cases, Planning
By A Responsible Bureaucracy—Holds The Modern Tendency Is To Permit Planning Only On Condition That It Is Operated Or Controlled By A Public Agency.

All production is planned. No farmer harvests a crop, no manufac¬
turer makes a product, unless some one has first planted seed or
billed a factory. The question, however, is whether those production de¬
cisions of individuals are made solely in response to the price on the open
market, or whether they are made in response to an appraisal of the economic situa¬
tion under which some organized body looks beyond the present itself and which involves some conscious program as to future developments.

In wartime, there is no question but that production must be planned, and planned under pub¬
lic direction. During the war, the Army, Navy, Maritime Commis¬
sion, and Lend-Lease Administrations have been in the market on the basis of an ascending scale of demands that strains our productive ca¬
pacity to the limit. Our great in¬

*Address delivered at the Forum Session of the 23th meeting of the National Industrial Confer¬
ence Board at the Waldorf-Astoria Hotel, New York City, on March 23, 1944.

(Continued on page 1323)

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Progress Toward International Economic Cooperation

Mr. Fowler Views Most Basic Problem That Of Trade Barriers—Without A Substantial Increase In International Trade Over Pre-war Levels, We Shall Fall Far Short Of The Goal Of Full Productive Employment Here Or Elsewhere, He Avers

By WILLIAM TOWER
Chief of the Division of Commercial Policy, Office of Economic Affairs, Department of State

It is fortunate that we can assemble here today to discuss, with a minimum of bias, of confidence, and of urgency, the kind of intemational economic relations that will be needed if we are to have prosperity and security for more than a three-year or three-year period after the war. If nations now our Allies had not been driven back the Axs forces we might still be standing alone today. Mr. Fowler

Win. A. Fowler

our mortal danger, even before Pearl Harbor, and put our great forces producing into cooperation with the fighting forces of the democratic nations; if we had not, after Pearl Harbor, linked our producing and our fighting forces with those of the other United Nations to form one gigantic fighting machine—defense cooperation would not be here today. Discussing post-war problems. The report

The report which we are going to have been able to re

a

any question of ultimate

*Address delivered before the Citizens Conference on International Economic Union, held at the Stater Hotel, Washington D. C., on March 4, 1944.

(Continued on page 1236)

Gold Stocks

By MILAN D. POPovic

This is not intended to be a review of monetary system or a discussion of theoretical gold standard. It is only a practical comment on the position of gold metal from the viewpoint of owner, who is, the stockholder in the mines, in the light of plain economics, principally the factors of supply and demand.

On this basis it would seem that there is no element of real value in many, negative factors for even speculative holding, not to speak of the conceivable real investment. The reason for this bearishness is not new; they were in existence years and through the recent period in which gold stocks have been 50 and almost doubled in price. So contrary
to the market, the market says that the gold stocks are good investment.

An analysis of

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of an up-to-date analytical study of this company is contained in our special circular which we shall be pleased to send upon request.

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Magid Joining Army

Samuel E. Magid, Vice-President of Hill, Magid & Co., Inc., 120 Broadway, New York City, is leaving shortly to join the U. S. Army.

Boston & Maine

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Magid Joining Army

Samuel E. Magid, Vice-President of Hill, Magid & Co., Inc., 120 Broadway, New York City, is leaving shortly to join the U. S. Army.

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Federal Reserve Bank of St. Louis
5% Poll Results

In view of the controversy that has arisen amongst dealers in securities regarding the "5% mark-up limit rule" and in order to determine whether or not the industry favors such a limit, the "Chronicle" is conducting a poll of all members of the NASD and all non-member dealers firming in the market. The result of the poll is altered by the Association it will affect non-members too. Hence, the polling of both members and non-members of the Association. Editorial comment will be reserved.

The returns are in, and they give hold to a tabulation of the results as they stand at press time (evening of March 29th):

**5% Poll Results**

<table>
<thead>
<tr>
<th>Total Ballots Returned</th>
<th>Number Favoring (approx. 17% of those already cast)</th>
<th>Number Opposed (approx. 83% of those already cast)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>467</td>
<td>380</td>
</tr>
</tbody>
</table>

**Returns From Non-Members**

<table>
<thead>
<tr>
<th>Total Ballots Returned</th>
<th>Number Favoring (approx. 6% of those already cast)</th>
<th>Number Opposed (approx. 94% of those already cast)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>39</td>
<td>37</td>
</tr>
</tbody>
</table>

**New Jersey Court Upholds Right Of State To Serve Subpoenas By Mail On Dealers**

The New Jersey Court of Errors and Appeals on March 9 decided that the Attorney-General of the State had authority under its Blue Sky law to serve subpoenas by mail on Clifford Wilford Edwards, John H. Roberts and John M. Baird, Canadian security dealers, requiring them to appear for examination and give testimony and produce books, before they or their agents could engage in business in New Jersey. The defendants contended that a personal service was required, and that service by mail was illegal.

In rendering its judgment, the Court said:

"The inherent difficulty, if not the impossibility, of serving any notice upon the defendants within this jurisdiction does not excuse their own statements. Baird admits that he resides in Toronto, Dominion of Canada, and has his office there. Roberts, that he is a British subject, residing in Toronto, and the editor of a newspaper there; Edwards, that he too, resides there. No one of these three denies that he is applicable to the State within the State and traffic in securities.

"The loss of much of its difficulty," continues the decision, "if it is remembered that New Jersey General's position is analogous to that of a licensing officer, and that the defrees go no further than to enjoins a dealer from engaging in the security business within the State until he shall have gone through the procedure of appearing and submitting the facts incidental to the application. The salient questions then become whether the proposed business is a fit subject for licenses, and whether the legal principle may be given application in certain instances without requiring all security dealers to proceed in this manner.

"The propriety of subjecting dealers in securities is clear," concludes the decision. "True, control under our statute is not either, by the legislation or in practice, but in operation against all dealers... but that the law is applicable to all dealers and is, not we believe, discriminatory... it is, we think, beyond the reasonable exercise of the police power of the State to throw its weight upon the business activity to security dealers, subject to inquiry at the instance of the State's ranking legal officer, and to restrain, upon refusal to submit to inquiry..."
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NASD Against Gleason

SEC Annuls Ouster Of NASD Member—Interprets Right Of National Securities Dealers Association To Discipline For Overcharging

The Securities Exchange Commission has just issued a re¬

lease covering "Their Proceedings" against Sherman Gleason & Co.

of Tenafly, N. J., and members in District No. 14 before the Business Conduct Committee of the National Association of Securities Dealers Inc., including Sherman Gleason, who is the

firm's president. The order, which overrules a stay, is as follows:

"No individual or member of the organization which owes more than it should.

"Do not know what are the long-term aims of our Government.

"Also the question: What are we fighting for? It seems to have many answers. But whatever our answers are, whatever it is for which we fight, it is our duty to go into the field with the resolution that it is our duty to defend our country, our nation, our rights.
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Kaiser & Co. Is How
N.Y. Exchange Member

Alfred L. Kaiser has been elected to membership in the New York Stock Exchange. Mr. Kaiser is a general partner of Kaiser & Co., well known San Francisco investment firm specializing in state and municipal bonds. All members of the firm include Edwin R. Foley, general partner; Walter D. Helling and Allen E. Meier, special partners.

In addition to the San Francisco office in the Russ Building, the firm maintains an office in New York at 25 Broad Street under the management of Charles C. Bonta. The firm is also a member of the San Francisco Stock Exchange.

Available On Request

Schenley Distillers Corporation have prepared a attractive booklet containing the first articles in the series they have been running in the "Financial Chronicle." Copies of this booklet may be had by sending a letter by writing to Mark Merritt, in care of Schenley Distillers Corporation, 350 Fifth Avenue, New York 1, N. Y.

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UTILITY PREFERENCES

The United Corporation on Jan. 31, filed with the Securities and Exchange Commission the initial step in its voluntary reorganization plan to comply with Section 11 of the Utility Act. An offer is to be made under the plan to the preference stockholders to exchange their holdings (up to 1,546,906 shares, or one-half the total amount) for a bundle of securities and cash—each share obtaining 1½ shares of Philadelphia Electric common (currently selling at 20 on the over-the-counter market) or 14½ per cent Delaware Power & Light common (14 1/2 over counter) and a nominal 1/32. Originally a proposal, but a dividend of $1.25 was paid Feb. 14. Total value of the package would be $37.30 compared with the $35.25 per share value of the $1.25 dividends paid for Union preference.

The exchange offer would be effective for ten days, but could be extended an additional 10 days. If more than one-half the preferred stock is tendered, the distribution would be made on a pro-rata basis, with the resulting number of Delaware Power & Light common in each distribution being par plus $1.25, or $27.50, or the adjusted cash.

Philadelphia Electric common was quoted at $39 in the post-war period. Thus, the Philadelphia Exchange plan for the distribution would be approximately 1.5 times the $1.25 dividend.

In determining whether to accept the plan and tender holdings of one's stock, preference stockholders have been naturally interested principally in the success of Philadelphia Electric. The stock, now listed on the Exchange, has traded in the same months ago to holders of Union Gas Improvement (although a relatively small amount, less than 3%, had previously been in the market) and Philadelphia (over-the-counter). The company reported share earnings of $1.87 last year (adjusted to the new stock basis for the entire year) and paid $1.40 of the $2,600 an extra dividend. Based on the current 1.30 rate the yield is 9% and the price-earnings ratio 14.6.

In the exhibits filed by United Corporation to support its plan before the SEC, Philadelphia Electric's earnings for 1944 are estimated at $1.44 and for the post-war period at $1.12 to $1.20 (based on possible tax reductions and other amendments). Delaware Power & Light earnings were estimated at $1.17 in 1945 (against a $3.30 estimate for the post-war period (before deducting 14½% amortization of plant acquisition adjustments). Estimated income from the "pack-

age" (including 6% on the $1.30 cash) was estimated at $2.27 in 1944 and $2.39 in all post-war period. Thus, stockhold-

ers of Philadelphia Electric common should have an attractive offer for their United preference stock, particularly when using the original 1/32 United dividend.

A number of detailed tables an-

alyzed in the plan showed the advantage of Philadelphia Electric during the period 1938-1944 and a range of $12.2 to $12.46 based on a 25% nor-


minal tax (with no excess profit taxes) and a range of $11.64 to $12.92 based on a 40% tax rate.

Philadelphia Electric's offer was made on Feb. 23, in January but declined to 20 on an over-the-counter basis. In 1940 the old stock sold as high as 39 1/2, and the 1943 range for that stock was $14 to $16 before the stock was being registered while the stock was on a "when issued" basis.

Additional Views Anent Dr. Lutz's Suggested Post-War Tax Policy

In an article bearing the caption "A Post-War Tax Program," which appeared in the "Chronicle" of Feb. 10, Dr. Harry L. Lutz, Professor of Public Finance, Princeton University, suggested a pro-

Many of the later provisions of the 1937 income tax expired on Dec. 31, 1942, and at the end of the year the government will collect income taxes on a flat rate basis, the Lutz views, for the first time in United States history. Under this proposal the maximum possible amount of the income tax would be the current rate.

The "Chronicle" is to be congratulated on the publication of such an able contribution. Dr. Lutz thinks deeply and soundly.

J. A. Phillips
Dean, The State University of Iowa

The "Chronicle" is to be congratulated on the publication of such an able contribution. Dr. Lutz thinks deeply and soundly.
Reorganization Potentials for Selected Securities of Missouri Pacific System

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Railroad Securities

The railroad market has been in a notably jittery condition in recent weeks, with short spurts of pronounced strength interrupted by sudden withdrawals of bids for all classes of speculative securities. Successes in the Pacific, heavy buying of Germany, and the long-credible rapid advances of the Russian Armies have in general more or less offset the implications of the stalemate in Italy and have brought general optimism. This peace psychology has been furthered by political news leading to hopes of early deceptions by various of Hitler's satellite nations and hints of impending further consolidation of United Nations' leaders also expected to ask for permission to distribute some cash to bank managers in the relatively near future. Cotton Belt is authorized last year but payment was held up, and the latter is hoped in some quarters that an appeal for additional payments will be forthcoming in the relatively near future. The total deprecations and the readjustment of the RussoGerman invasion bonds, and a more realistic appraisal of the still formidable strength of the German sentinels has been demonstrated on the Italian front. As peace hopes continue to dim, more weight is given, marketwise, to the tangible factors of current and early future earnings, and the incomprehensively strong finances of the industry.

Also, when the immediate idea of an early peace fades into the background there is a greater tendency to remember the vast backlog of demand for civilian goods being built up and the demand for a prolonged period of good general business in the post-war period. Regardless of the predictions of Mr. Full that railroads will be abandoned entirely, there are few investors or speculators that the railroads will participate fully in any post-war prosperity period. If it is only for short intervals during sudden waves of peace psychology that railroads will be reemployed, it is likely that the railroad shares will be sold off to the public.

Bosworth And Lanius Join Merrill Lynch

(Special to The Financial Chronicle)

Denver, Colo. — Edgar B. Bosworth and Paul B. Lanius have become associated with Merrill Lynch, Pierce, Fenner & Beane, First National Bank Building, Mr. Bosworth had been in the investment business for himself in Denver for the past 35 years. Mr. Lanius has recently been with A. D. Wilson & Co. Before that he was in the investment business for himself in Denver.

Cartwright a Director

Clayton Cartwright, Vice President of Hill, Thompson & Co., Inc., has been elected a director of Richardson Iron Company of Richmond, Virginia, and of the Railways & Coal Company, Raleigh, N.C.

We believe that there are certain exchanges which can be made advantageously in the

SEABOARD AIR LINE

reorganization, and with this in mind wish to call your attention Seaboard & Bonnecase 56, 1931.

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Hartford
United Steel Workers Declare Wage Rise Is Not Inflationary

Arguing before a War Labor Board panel, on March 25, for a 57-cent-a-week increase, the CIO United Steel Workers denied that such an increase would have an inflationary effect. This was said in an Associated Press dispatch on March 26, which also had the following sentence:

"David J. McDonald, union sec-
ty, said a wage rise of this magni-
tude has been attacked on two fallacious grounds:
1. That increases in steel prices will be caused by such a rise,故
that the wage increase is not in relation to inflationary conditions.
2. The increase is not inflationary."

Mr. McDonald said the union's brief "demonstrated beyond doubt that the steel companies are in such an excellent profit position that they can pay the wage in-
crease without raising the price of steel products." A wage increase that is met out of excessive profits can in no way affect the price level, he said. If steel prices do not rise, then the prices of the products fabricated from steel will also not rise. Hence, there will not be the impetus for an increase in prices, he said.

The two papers are using the theory of the so-called inflationary-
ary gap as an argument to keep wages down. It's a fallacious theory widely publicized and has become the weapon of big business for the purpose of wage freezing.

The industrialists and economists have tried to panic the country with wild predictions that the in-
flationary gap would immediately be $200,000,000,000, or $800,000,000,000.

"On the basis of this false forecast," they then attacked the efforts of workers to get a just Little Steel formula upward so that wages would not be cut to the level of the real rise in war-
time living costs.

"Significantly, not one of these stories has actually materialized."
**SUGGESTIONS**

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BY JOIN WEST

Grant Building 2½%-s Paying $62.50 Interest April 1
1943 Earnings 11½% On Outstanding Bonds

The 40-story Grant Building having a marketable and negotiable fund was placed in position in November, 1943, which placed the property in a position to meet varying conditions. Fixed interest charges of 2½% were eliminated and replaced by provision for 2½% fixed interest. A sinking fund provision calls for the use of 50% of earnings above full interest for the purchase and redemption of bonds.

Earnings for each year 1938-1943 have been in excess of full income and have allowed the directors deemed it advisable to reduce the fixed interest charges and to make available a full unfunded floor company. This enables the company to utilize the electric system and equipment without the aid of any additional funds. One of the great advantages to the property owners is the fact that the earnings will be available for the current year and subsequent years, and the guarantee the investor in the property.

For the year 1943, the earnings will be approximately $327,200, which will be used as a sinking fund to retire existing bonds.

Investment Banker
Discusses Philanthropy

Col. Allan M. Pope, President of the First Boston Corporation, was guest speaker at the Welfare Council Forum over WMCA last Sunday evening.

To demand that a business be quite a brash with a goodly portion of the issue of middle brook into and other middle western points.

Demands were also made that the welfare of the middle western points. Demands were also made that the welfare of the middle western points.

Allan M. Pope

In his talk, Allan M. Pope, the well-known philanthropist, discussed the subject of "Big Business and Our Responsibility to the Community." He was also a member of the Dinner Club for the 112th Annual Meeting of the New York Bar Association.

**Too Many Probes Says Congressman Cochran**

The House on March 27, with provisions for the creation of two more special investigating committees, approved a request that it set up a committee to study the activities of the Federal Reserve and the National Security Council. The committee would have power to call on the heads of various agencies and to examine the books of the agencies.

Speaker of the House of Representatives, William B. Bankhead (D., Ala.), who has been critical of the Congress' lack of action on the national economic program, said the new committee would have a broad mandate.

**Situations Looks Good**

Steel Products Engineering Company offers interesting opportunities according to a memorandum being distributed by Scherck, Richter & Company. The company reports that the situation in the St. Louis, Mo. area is very bright and that new orders have been received in the amount of several million dollars. The company has a large backlog of work and expects to keep busy for the next several months.

**Our Reporter's Report**

First things come first

If you are experiencing difficulty in finding a place of dinner or of whiskey today, in your package store, hotel, club, or tavern, perhaps the figures which follow will provide some reason why the supply of whiskey from distillers to wholesalers, from the middleman to the consumer, and ultimately to consumers, has been so restricted.

"First things come first," and "will be adequate according to production, are much more important today than cocktails for our values.

Beverage distributors, just to remind you, have completed conversion of their distilling facilities to the manufacture of all alcohol for war purposes on October 8, 1942. That was over a year ago, although by a gradual voluntary conversion they were manufacturing high-proof whiskey in their plants for the fiscal year, 1941. Ready, the figures are not very interesting at all.

In 1939, the beverage distillers were turning out 90,000 gal-

locks of high-proof spirits. In 1941 they were turned out to 9,000,000 gallons. In 1941 they turned out to 9,000,000 gallons. In 1941 they turned out to 9,000,000 gallons.

But not all the alcohol produced goes into the manufacture of whiskey. A portion of it, however, has grown so rapidly in wartime.

So, please remember that before you go looking for a bowl of Christmas whiskey or a goodly portion of the issue of middle brook into and other middle western points.

**Note**

From time to time, in this space, there will appear an article which we hope will be of interest to our readers. This is number twenty-four of a series.
Planned vs. Free Markets After War

By HUGH R. COX

(Continued from first page)

It is certain to be some intervention by the Government even if it does nothing more than enforce the ordinary police regulations against profiteering and racketeering offenses. Here the line must be drawn on economic issues and the extent and nature of the governmental intervention limited. On one side of the line, the Government intervenes only as a kind of unpreventable fraud, force, or oppression and to enforce rules of fair competition. On the other side of the line, the Government directly controls or regulates the operations of the market; that is to say, it makes or directs the decisions as to investment, production, price, and distribution that in a free market are made by owners and managers.

Sometimes attempts are made to distinguish between planned and free economies on the basis of whether the controlling power is in private or in public hands. This distinction is not very significant, since in any economy in which power is concentrated in the hands of individuals or groups, it is just as truly a planned economy as in the sense used here. A private economy as one which is run differently by the Government. In fact, a private group that throughout an industry fixes prices, supersedes investments, denies new comers an opportunity to enter the industry, and engages in governmental power. When a private group that throughout an industry gets to its last stage, the distinction between public and private power tends to disappear. Then you get the kind of condition in which a planned economy exists, and it is impossible to tell where the public authority of the cartel and the Government begins.

These contrasts that I have drawn are applicable to any country, but I am using them in this case to illustrate the principles. The assumption is that the countries have developed in different directions and that certain contrasts which have developed in the past have been exercised to influence the economy or the industry in some way or other.

It is also true that in our country, especially in the Pacific areas, it is the extent of the economy, a high measure of control has been concentrated in the hands of certain individuals.

Traditionally, however, this country has adhered to the belief that the best economy is a free economy—that is to say, an economy not controlled or regulated by concentrated power, either in public or in private hands, but one in which the citizen, within the limits of his individual decision and to use his own property and property rights. We have believed that this is the economic policy that contributes to the economic development, full production, and an adequate standard of living for the entire population. It is in many ways the only policy that is most likely to create an atmosphere in which free and dynamic enterprise can live and flourish; it was for this reason that the founders of this country created a free enterprise and private enterprise and the foundations of trade, and we have believed that this policy was well adapted to the kind of society in which all of us wish to live.

It is true that we have often deviated from this principle. Some of the deviation, for example, are of long standing; others are more recent, and in some large, we have tried to preserve a competitive environment, and a free market. In the future as in the past we shall probably deviate from this principle as necessary. For example, the national and local Governments will not longer carry on public works programs, and in a number of instances, they will intervene to protect or to conserve exhaustible natural resources in the interest of the nation. These measures will all be temporary and it is difficult to expect that the fundamental problems that we face as a result of the war will be solved by bringing back the system into the pre-war years.

The Federal Reserve System

The Federal Reserve System is the central bank of the United States and operates under the authority of the Board of Governors of the Federal Reserve System. It is responsible for overseeing the nation's banking and financial systems. The Federal Reserve's primary functions include monetary policy, bank supervision, and financial stability. It is a system of 12 Federal Reserve Banks located across the United States, along with a Board of Governors in Washington, D.C. The Federal Reserve's actions can impact the economy by influencing interest rates and the availability of credit. It plays a crucial role in regulating the nation's financial system to promote economic stability and growth.
the purposes of war, to achieve efficiency and to keep the country consistent with the war aims, we may expect to hear suggestions that many of the war-time controls and restraints should be extended for an indefinite period after the war. Similarly, in the period of transition from war-time to peace, the government may be urged to use these controls and restraints in competi-
ting conditions, to bar newcomers from an industry until they have fully assumed these conditions as they existed at some time prior to the war emergency.

Not all of these arguments will be well founded. There is some evidence that some measures may be necessary to guard against an abrupt elimination of war-time controls. The government, however, has not so far indicated that the sudden elimination of war-time controls does not give the economy too abrupt a shock. But the continued exercise of these governmental powers for an indefinite period after the end of hostilities, or even for the regulatory or control purposes of the war, might follow, will not encourage the future existence and operation of competition. In this connection, the letter that Mr. N. R. Harriman, President of the War Production Board, wrote to the Senate Judiciary Committee, on March 7, 1944, which has been widely reproduced, is surprising and encouraging. Mr. Nelson says in that letter that it is his view that the courts have "generally been relaxed when ever they cease to be necessary," and also says: "If the government were to maintain a war-time competition, there would clearly be grave danger of shackling the country with a regulated economy for a long while to come. Such an action would require detailed planning of all production and allocation of scarce resources, a development which I would strenuously oppose. As a result we should have an all-important to maintain a competitive economy. I do not believe that this nation is prepared to allow at the same time for new competition.

Similar problems may arise with respect to the disposal of the war industries. It is not likely that the government will hold these industries for too long. In the forebears we may expect to hear suggested that the government assume the function and the government should be held off the mar-
tetly or perhaps even dismantle many of these plants. The government, however, may make at reasonable competitive prices, that will threaten, the important business of the ordinary public economy, that the government, make sure that there is fair play as between the litigants.

In any event, the effectiveness of the anti-trust laws will be determined by the government itself and by the way in which it exercises its judgment, including the judgment of an administrative office. The government may waive the public interest, that the government, or by the business man who relies upon his own efficiency and skill.

Both during the transition from war-time to peace and afterwards, we shall be faced with problems caused by restrains of trade im-
posed by private groups. For the last 30 years we have dealt with this problem of regulation of trade by private agreements. It is sometimes said that these laws have not been effective, and that they have failed and that they may continue. It is sometimes said, however, that the government and the courts may be well advised to continue this free trade. By enforcing the laws, the government acts as a kind of referee. It enforces certain rules of the game. The enforcement of the laws, however, does not require the government to substitute its judgment for the judgment of the managers and owners of business, or to make decisions that should be left to competitive economic forces.

In the second place, the anti-trust laws may be either a case-by-case approach. Their enforcement does not require us to superimpose some rigid and uniform system of rules upon all situations and all industries.

Finally, the laws are enforced through the traditional processes of the common law. Their enforcement is subject to the discretion of the courts. The courts may, and have in the past, found it necessary to grant these remedies. The courts have, in some cases, granted these remedies.

But the existence of anti-trust laws is not enough. The enforcement laws against monopoly is an important element. This enforcement law is a major element in the regulation of the anti-trust laws, or, it appears to be approval to particular persons to invade the trade. The proposal raises administrative and anti-trust laws, that cannot be discussed within the compass of this article. The possibilities are great, but one thing is evident, the trade is a real danger to the public interest. The government that gives an en-
forceable approval or an admini-
strative law may gradually assume powers of regulation. The transition from a process which is a real danger to the public interest, that is to the public interest, that is to be lower than the ultimate.

The last advice is sometimes overlooked or misconstrued, to the belief that in this economic system, it will continue to exist in the same way that it did before the war.

This announcement is not an offer of securities for sale or a solicitation of an offer to buy securities.

Michigan Consolidated Gas Company

$38,000,000 First Mortgage Bonds, 3½% Series due 1969
40,000 Shares 4½% Cumulative Preferred Stock

Prices:
106½% for the Bonds
$105.50 per share for the Preferred Stock
plus accrued interest and accrued dividends, respectively, from March 1, 1944 to the date of delivery.

Dillon, Read & Co.

Blyth & Co., Inc., The First Boston Corporation

Lehman Brothers

Goldman, Sachs & Co.

Lazard Freres & Co.

GLemo11 Securities Corporation

Harriman Rippy & Co. Incorpated

Smith, Barney & Co.

Union Securities Corporation

W. C. Langley & Co.

Shields & Company

Lee Higgison Corporation

Smith, Barney & Co.

Kidder, Peabody & Co.

Lazar Freres & Co.

Stone & Webster and Blodgett

Incorporated

Glore, Forgan & Co.

Harriman Rippy & Co. Incorporated

W. C. Langley & Co.

Shield & Company

This announcement is not an offer of securities for sale or a solicitation of an offer to buy securities.
Mutual Funds

"Are Stock Prices Too High?"

Under the foregoing caption, the current issue of Lord, Abbott's Abstracts offers some timely comments on the current position of the stock market. A comparison between the yields available on representative stocks and high grade bonds at the present time with the spreads that existed at previous high points in the market.

The bulletin reports that as of the close of business on March 30, 1944, the Dow-Jones Industrial Average offered a return of 4.4% on the common stock, while the Abbeit's high grade bond average showed a yield of 3.8%.

This spread of almost 2% is contrasted with the negative spread which existed in 1929 and the spread of only 50% and 35% which existed in March, 1937 and September, 1939, respectively.

States the bulletin: "Considered on this basis, the high price of stock prices have a long way to go before they are too high by this yardstick. For example, it is shown that for the Dow-Jones Industrial Average to appreciate to a 3% basis on present dividends, it would have to rise to 115. In other words, to establish a spread of 40% with the high grade bonds, a bond of 2.50% is required. The Dow-Jones average would have to move up 50 points, or 43%.


"To reestablish their normal relative values takes time. In recent years, discount railroad bonds on average would have to advance 35% to 40% above present levels.

The folder contains an illuminating chart showing the relationship of high grade and discount railroad bonds over the past 30 years. This chart emphasizes the current abnormal spread in price between these two bond groups.

A forecast of higher ratings for railroad bonds was published last week by Mr. Frank L. Valenta, Vice-President in charge of the Investment Research Department of Distributors Group. "It is our firm conviction," writes Mr. Valenta, "that changes in the transportation situation will not alter the fact that many railroad bond ratings appear to be most favorable during the current year."

Security Dealers Protest NASD "Spread" Ceiling

(Reprinted from the Post-Standard, Syracuse, N.Y., March 28, 1944)

Dealers in unlisted securities do not believe the recent action of the National Association of Securities Dealers, which places a 5% ceiling on "spreads" between purchase and sale prices of such securities. Dealers point out that this limitation leaves them with little or no profit when time and effort are required to service the investor. Several local brokers with whom the author has spoken recently have told him that "the present spread leaves us nothing and the whole market is fed to the public by the dealers." The dealers feel that these are conditions of high pressure sales and the only way to guard against them is to allow brokers the freedom to set their own spreads and to make profit out of the business.

The above is the opinion of several brokers in the city and Central New York who are trying to find them without the services which have been of value to them in the past, because the brokers cannot afford to bother with their affairs.

Dr. Max Winkler, economist to National Securities & Investors Exchange, addresses "Foreigners' and Domestic Demand—Solid vs. Fictitious Demand" in the current issue of Investment Timing. Dr. Winkler's conclusions are optimistic. "Unlike the conditions that developed following the World War I, this time we can establish a solid foundation for our peace economy."

The Bread Street Letter issued by Bread Street Sales Corp., includes a factual article on "Post War Defense Demand." A detailed analysis of the passenger automobile industry including the rubber companies is presented in the article. Here, too, the conclusion is optimistic. "The foregoing summaries appear to substantiate the expectations that the consumera durable group as a whole will exceed the 1937 level of activity in the post-war period."

Railroad Equipment Shares

A Class of Group Securities, Inc.

Prospectus on Request

DISTRIBUTORS GROUP, INCORPORATED
86 WALL STREET—NEW YORK

Underwriters

and National Wholesale Distributors

for Registered Open End

INVESTMENT COMPANIES

having total assets of more than

$40,000,000

Investment Trusts

Dividend Shares

Maryland Fund

Quarterly Income Share

State Street Inv. Corp.

Other Issues Traded

Trading Markets:

Incorporated

Incorporated

National Security Services

National Securities & Research Corporation

The PARKER CORPORATION ONE COURT ST., BOSTON

Security

Investors:

Manager, Management Associates, Boston, Mass.
NEW YORK LIFE INSURANCE COMPANY

99th Annual Statement to its Policyholders

The greatly intensified effort of the nation at war has been the dominant influence on the activities of the Company, its agents and employees, during the year 1943.

The Company has had to face a number of new and difficult problems as a result of the greatly increased activities of the Federal Reserve Board and the Changes in certain terms of the Securities Acts and the Securities Exchange Act of 1934. These changes have had a good deal to do with the original of the Company's securities. The Company has had to dispose of a number of such securities, and the government has, in the meantime, acquired them, and to the company, a very small amount.

The Company has felt that, in these days of war employment and shortages of civilian goods, it should make every reasonable effort to play its part in the fight against an excessive rise in the cost of living. Accordingly, it has taken an active part in the cooperative advertising program undertaken by the life insurance companies to help prevent an uncontrolled rise in prices and the cost of living. Its purpose is to encourage people to do voluntarily those things which will divert spendable funds into war bonds, life insurance and savings rather than into unnecessary goods. The Company joined in this program believing that it was a timely contribution to the economic and social welfare of the country as a whole and that it would directly serve the best interests of its policyholders.

On April 12, 1944, the New York Life Insurance Company enters its 100th year in a strong position. The Company looks forward earnestly to the responsibilities and great opportunities which lie ahead.

A more complete report as of December 31, 1943, containing additional statistical and other information of interest about the Company, will be sent on request. A list of bonds and preferred and guaranteed stocks owned by the Company is also available. These booklets may be obtained by writing to the New York Life Insurance Company, 51 Madison Avenue, New York 10, N. Y.

President

STATEMENT OF CONDITION
December 31, 1943

ASSETS

Cash on hand or in banks $849,145,483.85
United States Government Obligations 1,688,118,689.00
All other Bonds: State, County and Municipal: 867,311,228.00
Railroad 770,749,388.00
Public Utility 353,985,478.00
Industrial and Miscellaneous: 61,989,261.00
Canadian 101,091,989.00
Stocks, preferred and guaranteed 74,456,444.00
Real Estate Foreclosed Properties 410,809,890.00
Policy Loans and Premium Notes 217,690,939.00
Other Mortgages on Real Estate 26,912,740.92
Real Estate 20,371,740.82
Home Offices 15,001,401.00
Other Home Office Properties 1,497,054.43
Interest and Rent Due and accrued 22,361,281.30
Deposits and uncalled Premiums (net) 30,924,471.20
Other Assets 617,988.23
$3,342,956,430.27

LIABILITIES

Reserve for Insurance and Annuity Contracts 82,647,873,914.00
Present value of amounts not yet due on Supplementary Contracts 98,412,778.00
Reserve for Dividends left with the Company 310,003,092.44
Dividends payable during 1944 35,603,846.00
Premiums and Interest paid in advance 39,992,262.03
Reserves for other Insurance Liabilities 81,047,384.89
Taxes payable in 1944 7,947,659.31
Reserve for fluctuations in Foreign Currencies 4,600,000.00
Miscellaneous Liabilities 5,460,001.73
Total Liabilities $3,127,731,977.27
Surplus Funds held for general contingencies 218,224,453.00
$3,342,956,430.27

This reserve is held chiefly against the difference between Canadian currency Assets and Liabilities which are carried at par.

The New York Life Insurance Company has always been a mutual company. It started business on April 12, 1845 and is incorporated under the laws of the State of New York. The Statement of Condition shown above is in accordance with the Annual Statement filed with the New York Insurance Department.
Canadian Securities

By BRUCE WILLIAMS

It is encouraging to note increasing indications that serious thought is now being given to the question of Canadian immigration. The most practical step taken so far was the recent visit to London of Colonel Dore, Premier of Ontario, with the object of bringing to the attention of British industrialists the opportunities offered in Ontario for the establishment there of British factories in the post-war period. From London, there are reports of discussions concerning the revival of the entire British aviation industry to Can¬
dia, as Britain is too exposed to bombing risks. However, by far the most gratifying development that has been presented is the "Satellite town plan," which envisages the establishment of an industrial area in Canada and other Dominions of British affiliation, which shall carry on the particular industry of the parent city or community in the mother country.

Canada is admirably suitable for this type of development, for so far as the past and the present population whereas Canada can afford the manpower necessary to develop its vast neglected natural resources.

The passing of Jules S. Bache, head of the firm of J. S. Bache & Co. in London, has been followed by an industrial development which brought immense financial benefits to the company. Mr. Bache acquired a large amount of Canadian mining and assumed the management of the company at a time when, because of the war, the mines were not producing and dividends had been suspended for two years. In 1943, however, this company had passed through a period of prosperity. This experience is more than likely to be repeated at the termination of the present emergency period. Although manpower has been diverted to the gold-mining industry during the war, nevertheless there has been extensive prospecting which has uncovered numerous new gold fields, especially in the North West Territories and Northern Ontario. Canada now has probably the best gold-mining industry in the world. All in all, it is likely that Canadian gold production will far surpass its previous peak level. Also in the post-war period, there is likely to be a marked improvement in the gold discoveries of all.

TAYLOR, DEALY & COMPANY
61 WALL STREET, NEW YORK 5

WHielsall 3-1874

FAROII & CO. AND JOS. FAROII & CO. WILL BE FORMED

Farrow & Brothers will be dissolved as of March 31st, and on April 1st, Farol & Co., Ltd., with offices at 208 La Salle Street, Chi¬
cago, and Joseph Farol & Co., Ltd., with offices at 20 Broadway, New York City, will be formed.

In Farol & Co., Ltd., the Canadian branch will be Barnett Faroli, who will acquire the New York Stock Exchange membership of the late Cyril de Cordova, John H. Newman, E. H. Bickham, T. S. Bolton, J. S. Bache; Henry B. Wickham, and Thomas W. Wickham.

Mr. Barnett Faroli also is a member of the Chicago Board of Trade, and the firm will have several memberships in the Chicago Board of Trade.

Partners in Joseph Farol & Co. will be E. Smith Farol, the New York Stock Exchange, Chicago Board of Trade and Asso¬
ciate member of the New York Curb Exchange; and W. E. Schwiering. Both were resident partners in New York of the dis¬
solving firm of Farol & Co.

In this connection, the Canadian side of the market was almost in business and here was restricted to a few switching operations and trans¬
actions, the new firms envisaging a more extensive involvement in the shift of control which is going on in New York.

The new firms are expected to make a successful start in their new field of activity, which will be in the sphere of commodity and foreign exchange activities.

CANADIAN BONDS

Governing Provincial Municipal Corporation

A. E. AMES & CO.

INCORPORATED

TWO WALL STREET
NEW YORK S. N. Y.

RECTOR 2-7231 NY-1045

CANNADIAN STOCKS

It is, therefore, all the more gratifying that the Ontario Min¬
ning Commission has been rather vividly realized in the Canadian silver industry during the post-war period. The Canadian Silver Mills Corporation, which is engaged in the production of silver and silver bullion, has recently received considerable publicity on this side of the bor¬
der. The Commission has made sweeping recommendations for the establishment of the mining public which undoubtedly will meet with the full approval of the Ontario Legislature, and will re¬
sult in the elimination of an un¬
desirable few who have resorted to the fraction of the industry in Canada.

With regard to the securities market, for the past week, there is very little to be said. The tone remains steady to firm but activ¬
ity was at a very low ebb.

Although the opening of the Sixth Victory Loan drive is still a few weeks off, the Canadian dealers are now almost entirely occupied with preliminary work.

The Market

Share trading has been quite active in recent days but investors should not reach any erroneous conclusion as to the type of market we have been having. By and large, the speculative activity has been in the lower priced speculative railroads and similar issues, investment stocks, to the contrary, have participated hardly at all in the market. With the strengthening of General Electric, Union Carbide, American Telephope and Telegraph and other issues of this group which have remained on the rise line, so to speak. We make this point because so many investors talk about the "current bull market in Wall Street." The market is not one to be a minnow or certainly a minnow-character have not been the high-liquidity kind of a market, as we have indicated, has been in the speculative low-priced category almost exclusively and this is a point, to put it mildly, not without significance.

This is not to say, of course, that one of these days the mar¬
ket may not become more well rounded and a rising price trend witnessed in the more conserva¬
tive investment type of stock. But if this does not occur in reason¬
able time, we would be inclined to adopt a rather conservative overall attitude toward equity prices—Ralph E. Samuel & Co.

Elliott & Co. Sells

Elliott Co. Preferred

Elliott & Co. announced March 29 that the offering of $50,000 of 3% cumulative preferred stock (par $50) of Elliott Co. has been subscribed and the books closed. The stock was formally offered March 28. Proceeds from the sale will be applied to the redemption of 1,458 shares of 7% cumulative preferred stock and 9,852 shares of 6% cumulative preferred stock, the balance of $1,000,000 co. to be applied to working capital.

The new preferred stock is convertible into common stock at $80 until April 1, 1949, at $20 for the next five years and at $22.50 for the next five years. It is redeem¬
able at $84 per share for five years and at 85 thereafter, and is sub¬
ject to an annual sinking fund, the entire amount of the sale to be applied to dividends on junior stocks.

According to the prospectus, the company is engaged in forming the operation of the preferred stock on the New York Curb Exchange.

This announcement is neither an offer to sell, nor a solicitation of offers to buy, any of this Preferred Stock. The offering is made only by the Prospectus.

25,507 Shares

The Champion Paper and Fibre Company

6% Cumulative Preferred Stock

(par value $100 per share)

Price $109 per share flat

CPI is a NewsBank service.

Goldman, Sachs & Co.

W. E. Hutton & Co.

March 29, 1944

Canadian Business Continues At High Level

The Bank of Montreal in its business summary dated March 22, states that "the past month has witnessed no material change in the general level of business op¬

Canadian Stock

Continued on the following page.

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Canadian Stock

Continued on the following page.
HOW CONSOLIDATED EDISON SPENT
THE MONEY YOU PAID IN 1943

A Wartime Report to Our Customers

WE MET VITAL WAR NEEDS—KEPT HOMES AND BUSINESS SUPPLIED
Thanks to pre-war planning and development, we were able last year to devote one-third of our electric output to war industries. Altogether, we produced additional services of electricity, gas, and steam to the value of more than $14,000,000 over the previous year.

WE EARNED LESS BECAUSE COSTS WERE UP. The necessity of employing all facilities to the utmost, plus inability to obtain new equipment, brought about large increases in the amount and cost of overhauling, repair work, and other maintenance operations.

A $66,000,000 TAX BILL. The amount of System taxes payable to local, state and federal governments—not including N. Y. City sales tax which we must collect from our customers—made a new high in 1943. These taxes represented 23.9¢ out of every dollar received.

141,321 STOCKHOLDERS. Net income was less, by more than one million dollars, than the year before, despite the fact that sales of our services were more than $14,000,000 higher. Net income is available for distribution among all stockholders, consisting of insurance companies, charitable, religious and other institutions, as well as individuals.

WE TOOK IN: In total revenue from sales of services and other sources $275,620,000 100.0%

HOW IT WAS SPENT
Wages, salaries and pensions to employees, chargeable to operations 69,376,000 25.2%
Taxes to governments 65,856,000 23.9%
Materials, supplies and services bought from others 62,719,000 22.7%
Depreciation of plant and equipment 28,865,000 10.5%
Total of above 226,816,000 82.3%
Interest on debt and other costs 18,446,000 6.7%
Dividends on preferred stock 10,913,000 4.0%
Dividends on common stock 1,091,000 0.4%
Surplus 1,091,000 0.4%
Income and outgo $275,620,000 100.0%

The sum of the first four items, $226,816,000, representing the operating costs of the year's business, amounted to 82.3% of the revenues. This left for the security holders, whose money made the enterprise possible, $48,804,000, an amount equivalent to less than 4% on the plant investment of over $1,250,000,000.

Support the RED CROSS War Fund

CONSOLIDATED EDISON
THE SOUTHERN NEW YORK GENERATING SYSTEM COMPANIES

New York & Subsidiary Journeys & Toronto Company

Westfield Light & Power Company

The Toronto Electric Light & Power Company

New York Water & Steam Corporation
Planned vs. Free Markets After War

By MORDECAI JOSEPH BELL ERIKSEN

crease in industrial production since 1940, with output now at levels that almost equal those of 1929. This is the result of a vast expansion of industrial capacity, and the increased efficiency of the production process in the United States. The expansion of industrial capacity has been accompanied by a similar expansion in the production of goods and services. In addition, the increased efficiency of the production process has led to a significant reduction in the cost of production, which has resulted in a lower price level. These factors have contributed to the rapid growth of the economy and have led to a substantial increase in the level of industrial production.

With respect to post-war markets, two extreme sets of ideas are already in the air. There are those who believe that the present system of free markets should be retained, and that the only problem is to ensure that it works more effectively. Others believe that the present system of free markets is fundamentally flawed, and that it should be replaced by a more efficient system of planning. The latter view holds that the only way to achieve a truly efficient allocation of resources is to have a centrally planned economy. This view is shared by a number of economists, including those who have been active in the development of the theories of socialism and communism.

There is a great deal of debate about the merits of the two systems. On the one hand, the free market system is seen as the best way to ensure that resources are allocated efficiently. On the other hand, the centrally planned economy is seen as the best way to ensure that everyone has access to the goods and services that they need. The debate is likely to continue for some time, as both systems have their advocates and their critics.

In the meantime, it is important to recognize that both systems have their advantages and disadvantages. The free market system is characterized by a high degree of competition, which tends to keep prices low and quality high. However, the free market system also tends to be inefficient, as it is not always possible to ensure that resources are allocated efficiently. The centrally planned economy, on the other hand, is characterized by a high degree of efficiency, but it is often criticized for being too bureaucratic and lacking in flexibility.

It is likely that the best solution will be a combination of the two systems. This would involve a system of planning that is flexible enough to allow for the efficient allocation of resources, but that is also flexible enough to allow for the needs of individuals to be taken into account. Such a system would require a great deal of effort and cooperation, but it is likely to be the best way to ensure that the economy is run in a way that is both efficient and fair.

The debate about the merits of the two systems is likely to continue for some time, as both systems have their advocates and their critics. However, it is important to recognize that both systems have their advantages and disadvantages, and that the best solution will likely be a combination of the two systems.
This Is America

(Continued from First Page)

The idea that the fountain of the
many new mills may be de-

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Man With An Idea

The significance of his story is that a

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Thrift Practice Education By
Savings & Loan Associations

By GEO. M. EASON

Postwar planning is the vogue for municipalities, civic groups and
many other organizations having an eye on the future but in
the industry as a whole and to simultaneously make a contribution of
managers of many savings and
loan associations in California have
taken an active interest in the
Savings & Loan
Institute.

The purpose is to
develop knowledgeable and
sensible home owners and
in the housing market in the
months of planning so they
may be able to get a better home for
their money, in essence a post
war planning program. It takes
the form of a series of articles
arranged usually by the Adult
Education

The California Savings & Loan
Association has been closely
in the development of the schools
in the particular city, in coopera
tion with individuals and concerns
allied with home building and
financing. The first to get under
way was in Pomona and much
interest is given for its success to
Fred B. Palmer, President of the
Pomona First Federal Savings and
Loan, and Vice-Presi
dent of the State trade organiza
tion. He has explained the
organization and procedure by re
membering the groups in many other

N. Y. Analysts To Hear

On Friday, March 31, William
Prescott Waits of Stroud & Co.
will address the New York Society
of Security Analysts, Inc. on the
Growth Factor in Railroad
Analysts and Changing Trends in Traf
fic.

The meeting will be held at 56
Broad Street, New York, City, at
11:30 A.M.

The Society announces that
there will be forums during the
first week of April.

George M. Eason

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California Savings & Loan League Holds Midwinter Conference


E. L. Barnett


An Institution In

COMMUNITY FEDERAL

- Insured by the Federal Deposit Insurance Corporation
- Sound management with an enviable record over years
- Stable lending area in the East Bay
- Insurance of accounts
- Correspondence invited

COMMUNITY FEDERAL SAVINGS & LOAN ASSOCIATION
1025 Shattuck Avenue
Berkeley, California

INSTITUTIONAL FUNDS INVITED

Since 1905, at least 55% of mutual has paid 5% or more. At all times, all investments have been paid on demand at par — $100. Investments to $10,000 invited. Current yield 5%. Resources $6,715,512.00

MUTUAL OF PASADENA

315 East Colorado Street
Pasadena, California

Purchases of War Bonds by California Savings & Loan Associations Mount

Make Record Sales Of War Bonds To Public, Too

By HUGH H. EVANS

Savings and loan associations in California began the year 1944 with a record of $30,318,000 in sales of War Bonds to the public and purchases of government wartime securities for their own accounts.

While all the reports have not yet been completed, California institutions have purchased so far during the Fourth War Loan drive an additional $17,575,000 for their own account.

During the same Fourth War Loan drive savings and loan associations sold to their members and the public more than $8,000,000, and through the efforts of the officers and employees made additional sales to the public in the amount of approximately $4-500,000, making a total participation in the Fourth War Loan drive of almost $30,000,000.

While the figures are not complete, it is safe to say that more than 12% of the assets of all savings and loan associations in California are now invested in Government bonds.

SAFELY SINCE 1890

In its 54-year history, this Association has never failed to pay a semi-annual dividend.

EUREKA

Federal Savings and Loan Association
685 Market St.
San Francisco

TRUSTEES, EXECUTORS, CORPORATIONS, INDIVIDUALS AND OTHERS are invited to invest here.

- FEDERAL INSURANCE UP TO $500,000
- HIGHER INCOME

SAN FRANCISCO FEDERAL SAVINGS AND LOAN ASSOCIATION
Chartered and supervised by the U. S. Government

DIVERSIFY FOR MORE INCOME

3% Current Rate

SAFELY

FEDERALLY INSURED TO $5,000

Mail inquiries invited

One of the West’s largest Federal associations.

ASSETS OVER $12,000,000

EDWARD A. DICKSON, President

SIXTH AND HILL • MADISON 2436

San Diego Federal Savings and Loan Association
1027 Sixth Ave.
San Diego, Calif.

INSTITUTIONAL FUNDS INVITED

Since 1905, at least 55% of mutual has paid 5% or more. At all times, all investments have been paid on demand at par — $100. Investments to $10,000 invited. Current yield 5%. Resources $6,715,512.00

MUTUAL OF PASADENA

315 East Colorado Street
Pasadena, California

JULY 1944

Uninterrupted Dividends

* Insured Safety

Southern California’s
OLDEST, SAN DIEGO’S
LARGEST ASSOCIATION

2 LOAN
San Diego Federal Savings and Loan Association
San Diego, Calif.
## ACCOUNTANTS' OPINION

To the Board of Directors and Stockholders of The United States Steel Corporation:

We have in our examination of the consolidated balance sheet of The United States Steel Corporation and its subsidiaries at December 31, 1943, and of the related statements of profit and loss, and retained earnings, found them to be presented in accordance with generally accepted auditing standards applicable in the U.S. environment and included such tests of the accounting records and other supporting evidence and such other procedures as we considered necessary.

In our opinion, the accompanying consolidated balance sheet and related statements of profit and loss and retained earnings present fairly the position of the consolidated enterprise and the changes in its net assets for the year ended December 31, 1943, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

PRATT, WATROUS & CO.
80 Pine Street, New York 5, N.Y.

February 23, 1944
The preceding incomplete table for the year ended December 31, 1943, is set forth in detail below:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Revenue</td>
<td>$5,977,705</td>
</tr>
<tr>
<td>Interest expense</td>
<td>$491,317</td>
</tr>
<tr>
<td>Dividends declared</td>
<td>$564,070</td>
</tr>
<tr>
<td>Net earnings</td>
<td>$4,919,318</td>
</tr>
<tr>
<td>Freight train load</td>
<td>$3,350,905</td>
</tr>
<tr>
<td>Freight train charge</td>
<td>$2,894,905</td>
</tr>
<tr>
<td>Maintenance of property</td>
<td>$294,153</td>
</tr>
<tr>
<td>Profit and Loss Account</td>
<td>$2,141,286</td>
</tr>
<tr>
<td>Balance to Profit and Loss Account</td>
<td>$2,141,286</td>
</tr>
</tbody>
</table>

The comparative results of railway operations were as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Gross Earnings</th>
<th>Freight Earnings</th>
<th>Expenses</th>
<th>Net Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>1943</td>
<td>$2,141,286</td>
<td>$1,341,298</td>
<td>$800,000</td>
<td>$321,298</td>
</tr>
<tr>
<td>1942</td>
<td>$2,350,905</td>
<td>$1,564,070</td>
<td>$990,000</td>
<td>$370,835</td>
</tr>
</tbody>
</table>

The net earnings of the Company were $321,298, or 13.7% greater in 1943, than in 1942, in a year in which the earnings had reached their highest level. In each quarter of 1943 the earnings were higher than in the corresponding quarter of any previous year in the Company's history.

The principal causes of this increase in earnings were the following:

1. **Excess Freight Earnings.** Despite the imposition of the Dominion's industrial labor, the enlarged volume and increased rate of freight shipments indicated a new high for the fiscal year in the Company's history. The Company's earnings were $2,141,286, as compared with $1,341,298 in 1942, an increase of $799,988. This increase was due to the following factors:
   - Increased traffic on the main line, which was 24% more than in 1942.
   - Increased rates on the main line, which were 5% higher than in 1942.
   - Increased rates on the subsidiary lines, which were 10% higher than in 1942.

2. **Depreciation Reserve.** The depreciation reserve was increased by $732,240, or $30 per share, compared with $25 per share in 1942. The increase was due to the following factors:
   - The revised depreciation schedule, which was adopted in 1943.
   - The accelerated depreciation method, which was adopted in 1943.

3. **Maintenance of Property.** The maintenance of property was $294,153, as compared with $155,000 in 1942. The increase was due to the following factors:
   - Increased maintenance costs, which were 20% higher than in 1942.
   - Increased maintenance of plant, which was 10% higher than in 1942.

4. **Operating Expenses.** The operating expenses were $800,000, as compared with $990,000 in 1942. The decrease was due to the following factors:
   - Decreased labor costs, which were 10% lower than in 1942.
   - Decreased fuel costs, which were 20% lower than in 1942.

5. **Depreciation Reserve.** The depreciation reserve was increased by $732,240, or $30 per share, compared with $25 per share in 1942. The increase was due to the following factors:
   - The revised depreciation schedule, which was adopted in 1943.
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   - The accelerated depreciation method, which was adopted in 1943.

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    - Decreased labor costs, which were 10% lower than in 1942.
    - Decreased fuel costs, which were 20% lower than in 1942.
Pensions

Charges to working employees of your Company's pro-
portion of pension allowances, its contribution to the
Pension Trust Fund and levies in respect of
wages of retired employees received from your
Directors authorized an increase from $700,000 to
$2,027,000 during the period. The Pension
Trust Fund to assist in meeting the antici-
pated peak cost of period under the pension
The number of employees in the year was 761. After
allowing for deductions owing to death and
contingencies, the total number in the year on
the payroll at the end of the year was greater
than at any time.

Distribution of Wages as follows:

- **Under 60 years of age:** $317
- **60 to 64 years of age, inclusive:** $1,623
- **Over 70 years of age:** $1,005

Wage Negotiations

The representatives of all classes of employees affili-
ated with international organizations presented to the
Company a request for increases in basic rates of
pay sufficient to establish the same, or substantially
the same, rates of pay as those paid to
employees of United States railways.

Ownership

The $13,000,000 3% Convertible Collateral Trust
mortgages, maturing September 1, 1943, were
sold to the public on January 1, 1943, with
interest paid to the holders of the notes.

The total amount of all equipment as of March 1, 1943,
was $2,027,000, an increase of 17% over the previous year.

Transportation

The activities of the British Commonwealth
Air Training Plan involving your Air Observer
have been proceeding apace. May we extend to you
express thanks for your cooperation?

Other Activities

During the year, $356,300 principal amount of matured
but unredeemed Consolidated Debenture Stock to
the amount of $1,002,000 was
reduced and released.

On December 1, 1943, $4,750,000 principal amount
were approved by the Board of Directors at a
balance of this issue aggregating in principal amount
$4,550,000 with a corresponding reduction in current liabil-
ities.

On October 22, 1943, the First Mortgage Debenture
Bond was transferred to the estate of the
Company amounting to $273,700 matured and were paid.

The financial transactions referred to above resulted in
the following effects on the Company's financial state:

- Increase in cash and current assets of $327,700
- Reduction of short term debt of $1,002,000
- Reduction of long term debt of $2,027,000

During the war, the $1,500,000 4% Debt Stock was
released on January 1, 1943, with
the amount of $700,000 was released and cancelled.

On December 29, 1943, $1,000,000 principal amount
of the Consolidated Mining and Smelting Company of Canada,
Limited was released.

During the year, $356,300 principal amount of matured
but unredeemed Consolidated Debenture Stock to
the amount of $1,002,000 was
released and cancelled on March 10, 1943.

The Consolidated Mining and Smelting Company of Canada,
Limited reported a net income of $2,027,000 during the year.

The Taxable income for the year 1943 increased to
the year's balance on the same dates the notes retired. In
connection with the refunding, the Consolidated Mining and
Smelting Company of Canada approximately
the amount of $700,000 was released and cancelled.

The $356,300 principal amount of matured
but unredeemed Consolidated Debenture Stock to
the amount of $1,002,000 was
released and cancelled on March 10, 1943.

On December 1, 1943, $4,750,000 principal amount
were approved by the Board of Directors at a
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$4,550,000 with a corresponding reduction in current liabil-
ities.

On October 22, 1943, the First Mortgage Debenture
Bond was transferred to the estate of the
Company amounting to $273,700 matured and were paid.
and ordinary maintenance requirements, were produced at a cost which compares most favourably with results achieved by other contractors. Shop facilities from time to time have been improved by the addition of main line engines and tenders for friction, along with many other improvements for the service of the Army National Guard. Naval guns and munitions of various types were obtained from the government of the United States, and also these were produced under your authority.

The inspection of locomotives and rolling stock, which are being manufactured in Canada for the Indian State and government, are being done at the works, with the supervision of men of your force by your staff officers, under your direction.

Your experience and your knowledge of your purchasing department has been at the disposal of the Department of Railways and Canals of the Navy of the United States, and the Air Force since the outbreak of the war.

Your staffs of the Algoma Line were awarded the Air Medal for the service of the United States in the war.

The railway, the army, the air, and the war service have been a reflection of the pride and the service of the men and the women of the railway and the army.

The appeal and campaigns have proved to be of great interest to the American people, and the workers in various parts of the world.

Your efforts for which you are being rewarded are a reflection of the pride and the service of the men and the women of the railway and the army.

It was fitting that such a rare distinction should have fallen to the Chateau Frontenac in the year which marked the centenary of its opening in 1883.

In recognition of this unique event in its history, an entry was made in the Chateau Frontenac appears on the front cover of the report.

Reconstruction and Re-establishment

A good deal of attention is now being directed to the rehabilitation of the transportation system, and the development of new and untried natural resources, and the opportunity for a considerable increase in population to benefit by them, and to give ground for the assumption that it is possible to plan for an expanding economy in Canada. The war activities by your Company and by the Government were a full part in the post-war internal and external commerce of Canada, and the reconstruction of the railways and for the continuation of your force were prepared to plans and schedules of improvements for property to place it in a position to participate fully in the reconstruction of the Canadian people, and it is a panacea which may reasonably be anticipated to follow upon the reconstruction of the world. The raw materials, concerned solely with some improvements of expansion, are an important secondary prudent investments.

Your Directors believe that it will be wise to select for a programme of five to ten years which would, in addition, the rehabilitation of the transportation system, as a valuable stimulus to employment and business activity in the country.

Capital Expenditures

In accordance with the orders granted by His Majesty's Government in the United Kingdom, measures have been taken looking toward the replacement of some of the property of your Company to be carried out during the war, and for this purpose, in anticipation of the operations, with the approval of your Directors, subject to your confirmation, totalled $4,371,774, which $2,587,094 was for the purchase of $50 50-foott wood-lodges.

Your approval will also be requested for capital appropriations of $24,478,890 for the present year. The $8,250,000 is required for the payment of interest on replacements and improvements of structures in permanent form.

Amounts and betterments to stations, freight shops, main and warehouse facilities and engine house.

Station improvements are subject to your confirmation.

Personal accommodations.

Additional and betterments to stations.

Additional and betterments to rolling stock.

Additional and betterments to communication facilities.

The acquisition for new rolling stock and manufactures will provide for 20 locomotives, 20 branches, 10 Diesel switching locomotives, 2,196 freight units and 3 work units.

Montreal Liberal

To further order to serve the fruit-growing district in Southern British Columbia it is proposed to seek the authority of Parliament to extend the line of the Kelowna Valley Railway Company, which is leased to your Company, from Haynes to Osoyoos, a distance of approximately 30 miles, and such an extension will fall within the scope of the Railway Act of 1913.

Revision of Traffic By-Laws

In view of amendments to the Railway Act and changes in traffic conditions, it was deemed advisable that the traffic by-laws of your Company should be revised and your Directors have approved certain appropriate changes therein, involving the repeal of By-Law No 64, 78, 84 and 89 and the enactment in lieu thereof of By-Law No 99 containing Traffic Rules and Regulations of your Company, which will be submitted for your approval and confirmation.

Stock Holdings

The holdings of the Capital Stock of your Company at December 31 were as follows:

<table>
<thead>
<tr>
<th>Ordinary</th>
<th>Preference</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of Shares</td>
<td>No. of Shares</td>
<td>No. of Shares</td>
</tr>
<tr>
<td>-----</td>
<td>---------</td>
<td>---------</td>
</tr>
<tr>
<td>Canada</td>
<td>25,766</td>
<td>10,762</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>11,097</td>
<td>3,423</td>
</tr>
<tr>
<td>other British</td>
<td>11,097</td>
<td>3,423</td>
</tr>
<tr>
<td>United States</td>
<td>6,465</td>
<td>6,218</td>
</tr>
<tr>
<td>Other Countries</td>
<td>5,863</td>
<td>7,316</td>
</tr>
</tbody>
</table>

Changes in Directors

It is with deep regret that your Directors record the loss by death during the year of two members of the Board, Sir Edward Worthington GBE, of Montreal, Chairman of the Company, in March, and the Rt. Hon. Reginald McKenna, P.C., of London, in September.

Fitting tributes were paid to the outstanding services rendered by Sir Edward to your Company and to the Dominion of Canada, and the loss during the year which passed by their presence at their meetings held in April, 1945, and also by the President and the Shareholders as incorporated in the Report of the Proceedings of the Annual General Meeting held in the Chateau Frontenac in the following month.

The Rt. Hon. Reginald McKenna, P.C., was appointed a Director in 1928. During his association as a member of the Board resident in London, Mr. McKenna gave counsel and rendered service of the highest value to your Company and to the Dominion of Canada. He occupied a distinguished position in public affairs, and he will be regarded as a great Imperial statesman who showed the noble qualities of leadership when the safety and freedom of all men were in dire peril.

Mr. George W. Spencey, C.M.G., was appointed a Director by Mr. Alphonse H. Layard, M.P., was appointed a member of the Executive Committee to fill the vacancies caused by the death of Sir Edward Worthington Beatty.

Reliring Directors

The undermentioned Directors will retire from office at the approaching annual meeting. They are eligible for re-election.

Mr. D. C. Coleman
Hon. Charles A. Dunn, P.C.
Mr. R. S. McLaughlin
Sir John A. Macdonald, G.C.V.O.

Officers and Employees

The officers and employees of your Company in all branches of its service have evinced their keen appreciation of the vital importance of transportation to the war effort of the United Nations, and your Directors gratefully acknowledge the competence and fidelity with which they have met the heavy demands of the past year. The reparation, during the year, of several of your employees who had been injured in France, and the present affluence of money, is a matter of deep regret that 377 of your employees have lost their lives in the cause of justice.

For the Directors, D. C. COLEMAN, President.

Montreal, March 15, 1945.

Canadian Pacific Railway Company

General Balance Sheet December 31, 1944

Assets

Property, Plant and Equipment

Railway, rolling stock and rolling stock

$20,419,425

Improvements on Leased Property

$16,813

Stocks and Bonds—Leased Railway

120,093

Stocks, Bonds, and Debentures

367,971

Cash, Bank, Commercial and Miscellaneous

301,872

Current Assets

$1,170,702

Securities and Loans—Controlled Companies

$8,402,723

Advances to Controlled and Other Companies

22,642

Mortgages Collateral and Advances to

$2,273,693

Deferred Payments on Lands and Tenancies

31,821

Dundie Lands and Other Properties

20,083

Mortgage Fund

3,325,000

Insurance Policies

10,397

Investment Fund

47,686

$374,517

Current Liabilities

Material and Supplies

$20,670

Account, Condemnations and Accruals

14,095,132

Accrued Salaries and Wages

19,158,732

Canada of Debits

33,333

Cash

41,392

Unaccrued Debts

2,101,061

Unsecured Mortgage on Bonds

$1,110,811

Other Unaccrued Debts

2,939,124

$3,232,465

Capital Stock

$531,000

Preference Stock—4.5-Non-cumulative

37,256

$472,256

Perpetual 6% Consolidated Debenture Stock

$397,430

Lands, Leased as Government, lease

20,000

and equipment obligations

102,200

$295,632

Pension Debt

323,339

Less, Bond and other deposited with

$13,350

$1,739,956

Current Liabilities

Full Pay

$1,997,714

Availed Vouchers

16,408

Net

16,404

Miscellaneous Accounts Payable

2,396

Contractor's

1,829

Unemployed Contractors

2,397

Other Current Liabilities

21,034

$44,038

Deferred Liabilities

Commonwealth Employment Relief

$3,544

$1,739,956

Reserves and Unappropriated Credit

$1,634,173

$3,544

$55,620

Land Deposits

26,856

Pension and Depreciation Fund

26,856

$33,333

$1,150,605

Price, Waterhouse & Co.

Chartered Accountants

Montreal, March 10, 1944.
Gold Stocks

Russia learned to run a domestic economy entirely without gold coin. They had managed currency which provided a tight control of their internal basic prices and an increasing demand for even international trade, than under

Any one of these factors would, we think, have a significant, although

At the same time large economic units such as Germany and

reduce risks I cannot help believing that no investment account should be held without gold at this time. However, does not the gold stock have a meaning for the market place which is far more fundamental than any of the factors just

Now it was 36,000,000 oz., exceeded in 1931 by 41,000,000 oz. of which 15 country central banks held a corresponding amount in bullion. The total of all central banks in 1931, by the way, was 57,000,000 oz. or 36,000,000 oz. of which 15 country central banks held a total of 73,000,000 oz., but in 1932 the money of the world was completely blinded by the economic storm, and all we can expect it to continue to be.

The second favorable point is that the most powerful countries, England and America, and the richer states of the world, have a large stake in the price of gold, and they all sincerely understand that it is inevitable that they will, until quite possibly well into the 20th century, maintain the price of gold at a high level, and that it will be fixed by them in a manner, which will prevent any oscillation in its price.

These considerations, and the fact that the world's supply of gold is not likely to increase, suggest that the price of gold will remain stable at or near the current level.

Period Ozs. 1813-1850 2,000,000 1851-1890 10,000,000 1891-1910 182,000,000 1911-1920 200,000,000 1921-1930 340,000,000 1931-1940 370,000,000

In 1717 it was 30,000,000 oz. In 1813 it was 36,000,000 oz., exceeded in 1931 by 41,000,000 oz. of which 15 country central banks held a corresponding amount in bullion. The total of all central banks in 1931, by the way, was 57,000,000 oz. or 36,000,000 oz. of which 15 country central banks held a total of 73,000,000 oz., but in 1932 the money of the world was completely blinded by the economic storm, and all we can expect it to continue to be.

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These considerations, and the fact that the world's supply of gold is not likely to increase, suggest that the price of gold will remain stable at or near the current level.

The last word is gold for the future. In the last analysis, the price of gold is the result of a balance between the demand for and the supply of gold. The demand for gold is determined by the purchasing power of the world's commercial system, and the supply of gold is determined by the world's production of gold. The price of gold is therefore a measure of the purchasing power of the world's commercial system, and it is a measure of the world's production of gold.

In summary, the price of gold is a measure of the purchasing power of the world's commercial system, and it is a measure of the world's production of gold. The price of gold is therefore a measure of the purchasing power of the world's commercial system, and it is a measure of the world's production of gold.

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NasD Against Gleason

(Continued from page 1300)

the Committee's determination to support rallying prices. Nevertheless, Gleason was found guilty of the charge of unfair conduct.

In our view, the Business Conduct Committee, acting in the public interest, concluded that the 'inexperience' found by the NASD, the Business Conduct committees, sitting in a quasi-judicial capacity, are in the position of businessmen trying a competitive business also in the same circumstances, they are bound to find that the conduct of the one does not amount to a breach of fair procedure. In so doing, they must not in any way disregard the Committee's exercise of any right which their rules afford which simple justice demands, including the right to counsel. They should take every reasonable step necessary to assure a fair trial, and to see that the participants in the proceeding, in cases of this kind, where the Committee's decisions ought to be supported not by mere conjecture or supposition, but by articulated findings and a reasoned consideration of the relevant facts of the case.

On Warding on Complaint No. 29 was difficult in these respects, it was unjustifiably to obtain the same result.

Gleason's fundamental rights.

and further

The reason for such quar-

telry liquidation is found in the fact that few of us can view impartially anything we have an interest in. The holder of, say Steel, sees nothing but good for it. But let him sell the stock and his opinion will change. If it doesn't, then the stock still has a buy.

So much for the long-pull stuff. Now how can the theory be applied to shorter run indications?

First, a closer study of daily market fluctuations must be made. I try to do this by giving you the results rather than the method used. If, for example, I think a stock is going to go up, I then proceed to purchase but at the same time I limit its purchase to a specific level and range or attempt to come to an opinion that will last. There are times when I have been overcautious. If so, it is because I have a weekly column and has to anticipate many things that a daily follower of the tape can act upon almost immediately.

Last week, for example, the signals for a downturn were so strong that I sold some positions. I could change what looked like a down market to an up market. But no public, members of the exchange, could have known, independently, of the "Herald's" fundamental conclusions. Nevertheless, Gleason was found guilty of the charge of unfair conduct.

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The Securities Salesman's Corner

An Inexpensive And Effective Method Of Sending Out Mailings That Build Prestige

Be a little different—lift yourself out of the crowd—add a novel touch—dig a bit deeper and find a better way—that's what every salesman should do. His idea could create a wide and lasting impression on the right market the effect becomes cumulative. It's the only way to keep ahead of the game.

The other day a friend of ours was sitting by our radio and we were listening to the news. The announcer was giving the names of practically every city in the war zone which he mentioned. Our friend, who knew the correct pronunciation of the cities in question, turned to us and remarked that it was a waste of time to hear radio announcers manhã the pronunciation of foreign names. Then he said, "Look at New York. It is not pronounced the way the "Chronicle" does it, but in the articles of this nature which appear in our best knowledge, are not duplicated in any other publication.

Take last week's issue, for example: there were excellent articles on (1) The War Loan, (2) The National Biomethal, (4) Congress Must Encourage Venture Capital Out of Hiding, (5) Rules for Effective Real Property Planning, (6) Foreign Trade Finance, (7) Current panels on Estates, offices and articles on Real Estate, Public Utility, Railroad and Investment Trust Securities.

It is true. We reproduce a next folder, with your firm name, address, etc., at the top, and a line or two stating that it is your firm's policy to supply only the best, and that your firm's reputation is of prime importance. We can supply the form of any and all publication.

Now it is axiomatic that a firm is judged by the company it keeps, just as a man is judged with individuals. Why not use such an approach in your direct mail advertising? For instance, every week we send our weekly current panels of general economics, finance, and individual, industry analysis, regularly and always in the format of the "Chronicle," but it deserves the term.—in fact, the articles of this nature which appear in our best knowledge, are not duplicated in any other publication.

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Small Business And The Capital Markets Under NASD's 5% Rule

(Continued from page 1299)

getic men, and very meager capital to start with. But this is the way many small businesses start and grow into big businesses. And they are not likely to be priced well in the present time and before this rule stuck up its head the large dealers in the large centers were able to do business on a gross mark-up of much less than 5% and stand. The reasons are that volume and competition have driven this charge down, and the business has been ruled by competition for the most part in the larger centers. The more of the small business will go under no matter how well provided with capital.

But small business remains the backbone of business and employment. It is now classed as the largest employer of all people, a fact that will not be ignored by small units. Just how big and how important small business is must be somewhat indefinite. We know it is big and we know it is important. But how big and how important depends on what is included in small business.

One time back in the dark days of 1933 a survey was made of small business in a middle western town of about 50,000 people. This survey showed that out of more than 6,000 incorporated businesses only about a dozen were represented on the major securities markets. This represents something like 99 per cent of all the corporations of a telephone company, the power and light company, the gasoline companies, and the branches of a few chain stores and insurance companies. If these 12 companies were to sell securities. The local offices of these companies whose parent company securities were listed on the national securities exchanges did not employ many people, not any more than the average. They were kept in business by the fees from the few employees other than one office businesses of companies in the same occupations. The great majority of the local corporate offices that local people and these companies finished the jobs for the community. The chain and foreign office representative companies were there for what they could get and their employees in many instances did not stay long. There is no local community. The small corporations were dependent on local capital. The large companies or the branches of national companies that did supply capital to such small entities must be inclined to concentrate the relations and make the volume of their transactions as small as possible. They did not know how half of the people in this country live in. In conclusion the legal rule for capital issued by the NASD's 5% mark-up rule should be investigated.

4. No dealer should be required to be a member of an association or abide by the rules of an association which are wholly inconsistent with his needs. As things stand now a dealer is compelled to join the NASD since the Association has been chartered by the Maloney Act, that for a bank with giving discounts (wholesale prices) to non-members. Since the largest firms in the business collaborated in the formation of the NASD the small dealers had to join in order to do business. They should not be required to join these organizations.

5. Without delay Congress should take up the Maloney Act and the Securities Act and define clearly their meaning in the light of what has developed and in terms of modern conditions.

War Bond Redemptions

In March Nearly 47% of Sales

With but one week remaining in the month, March war-bond redemptions were larger than those of any February in history. Nearly $218,000,000 more than $218,000,000 on March 1, 1944. This is the result of a continuing trend in March, that trend, which began nearly a month earlier, has continued to grow. As a result, there was a steady increase in March sales of $290,000,000 on March 27, 1944. This is the result of the recent increase in the prices of goods in the United States. The March total of cash in March (March 27) compared with December's $290,000,000, the previous record, and $184,000,000, the March total of cash in March (March 27) compared with December's $290,000,000, the previous record, and $184,000,000, the

The Business Man's Bookshelf

Food for Postwar Europe: How Millions More Shall Live—Food Research Institute, Stanford University, California—paper $0.00

Japan, Its Resources and Industries—Charles L. McNichols—Harper & Brothers, 40 East 33rd Street, New York City—paper $0.50 (publication date: April 10, 1944)

Miracles Ahead!—Norman V. Rockwell—The Macmillan Company, 60 Fifth Avenue, New York City—cloth $2.50 (publication date: April 11, 1944)

Mr. Tompkins Explores the World's Cities—The Macmillan Company, New York City—cloth $2.50

Passenger Transport in the United States 1938-1939—Llewellyn T. D. Sorrell and Harry A. Wheeler—The Macmillan Company, 60 Fifth Avenue, New York City—paper (publication date: 1944)

Selection of Suppliers—Harold H. Isenberg—Research and Relations Section, California Institute of Technology, Pasadena, Calif.—paper $1.00

Six New Things Coming After the War—The Business Bourse—50c. to New York City—in loose-leaf ring binder

Ten Years of Controlled Trade in South-Eastern Europe—N. M. von Gotsch—The Macmillan Company, 60 Fifth Avenue, New York City—cloth $2.00 (publication date: 1944)

V-V. V-Loans and Conversion—Financial—Industrial—Labor, the New York Times, New York City, New York City, 17 N.Y.—paper $1.00

Your Business and Post-War Readjustment—Levitt & Levy, James M. Barker and Guenter Baumgirt—University of Chicago Press, 5700 Ellis Ave., Chicago, Ill.—paper $1.50

Wartime Labor Relations—John H. Lown—National Public and Labor Relations Service Bureau, 400 Indiana Ave., Washington, D.C., 20001, New York City—11, New York City—paper $0.25

Colombia Bond Exchange

Offer Extended


Exchanges are being effected through National City Bank of New York, as agent. Copies of the exchange offer may be had from the Bank's Corporate Trust Department, New York City.

Situation Attractive

In the future, as the New York City, the Government is prepared to accept additional in the bonds, which the firm seems offers an interesting situation at the present time, and memorandums may be had upon request. From Housing & Community Development.
Dillon, Read Group Offers Two Issues of Michigan Consolidated

Dillon, Read & Co., headed a nation-wide syndicate of 68 bankers in the offering of two issues of Michigan Consolidated Railroad Co. bonds. The syndicate guaranteed the sale of $30,000,000 in mortgage bonds, 3½% series due 1960, at 100½; and preferred stock, and 4½% preferred cumulative preferred stock, par value $100 per share, at $105 per share. Proceeds from the sale of the bonds, which were sold in combination with the treasury bonds, will amount to an unprecedented $35,000,000 first mortgage bonds; 4½% series due 1943, $12,000,000 4½% series due 1945 to 1948, and 20,000,000 shares of 6% preferred stock of 19c par value.

The company is engaged in the purchase, distribution, and sale of natural gas in Detroit, Grand Rapids, Muskegon, Ann Arbor, Mt. Pleasant, Greenville and Big Rapids, and certain adjacent territory, and is engaged in the production, distribution, and sale of manufactured gas in the city of Detroit. The company also owns a small number of trackage rights, and has gas rights on lands in west central Michigan. Its business is conducted entirely within the state of Michigan. The gas business was started in the city of Detroit before the company was incorporated. The company was organized in 1853. The properties in Grand Rapids, Muskegon and Ann Arbor were acquired in 1895, the properties in Muskegon and Grand Rapids were acquired in 1901, and the properties in Big Rapids in 1943.

Champion Paper & Fibre Shares Offered

Goldsmith, Sacks & Co., New York, have been selling, in a private transaction, 35,900 shares of The Champion Paper & Fibre Co. 5% cumulative preferred stock, $100 par value, at $105 per share. After the stock has been issued, all the 115,000 authorized shares of 5% preferred stock of the company will be outstanding.

Net proceeds from the financing of the new 19½% bond issue, with the exception of the amount required to purchase the $1,000,000 in common stock, will be used for the expansion of the company’s operations, and for the payment of maturing obligations. The new bond issue will increase the company’s capitalization by $25,000,000 in the market, and will be used for the purchase of additional lands, equipment, and other improvements.

Tampa Electric Interesting

Tampa Electric Co., Florida, has been holding a keen interest in the city of Tampa Electric Co. The company’s interest may be had by the firm upon request.

DIVIDEND NOTICE

DIVIDEND NOTICE

DillROW, Read & Company

Elective Bond and Share Company

$6 and $5 Preferred Stock Dividends

The Board of Directors of the Company has declared a dividend of $6 per share on the $90 Preferred stock and $5 per share on the $25 Preferred stock, payable on May 15, 1945, to the record holders of said stock as of the close of business on April 23, 1945.

L. R. WIGGINS, Treasurer.

Jules S. Bache Dies, Prominent Financier

Jules Simon Bache, internationally known financier and industrialist, died at his winter home in Palm Beach, Fla., March 15, after a brief illness. He was eighty-two years old.

A native of New York City, Mr. Bache after receiving an education in America and Germany, worked for a time in the office of his father, a plate glass manufacturer. At the age of twenty he became cashier of Leopold Cohen & Co., bankers. Eleven years later he became head of the firm and the name was changed to J. S. Bache & Co. and added to the firm members in most of the stock and commodity exchanges in the country.

After Mr. Bache’s entry into business, he was a director of the New York Stock Exchange, and became a director of the American Stock Exchange.

He assisted in the reorganization of the Transportation & Industrial Mortgage Co., and was president of the company and Glucose Sugar Refining Company, and was an officer or director of several large industrial and other concerns.

Well-known all over the arts, in 1907 he gave his collection to the State of New York, which collection, conservatively valued at $12,000,000, was turned over to the Metropolitan Museum of Art as a permanent exhibit last year. In addition Mr. Bache gave to the State his residence at 814 Fifth Avenue.

N. Y. Cent. Offers Interest's Speculative Possibilities

The New York Central Railroad Company issued a new bond and common stock offering suggestive speculative possibilities and an interesting appeal to central's shareholders, investors. The New York Central & Hudson River Railroad Company is issuing 4½% bonds due 1944 Wall Street, New York City. Copies of this study, which contains special reference to conditions, financial position, earnings, and other data, may be had from Bair & Company upon request.

FINANCIAL NOTICE

Dividend Notice

To the Holders of

Republic of Colombia

6% Externally Sinking Fund Gold Bonds

Dated July 1, 1911, Dated January 1, 1911, 6% Externally Sinking Fund Gold Bonds of 1928 Dated April 1, 1928, Dated October 1, 1931, and the apportionment coupons designated in the offer and Convertible Certificates for 3% Externally Sinking Fund Dollar Bonds of 1970.

NOTICE OF EXTENSION

The time within which the offer, due May 1, 1941, to exchange the above Bonds and the apportionment coupons for Republic of Colombia Externally Sinking Fund Gold Bonds of 1970, may be accepted is hereby extended from April 1, 1941 to December 31, 1941.

The period for exchange of Convertible Certificates for 3% Externally Sinking Fund Dollar Bonds of the Republic due October 1, 1931, on the face value of $600 is extended from April 1, 1941 to December 31, 1941.

Copies of the above Bonds and Convertible Certificates may be had upon application to the Exchange Agent, The National City Bank of New York, Corporate Trust Department, 20 Exchange Place, New York, N. Y.

REPUBLIC OF COLOMBIA

By Gabriel Turbay

Ambassador Extraordinary and Plenipotentiary of the Republic of Colombia in the United States of America.

March 23, 1944.


Progress Toward International Economic Cooperation

(Continued from page 328)

For the longer pull, much more progress toward international economic cooperation is needed. The proposed United Nations Economic Cooperation Administration would be helpful in many ways, but this cooperation should be beneficial in many other respects as well.

Cooperation in the economic fields is in urgent need. First, the oil of helping to provide a counter to the so-called free enterprise system, the cooperative movement should be more active and more cooperative with other cooperative movements. Second, it is in the economic interests of all nations to work together to develop a world economy. We cannot afford to continue to follow the course of self-sufficiency, isolation, and nationalism that we have followed in recent years. The world needs a world economy, and we cannot afford to continue to follow the course of isolation, nationalism, and self-sufficiency.

The key to international economic cooperation is the development of a world economy. We need a world economy that is based on mutual cooperation and mutual benefit. We need a world economy that is based on the principles of free trade, free competition, and free enterprise. We need a world economy that is based on the principles of cooperation and mutual benefit.

The development of a world economy will require a great deal of effort and cooperation. It will require a great deal of sacrifice and sacrifice. It will require a great deal of patience and patience. It will require a great deal of determination and determination. It will require a great deal of courage and courage. It will require a great deal of faith and faith.

But we cannot afford to continue to follow the course of isolation, nationalism, and self-sufficiency. We must work together to develop a world economy. We must work together to develop a world economy that is based on mutual cooperation and mutual benefit. We must work together to develop a world economy that is based on the principles of free trade, free competition, and free enterprise. We must work together to develop a world economy that is based on the principles of cooperation and mutual benefit.

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**Top Stories**

**Federal Reserve Bank of St. Louis**

**OFFERINGS**

**CHAMPION PAPER & FIBER CO.—3,600 shares of preferred stock at par ($100). Proceeds will be used for general corporate purposes; the company's dividend is $105.**

**Pflueger Co.—2,000 shares of 4% cumulative preferred stock (par $100). Proceeds will be used for working capital and other purposes.**

**Pflueger Co.—19,800 shares of common stock (par $10). Proceeds will be used for general corporate purposes.**

**NEW FILINGS**

**List of issues whose registration statements have been declared effective within the past 30 days.**

**SUNDAY, APRIL 11**

**MONDAY, APRIL 12**

**TUESDAY, APRIL 13**

**NEW YORK BOND &藝術 GEORGE MANNING, President & CEO, 2,100 shares of common stock. Proceeds will be used to purchase additional shares of firm stock.**

**NEW YORK BOND & ARTS GEORGE MANNING, President & CEO, 2,100 shares of common stock. Proceeds will be used to purchase additional shares of firm stock.**

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Chester Bowles Favours Early End Of Price and Rationing Controls

(Continued from First Page)

when this will be, of course, will depend on developments which cannot be exactly appraised. But as I read some opinions on the subject, I am inclined to think that my own view is more optimistic than that of most others.

It is generally agreed that the inflationary pressures of the first World War remain above the peak after that conflict was over. Commodities in price, for example, continued to rise until the summer of 1920, nearly two years after hostilities had ceased. This indicates that the Federal Reserve Board's system will be called upon to furnish between $20,000,000,000 and $60,000,000,000 in new credits for industry, which is far more than the Federal Reserve Board's system was required to furnish during the depression of 1920-21.

The basis for this development was the lack of adequate expansion of the banking system. Our industrial production and bank reserves have been steadily increasing since 1924, while the amount of bank reserves has been inadequate to meet the expanding needs of industry.

This procedure should be smooth if, as seems likely, the American people will be willing to pay with the rich capital and the world war with Japan and at different times. We should also provide for the continuation of this control, even if it means the production of goods and services, but also to continue the control, even if it means the production of goods and services, in the same way as we have in the past. This is the only way to keep the prices at a level which is not too high for the people to pay the full amount of their production.

On a general account, I should like to express the view that the use of this system is necessary to bring about the proper amount of production and prices to the people of the United States. On a national account, I should say that this system is necessary to prevent the people from paying too much for their production and services.

In closing, let me emphasize once again that there is no group of people in the country who are quite as anxious as those who work for G.P.A. to carry these responsibilities. We work long hours under heavy and conflicting pressures. In these few instances where conditions have made it possible to discontinue a control program, such as coffee rationing, we have unhesitatingly done so. We will also welcome the day when we will be able to bring into balance, permitting removal of price and rationing controls wherever they existed. However, in a peace basis in heavy industries can hardly be immediate. Retrofitting plans for the manufacture of automobiles, refrigerators and household equipment other than guns, tanks and planes will take perhaps three to six years to carry through the reverse procedure in 1940-42.

But, as outlined, we have already begun to lay plans to carry out reconversion, plans which will take perhaps three to six years to carry through the reverse procedure in 1940-42.

In addition, our manufacturing capacity is much greater than that which we have at present, with about 20 billion dollars worth of productive capacity under control. A reasonable balance between supply and demand in the reconversion of our manufactures can still be well for the people. However, we must be prepared to pay the cost of this reconversion, or only a portion of these plants to peace-time output.

From another standpoint, in most instances the original maker of consumer durable goods products, vacuum cleaners, refrigerators, automobiles, etc., has final control over the reconversion of his product. In most cases this control has the power to control the production which his product passes to the consumer. In addition, our controls in this field during the reconversion period of a war period may be of a greatly simplified type.

In conclusion, I shall probably have to retain price and rationing controls until a sufficient surrender of Germany as the first European surrender can be gathered. In closing, let me emphasize once again that there is no group of people in the country who are quite as anxious as those who work for G.P.A. to carry these responsibilities.

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INDEX

Bank and Insurance Stocks... 1300
Broker-Dealer Pended Items... 1300
Calumet of New Security Flotation 1127
Common of New Security Flotation 1127
Fund Shares... 1300
Fund Shares... 1300
Mutual Funds... 1300
Mutual Funds... 1300
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