GOP United For Victory: Bricker

In a letter addressed to the Editor of the "Chronicle" under date of July 5, Gov. John W. Bricker of Ohio, Vice-Presidential candidate on the Republican ticket, wrote as follows: "The Re-
pubic an party, as the result of the convention in Chicago, is com-
pletely united and Republicans everywhere are deter-
mined that the ticket selected there can and will defeat the New Deal this Fall. I am very happy to have been selected as the running mate of Governor Dewey. He has proven himself to be outstanding Governor of the State of New York, and he will lead in a fighting, aggressive and constructive cam-
paign. There are many important is-

sues confronting the people of America. I am a Pal. Governor Dewey and I, during the months to come, head, will carry the campaign to the far corners of this country."
Post-War Employment

FRANK D. GRAHAM

Professor of Economics, Princeton University

Holdings That Full Employment Is an Institutional Problem, Dr. Graham Proposes A Monetary Authority
Powers To Issue Currency In Buying And Selling “Composite Units” Of Commodities To Eliminate “Frozen” Inventories And Increasing The Public’s Supply Of Purchasing Power—Says Plan Would Stabilize National Economy At A High Production Level And Prevent Cyclical Variations—Outlines A Scheme For A Federal Commodities Corporation

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The COMMERCIAL & FINANCIAL CHRONICLE

Volume 160 Number 4298

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“The 5% Rule Is, In Law

And In Fact, A Rule”

Frank J. Maguire, Attorney For S. C. Parker & Co. Of

Buffalo, N. Y. Submits Brief To SEC Holding That

NASDAQ’s Distinction Between “Interpretation” And “Rule” Is An “Obvious Attempt At Circumvention”

Maintaining That A Fine For The

Very Men Who Are Improving The Reputation And The

Standing Of The Over-Counter Business

Frank J. Maguire of Albright, Maguire & Mills, Attorneys, Buff-

alo, N. Y. has filed a brief on behalf of the investment banking firm of S. Parker & Co., of Buf-

falo, N. Y., in the petition now pending before the Securities and Exchange Commission for an order nullifying and revoking the 5% rule of the NASD. The a

argument and contentions thereafter follow in full:

The Issue

The petition hereinbefore referred to raised a number of issues having to do both with the subject rule and, in the main, with the manner of its adoption.

The petitioners never raised the point that it is not a rule at all, but that in the scope of the hearing on June 13, 1943, the Commission, in its order of June 1, 1944, ordered that the hearing be held on the question of whether the aforesaid letters of Oct. 28 and Nov. 9, 1943 constitute a rule or rules and, if so, what the Commission should do.

Carrying Water On Both Shoulders

NASDAQ Directs Enforcement Of 5% Policy, At The Same Time Claiming The Interpretation Is Optional With District Business Conduct Committees

Readers will recall our having directed attention to the attitude of the National Association of Securities Dealers in the proceedings now pending before the Securities and Exchange Commission to determine whether the 5% philosophy is a rule and, if so, what the Commission will do about it.

During the course of the hearing on June 13, 1943, three opponents of the instant conduct of the NASD argued that the 5% must be a rule and, in effect, that no argument was presented by any one to support the existing 5% yardstick.

Clearly the Association was within its rights if it chose not to make any presentation and stopped there. However, at the close of the hearing, counsel for the NASD applied for leave, not to argue a brief, but to file a reply brief. In other words, the NASD applied for leave to reply in the whole case, subject being opposed by the lawyers for the Securities Dealers Ass’n.

(Continued on page 186)
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Post-War Municipal Finance
In The National Economy

By Walter H. Heller

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816 Broadway, New York, N.Y.
Post-City Hall Station  P 30

The problem of post-war municipal finance might be discussed in any one of a number of settings. For example, it might be examined in relation to the general level of local services or of a specific service like schooling or redevelop¬ment. It might be considered in terms of overall planning and urban redevelop¬ment. Or one might explore municipal finance in terms of its mainstay, the property tax.

But the American Planning and Civic Association — recognizing how lightly the local economy is interwoven with the national economy — has asked for a discussion of post-war municipal finance in the broad setting of the national economy. And, that, seems clear, in a realistic setting. The municipal governments cannot "live alone and go it alone." They draw on the entire national economy for their support and their responsibilities are far beyond their own borders. Healthy municipal finance demands a healthy national economy. Efficient municipal finance demands coordination of local, State, and Federal fiscal systems. And, in turn, a sound national economy demands the harmonization of municipal, State, and Fed¬eral finance.

In the broad view we probe into any one of the fields of taxation, public housing, and government expenditure, it becomes evident that the fiscal systems of our three governments lack harmony and are badly in need of coordination.

Conflicting Taxation
Probably the most obvious un¬coordination that exists is in the field of taxes. Here we find out the

Continued on page 192

Bruce Seddon Now With
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ST. LOUIS, MO.—Bruce Seddon has become associated with Newhard, Cook & Co., 447 Court and 447 Clay Streets, members of the New York and St. Louis Stock Exchanges. Mr. Seddon, a member of the St. Louis Exchange, was formerly President of Seddon, Morfit & Harvey, Inc.

C. W. Wright Joins Staff
Of Investors Syndicate

New in the Investors Syndicate is Springfield, Ill.—Clifford W. Wright has joined the staff of Investors Syndicate, Roanoke Building, Minneapolis, Minn., Mr. Wright was formerly with Ryan Nichols & Co. and Lowell Nielson & Co. and in the past conducted his own investment business in Springfield.

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Nat'l City Bank Holds Time Is Not
Ripe For Monetary Stabilization

Sees Need For Taking One Step At A Time In Making New Adjustments And For Setting Pressing Specific Problems First In A More Simple Manner

In the July issue of the "Monthly Bank Letter" of the National City Bank of New York, the view is expressed that the convening of the United Nations Monetary and Financial Conference at Bretton Woods, N. H., to formulate a general plan of international monetary stabilization is premature. In view of the diversity of views, moreover, and the fact that at any measurement fixed by the confer¬ence must be approved by the individual participants, there is not likely to be much accomplished toward setting up a comprehensive and satisfactory organization.

"All this points strongly to the conclusion," stated the Letter, "that the time is not ripe for the setting up of elaborate and de¬tailed mechanisms in this area. There is not yet sufficient real agreement on principles — the statement of the experts to the contrary notwithstanding — and the uncertainties that go with that are too great.

The authors of the note, however, do not mean to say that it is not in¬tended to cover the needs of the transition period before the close of the war, but looks to the period beyond when the international exchange relations will have been re-established.

But it is important to know how long that will take, or what the conditions will be. Naturally, England and the United States must be con¬siderate to make commitments for

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Tait Doubts Congress Will Pass Monetary Stabilization Plan

Senator Robert A. Tait on July 11 predicted that, approval by neither Senate or House would be made for any agreement for an international monetary stabilization fund, as a joint statement of experts, sent out by Secretary Morgenthau to the representatives of the other United Nations at the Bretton Woods Conference, was reported in a recent column of "Foreign Times" from Washington on July 11, which also said:

"The Senate is a little more in favor of an international stabilization fund than the House and would adopt a pact providing for consultations with other countries and would authorize the Secretary to use it. This stabilization fund is to be in part to stabilize foreign exchange, it would not be wise to attempt that."

In his statement, Senator Tait said:

"I have been asked by many correspondents for export to determine what the terms of the agreements for a monetary stabilization fund at Bretton Woods were to be, and whether the Senate will be able to approve by Congress. I can't answer the first of these questions because of the secrecy which surrounds the Bretton Woods conference, but I can say that in my opinion no agreement for an international stabilization fund on the terms of the joint original statement of the House and Senate would be acceptable, if approved by either the Senate or the House of Representatives."

The plan is carried out by the Secretary of the Treasury to the representatives of the other United Nations and they may naturally assume that it has the approval of the Government of the United States. It is most important that they realize that this is not the fact and that Congress is more likely than any other nation to approve the Secretary of the Treasury if the stabilization plan is approved.

"Of course everyone recognizes the desirability of stabilizing international exchange and without question that the United States cooperate with the other United Nations and form a permanent consulting body to study the problems of stabilization and national action. But very few approve of the plan of supporting the Monetary Fund or the plan for a United Nations. We are assured by every American expert outside of the Treasury has criticized these plans."

"I believe personally that the United States should make, or join in making, direct loans to foreign nations for reconstruction during the emergency period. The Republican platform in the last election expressed in a reasonable a point of view to liberalized country the goods necessary to revive their economic systems."

"The proper course would seem to be to develop a program with the British regarding the reduction of certain export commodities and then take up the other countries, one by one, and again assist them by direct credits, if necessary, until the situation is improved without loss."

"The proposed fund is not large enough to deal with the post-war difficulties. Further, the fund could be large enough. It is much larger than necessary to eliminate minor fluctuations after normal production is resumed and seems to be the solution of a sound financial basis. To set up an international exchange fund now is to put the cart before the horse. More important from the American standpoint, however, is the fact that nearly all the difficulties that the Bretton Woods Conference was set up to come from this country. They will be the most serious for the control of which is held by countries outside of the United States than others. It will not be long before all of our assets are gone in property and we will be left with weaker worthless currencies."

"The whole of the elaborate machinery seems to be designed to cover up the fact that our money is, in effect, to be loaned away by a board. In which case the only real hope is that some other one of the same thing is true of the United States. But really, it is the cost to this country of the two plants is quite insignificant when compared with dollars, with no assurance of need in dollars and that we will ever recover any part of our contributions."

"I do not think Congress will approve any plan which (1) places the United States in the position of dispensing by an international agency, or (2) requires our Government to regulate, repossess and control our foreign exchange in this country. This, and our own control of all international transactions, seems to be one of the assurances of the President, without approval of the Congress of the gold value of the dollar."

Wage Rate Rise Asked By Frankenstein

Richard T. Frankenstein, CIO automobile and aircraft union leader, on July 11 called for "inflationary" wage advance. He said that "the purchasing power which will move up. If our employment might drop by 3,000,000 by the year-end. This possibly disrupts dispatches from Washington on another plan is the approval of the New York Sun," which added:

"It is imperative from the economic point of view, in a rapid manner to give the leaders of the industries any shift, that a Senate military and labor leaders regarding their future jobs.

Mr. Frankenstein said "the continuing dispute" within the others in the automobile and automobile industry, among which the labor shortage indicates the resuming of civilian production after the development of any scheduled reactivation of a large scale war production which would take the place of war output."

"The CIO leader criticized the War Department for what he said was his claim that war production should return to civilian production, and said "the armed services' crises of the world that we are now in the past so often been found to be exaggerated."

With First Securities Co.

"(Special to The Financial Chronicle) CHICAGO, ILL.—Frank K. Ferri, president of the First Securities Company of Chicago, 165 South La Salle Street, Chicago 1, Illinois, has said that the member of the Chicago Stock Exchange. Mr. Ferri has been with the Government since 1933.
Metallic Money Or Managed Currency?

Rene Leon Condemns Managed Currency As a "Con-tinuous Process Which No Price System Can Withstand"—Urges The Pricing And The Protection Of The Precious Metals And Of The Exchanges By International Agreement, And Holds That Managed Currencies Foster Interna-tional Speculation And Strife.

"There is a tendency," says Rene Leon in a booklet just released, "to compromise with soundness by stressing the temporary character of a momentary advantage here and there, and by a tacit recognition of the value of the form in which the wealth is used in many parts of the world and minimized money, will have lost all value. In such a way the states shall win over all again an attempt at the part of the pro-
ponents of managed currency to foist their scheme upon the uninformed na-
mes. But if hindsight is an ad-
vice to forgive, bitter experience is to yield up profits; if human needs are to find satisfaction in the days to come, not one of them shall have none of it.

"We have heard," the argument that hard money is a relic of bar-
barism; but those who advocate the return to the use of precious met-
als are not indulging in fetishism — they are but seizing the real oppor-
tunity. All of them are convinced of the obvious limitations of the currency managers, who, as human beings, share the same impulsion to us all. But they are supported, at least, by the present day delegate nor bequest their con-
sciences.

"In the archives and museums we find beautiful samples of the engi-
neers, the silver, the gold, the well-
worthless Mark, Ruble and Lira points. Assignats, "Shihtzius" and what not, all executed on the orders of currency manipula-
tors. There also are to be found ancient coins of Sceatt, and Segato, Piloto, Douboun, Ogoss and Pieces of Eight, each with its historical in-
fluence. But is the similarity of the two events a complete coinci-
dence between them all, the coinci-
dence of the character and usefulness of gold and silver, which is why at-
taduct a line of thought. War, as a paper, by law, may be endorsed

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**Public Utility Securities**

City Services Company, which formerly carried its assets at book value, is now marking them down to around $861 million, in an effort to get out of the business before the SEC regulations go into effect. The company, which will continue to operate under written consent, will be sold for a total of $861 million, in an effort to get out of the business before the SEC regulations go into effect. The company, which will continue to operate under written consent, will be sold for a total of $861 million, in an effort to get out of the business before the SEC regulations go into effect. The company, which will continue to operate under written consent, will be sold for a total of $861 million, in an effort to get out of the business before the SEC regulations go into effect. The company, which will continue to operate under written consent, will be sold for a total of $861 million, in an effort to get out of the business before the SEC regulations go into effect.
Social Security in the Post-War Period

(Continued from first page)

and survivors benefits has been increased, and the minimum to $60 per month. Permanent disability benefits have been made non-taxable for beneficiaries who are receiving $1200 per year or less and are dependent persons. The actuarial value of the coverage for a dependent person has been increased to 3% of the average monthly covered earnings of the individual for the years in which he was employed.

The formula for determining benefits has been changed to take into account both the length of coverage and the earnings of the individual. The benefits are paid in a lump sum to the survivors of the deceased worker and in installments to dependents over a period of time.

The Social Security Act of 1935 was passed by Congress to provide a federal system of old-age, survivors, and disability insurance for wage earners and self-employed persons. The program was begun in 1936 and has been gradually expanded and improved since then. It is financed by taxes on wages and salaries, and the benefits are paid from a trust fund of workers' contributions.

The Social Security Act of 1939 provided for a federal-state program of unemployment insurance, which is financed by contributions from employers and employees. The benefits are paid to unemployed workers who have met certain eligibility requirements.

The Social Security Act of 1944 provided for a federal-state program of medical care for the aged, the blind, and the disabled. The program is financed by taxes on wages and salaries, and the benefits are paid to eligible individuals.

The Social Security Act of 1950 provided for a federal-state program of medical care for low-income families and children. The program is financed by taxes on wages and salaries, and the benefits are paid to eligible individuals.

The Social Security Act of 1965 provided for a federal-state program of medical care for the aged, the blind, and the disabled. The program is financed by taxes on wages and salaries, and the benefits are paid to eligible individuals.

The Social Security Act of 1972 provided for a federal-state program of medical care for low-income families and children. The program is financed by taxes on wages and salaries, and the benefits are paid to eligible individuals.

The Social Security Act of 1977 provided for a federal-state program of medical care for the aged, the blind, and the disabled. The program is financed by taxes on wages and salaries, and the benefits are paid to eligible individuals.

The Social Security Act of 1983 provided for a federal-state program of medical care for low-income families and children. The program is financed by taxes on wages and salaries, and the benefits are paid to eligible individuals.

The Social Security Act of 1990 provided for a federal-state program of medical care for the aged, the blind, and the disabled. The program is financed by taxes on wages and salaries, and the benefits are paid to eligible individuals.

The Social Security Act of 1997 provided for a federal-state program of medical care for low-income families and children. The program is financed by taxes on wages and salaries, and the benefits are paid to eligible individuals.

The Social Security Act of 2000 provided for a federal-state program of medical care for the aged, the blind, and the disabled. The program is financed by taxes on wages and salaries, and the benefits are paid to eligible individuals.

The Social Security Act of 2003 provided for a federal-state program of medical care for low-income families and children. The program is financed by taxes on wages and salaries, and the benefits are paid to eligible individuals.

The Social Security Act of 2006 provided for a federal-state program of medical care for the aged, the blind, and the disabled. The program is financed by taxes on wages and salaries, and the benefits are paid to eligible individuals.

The Social Security Act of 2009 provided for a federal-state program of medical care for low-income families and children. The program is financed by taxes on wages and salaries, and the benefits are paid to eligible individuals.

The Social Security Act of 2012 provided for a federal-state program of medical care for the aged, the blind, and the disabled. The program is financed by taxes on wages and salaries, and the benefits are paid to eligible individuals.

The Social Security Act of 2015 provided for a federal-state program of medical care for low-income families and children. The program is financed by taxes on wages and salaries, and the benefits are paid to eligible individuals.

The Social Security Act of 2018 provided for a federal-state program of medical care for the aged, the blind, and the disabled. The program is financed by taxes on wages and salaries, and the benefits are paid to eligible individuals.

The Social Security Act of 2021 provided for a federal-state program of medical care for low-income families and children. The program is financed by taxes on wages and salaries, and the benefits are paid to eligible individuals.

The Social Security Act of 2024 provided for a federal-state program of medical care for the aged, the blind, and the disabled. The program is financed by taxes on wages and salaries, and the benefits are paid to eligible individuals.

The Social Security Act of 2027 provided for a federal-state program of medical care for low-income families and children. The program is financed by taxes on wages and salaries, and the benefits are paid to eligible individuals.

The Social Security Act of 2030 provided for a federal-state program of medical care for the aged, the blind, and the disabled. The program is financed by taxes on wages and salaries, and the benefits are paid to eligible individuals.

The Social Security Act of 2033 provided for a federal-state program of medical care for low-income families and children. The program is financed by taxes on wages and salaries, and the benefits are paid to eligible individuals.

The Social Security Act of 2036 provided for a federal-state program of medical care for the aged, the blind, and the disabled. The program is financed by taxes on wages and salaries, and the benefits are paid to eligible individuals.

The Social Security Act of 2039 provided for a federal-state program of medical care for low-income families and children. The program is financed by taxes on wages and salaries, and the benefits are paid to eligible individuals.

The Social Security Act of 2042 provided for a federal-state program of medical care for the aged, the blind, and the disabled. The program is financed by taxes on wages and salaries, and the benefits are paid to eligible individuals.

The Social Security Act of 2045 provided for a federal-state program of medical care for low-income families and children. The program is financed by taxes on wages and salaries, and the benefits are paid to eligible individuals.

The Social Security Act of 2048 provided for a federal-state program of medical care for the aged, the blind, and the disabled. The program is financed by taxes on wages and salaries, and the benefits are paid to eligible individuals.

The Social Security Act of 2051 provided for a federal-state program of medical care for low-income families and children. The program is financed by taxes on wages and salaries, and the benefits are paid to eligible individuals.

The Social Security Act of 2054 provided for a federal-state program of medical care for the aged, the blind, and the disabled. The program is financed by taxes on wages and salaries, and the benefits are paid to eligible individuals.

The Social Security Act of 2057 provided for a federal-state program of medical care for low-income families and children. The program is financed by taxes on wages and salaries, and the benefits are paid to eligible individuals.

The Social Security Act of 2060 provided for a federal-state program of medical care for the aged, the blind, and the disabled. The program is financed by taxes on wages and salaries, and the benefits are paid to eligible individuals.

The Social Security Act of 2063 provided for a federal-state program of medical care for low-income families and children. The program is financed by taxes on wages and salaries, and the benefits are paid to eligible individuals.

The Social Security Act of 2066 provided for a federal-state program of medical care for the aged, the blind, and the disabled. The program is financed by taxes on wages and salaries, and the benefits are paid to eligible individuals.

The Social Security Act of 2069 provided for a federal-state program of medical care for low-income families and children. The program is financed by taxes on wages and salaries, and the benefits are paid to eligible individuals.

The Social Security Act of 2072 provided for a federal-state program of medical care for the aged, the blind, and the disabled. The program is financed by taxes on wages and salaries, and the benefits are paid to eligible individuals.

The Social Security Act of 2075 provided for a federal-state program of medical care for low-income families and children. The program is financed by taxes on wages and salaries, and the benefits are paid to eligible individuals.

The Social Security Act of 2078 provided for a federal-state program of medical care for the aged, the blind, and the disabled. The program is financed by taxes on wages and salaries, and the benefits are paid to eligible individuals.

The Social Security Act of 2081 provided for a federal-state program of medical care for low-income families and children. The program is financed by taxes on wages and salaries, and the benefits are paid to eligible individuals.

The Social Security Act of 2084 provided for a federal-state program of medical care for the aged, the blind, and the disabled. The program is financed by taxes on wages and salaries, and the benefits are paid to eligible individuals.

The Social Security Act of 2087 provided for a federal-state program of medical care for low-income families and children. The program is financed by taxes on wages and salaries, and the benefits are paid to eligible individuals.

The Social Security Act of 2090 provided for a federal-state program of medical care for the aged, the blind, and the disabled. The program is financed by taxes on wages and salaries, and the benefits are paid to eligible individuals.

The Social Security Act of 2093 provided for a federal-state program of medical care for low-income families and children. The program is financed by taxes on wages and salaries, and the benefits are paid to eligible individuals.

The Social Security Act of 2096 provided for a federal-state program of medical care for the aged, the blind, and the disabled. The program is financed by taxes on wages and salaries, and the benefits are paid to eligible individuals.

The Social Security Act of 2099 provided for a federal-state program of medical care for low-income families and children. The program is financed by taxes on wages and salaries, and the benefits are paid to eligible individuals.

The Social Security Act of 2002 provided for a federal-state program of medical care for the aged, the blind, and the disabled. The program is financed by taxes on wages and salaries, and the benefits are paid to eligible individuals.

The Social Security Act of 2005 provided for a federal-state program of medical care for low-income families and children. The program is financed by taxes on wages and salaries, and the benefits are paid to eligible individuals.

The Social Security Act of 2008 provided for a federal-state program of medical care for the aged, the blind, and the disabled. The program is financed by taxes on wages and salaries, and the benefits are paid to eligible individuals.

The Social Security Act of 2011 provided for a federal-state program of medical care for low-income families and children. The program is financed by taxes on wages and salaries, and the benefits are paid to eligible individuals.

The Social Security Act of 2014 provided for a federal-state program of medical care for the aged, the blind, and the disabled. The program is financed by taxes on wages and salaries, and the benefits are paid to eligible individuals.

The Social Security Act of 2017 provided for a federal-state program of medical care for low-income families and children. The program is financed by taxes on wages and salaries, and the benefits are paid to eligible individuals.

The Social Security Act of 2020 provided for a federal-state program of medical care for the aged, the blind, and the disabled. The program is financed by taxes on wages and salaries, and the benefits are paid to eligible individuals.

The Social Security Act of 2023 provided for a federal-state program of medical care for low-income families and children. The program is financed by taxes on wages and salaries, and the benefits are paid to eligible individuals.
**Chicagoland: Chicago Brevities**

Private financing activity has been practically at a standstill on La Salle Street during the past month as the financial community has plunged in to sell government obligations during the Fifth War Loan Drive.

Philip R. Clarke, president of the City National Bank and Trust Company of Chicago, who is chairman of the war finance committee in Chicago and Cook County, believes that private place of brokers' activity has played a greater part in this campaign than in earlier ones if Mr. Clarke created a new operational group known as the trade and public relations division, and formed a vital function in the drive.

The new division was headed by Jay N. Whipple of Bacon, Whipple and Company, and together with Mr. Clarke, forms a divisional vice里面有 the names of several companies involved in the financial sector, such as Edson Gould, Smith, Barney, & Company, and Son Of Ambassador Koo Also With Firm Edson Gould, for many years with Montgomery & Co., is now associated with Smith, Barney & Company, and is a member of the firm's research department. Mr. Gould was editor of Moody's Financial Survey, Moody's Bond Survey, and Moody's Advisory Reports, and in charge of a division devoted to economics, industry, and stock market research.

Freeman F.-Chang Koo, son of K. V. Wellington Koo, China's Ambassador to the Court of St. James, has also been associated with Smith, Barney & Co., where he will be prepared for himself in the investment and brokerage fields, and he will study his experience later on in China.

Mr. Koo was graduated magna cum laude from Harvard in 1937 with a Bachelor of Science degree, and this year was graduated from Columbia with a Master of Arts degree. His father, prior to being made China's Ambassador to Great Britain, was China's Minister to France; he received his college training in the United States.

**Chicagoland: Chicago Business in May At High Level**

With one exception, all principal lines of Chicago's business activity during May showed marked gains over the same period of a year ago. It is disclosed in the summary just completed by the Chicago Association of Commerce. For the year, the Index for total business activity gained 14.5% during May, compared with May of 1942.

Building construction again led in the increase of business for the month, the number of contracts awarded for new projects in Cook County rising 80.3% over the same month of last year.

Bank clearings which dropped slightly behind a month ago came back to the plus column with an increase of 4.1% over May, 1943.

Factory payroll were up 4.5% up with a slight tendency to drop in the number of persons employed. This Trend, in which it had fallen in retail, reached a peak in December and has been climbing since.

In the public utility field the trend has been stronger over the month, with an increase of 10.3% in electricity and natural gas, and a decrease of 2.9% in steam.

In the automobile business, there has been a marked increase in sales, with a gain of 3.4% in sales of new cars and a loss of 6.5% in used cars. The industry's estimate showed a 10.3% increase in sales of new cars and a 9.6% increase in sales of used cars for the month.

One of the most significant influences on the industry was the increase in the number of new cars coming through the Municipal Airport. With several of the lines again in possession of planes previously loaned to the military forces, in- and out-truck in order to bring in the increased volume of freight.

The opportunity for employment again had its effect upon the relief rolls. In the national of families in Cook County receivings on relief were dropped by all more than 10,000.

**Chicago Recommendations**

- The Board of Trade, 209 S. LaSalle St., Chicago 1, has prepared a comprehensive study of the post-war period and its earnings record and current comment on Chicago North Shore and Milwaukee Railroads, copies of which may be had from the firm upon request.

- Kitchen & Co., 135 S. LaSalle St., has issued a summary of the prospects of the Chicago Board of Trade, copies of which may be had from Mr. Kitchen & Co. upon request.

**Chicago Business in May At High Level**

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The Securities salesman’s Corner

Security Salesmanship 1940 Model

To those whose memory does back to the twenties, the chance for the better that has come about in the methods and procedures connected with the retailing of investment securities is almost too good to be true. It is no wonder, therefore, that the investment and brokerage industry is now fashioning the desired market break through, with the approval of the favorable opinions held by the public which have so long justified its existence.

A great change in the attitude of the individual salesman toward his client has taken place. It is no longer considered good salesmanship, or good business, to treat them as if they knew nothing about what they wanted to whom a sale can be made. This type of operator went out of business many years ago. The man who knew the market, the man who was let alone to do business continuously year in and year out. This means that he must do a constructive, all-around investment service. To deal with the customer’s sales the specific needs of the client—solving a specific security problem is only the means to this end.

There are still a minority of salesmen who are active in the security business whose methods and results with their new trend and the times. Their minds are still operating in the same old groove, as in the past, even though they managed to keep sufficiently active and make enough sales to meet their expenses but it is always a struggle. They can do a better job in this respect if they are trained upon properly constructed investment advice does not underlie their efforts.

Based upon the experience of successful salesmen who are using today’s methods we would suggest to those who are still trying to sell a security and who would like to break out of the rut, that the first thing to do is to acquire the proper attitude toward the business. The confidence and encouragement that will make the habit of many years standing unless the basic roots of such habits are completely eliminated and new ideas and methods firmly put in their place.

Instead of setting out to sell a security to the same old group of clients and prospects try a NEW FIRST CALL! Call upon a new group of prospects entirely. Don’t try to sell anything like MALLING. We would like to have YOU AND YOUR FIRM that their investment problems will be taken care of WITH A MINIMUM OF TIME AND TROUBLE ON THEIR PART.

This has led to the practice of giving a free service, and we completely forget old customers during such a campaign. It can be turned into a sale and a quick sale by the proper kind of early action and the right kind of personal follow-up. But those new accounts should be approached as we have outlined.

The salesmen during a week devoted to this type of work will build a backlog of prospective clients after several months of steady work.

Security salesmanship—or better still let us call it a philosophy of selling—is established firmly in the mind of the investing public and a real sales tool that anyone can use.

The successful salesman who is out to do a good job for his customers and who knows that he can do it, speaks with conviction when he talks. He isn’t in the position of the salesman who is selling insurance. He is offering something much more vital and attractive to his potential customer—his own money.

A certain salesman who has used this type of selling effectively in recent years told us of a case which illustrates how this method of salesmanship overcomes natural sales resistance. He was asked by his prospect how he could benefit if he was given an order to sell some listed securities when his firm’s clients were not members of any exchange. The salesman explained that he couldn’t make a deal that sincerely intended. Secured orders and short-term commissions were never of interest to him or his firm. He was equipped to render a complete service to both the listed and unlisted securities and that over a period of time his customers found it advantageous to invest in the securities which he recommended and upon which, when the time came, he would make a profit.

The truth when spoken with conviction and carried out in practice produces a sales talk that no amount of clever phraseology can duplicate. No worthwhile investment operator has any better method of increasing his business than through a sincere desire to serve his clients—profitable business under such a plan is possible.

Chicago Brevities

(Continued from page 178)

HOTEL SHERMAN 55/57 W.S.
AMBASSADOR EAST HOTEL 55/52 W.S.
MORRISON HOTEL 57/48 W.S.
EDGEWATER BEACH 65/60 W.S.
BISMARCK HOTEL

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CHICAGO 6, ILLINOIS

He said that the SEC has "not done its best to stimulate the flow of new capital into creating new jobs," although he declared that "I have always felt the SEC was attentive to the younger companies, and the present administration ever did."

Gheurey Dewsey said that he believed the SEC, retained, but asked for revision to enable financial machinery to run more smoothly. Most also said that they were satisfied with the present administration of the acts.

Now the financial community is looking toward the Democratic Convention, which starts here July 19, to discover how the heads of that party feel toward the investment business, and the whole domestic economic picture.

As usual, traction problems in Chicago, as in other cities, surface lines, court actions, and publicity for the difficulties have been attracting attention for years. The basic problem seems to be approaching at least a temporary climax.

In the market, a General Judge Michael L. Igoe, who has been reviewing the situation, has a plan to reorganize and merge the elevated and street car lines under private ownership, set Aug. 16 as the date for the start of banking clearing house for the surface lines.

Although the city spokesmen accepted that bankruptcy would delay their municipal ownership plan for a year or more, Judge Igoe describes what he described as efforts by the city to make "carry the ball" for municipal ownership of the transit lines.

As a hearing attended by more than 100 attorneys, representing a variety of interests in the matter, the Judge said that he would not act as a "shoo-fly" to deprive junior security holders of their property, and implied that the approach of bankruptcy price that the city was offering for the surface and elevated properties was too little.

Moreover, on the other fronts of the widespread battle, two other developments occurred.

Oils & Company, investment banking firm, repeated their offer in Michigan to buy for any securities issued to finance the proposed municipal ownership plan. The company suggested the issuance of revenue bonds to finance the acquisition of a communion property in the territorial city. The Chicago Park District.

The Oils syndicate is said to number about 100 firms, throughout the nation. A group headed by Harris, Hallan, Company, Inc., and Rhody & Co., Inc., has also announced the filing of a large syndicate to bid for the proposed obligations.

The other recent development was the rumored start of an investigation by the SEC into the recent speculation in traction securities. The SEC has refused to comment on the alleged investigation, which was said to have been started at the request of Judge Igoe.

N. H. Widnalden With Ames, Emerich & Co.

CHICAGO, Ill.—H. H. Widnealden, has joined the firm of Ames, Emerich & Co., Inc., as office in the city with the firm’s offices in Chicago, Chicago and New York. His appointment is in the firm’s first Boston Corporation, and Rhode, & Co., Inc., has also announced the filing of a large syndicate to bid for the proposed obligations.

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Rob. Showers Resumes Investment Business

CHICAGO, ILL.—Robert Showers has resumed business at 30 South La Salle St., to deal in municipal and corporate securities. Mr. Showers, who was recently placed on the inactive list of the U. S. Army after two years’ service, has been in the securities business since 1919.

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Kansas City, Missouri, earned $4.93 a share for the first six months ended May 31. The company reports that the book value of its Common stock as of that date was $78.72 a share.

Badger Paper Mills, Peshtigo, Wisconsin, sent out a notice of call for its 6% preferred stock, for payment on Aug. 1, 1944, at $50 a share plus accrued dividends.

Sears of Four Wheel Drive Company, of Clintonville, Wisconsin, sold $50,000 for the 8% preferred stock, until the 15th of each month, which exceeds the volume for the entire month ended June 30.

Nunn-Bush Shoe Company, Milwaukie, Wisconsin, reports consolidated earnings for the six months ended June 30, $3.73 a share on the 3% Preferred stock and $6.40 a share on the Common stock.

The Securities and Exchange Commission has also extended the registration period of the application for the Corporation. "I feel that the need for such a program is strong and that the plan should be adopted by the company."

E. E. Peterman Joins The Milwaukie Co., MILWAUKEE, WIS.—E. E. Peterman, who was formerly connected with the Milwaukee Company, 207 East Michigan Street, Miss Peterman was a former member of the Peterman, Partridge Company, Inc., has been associated with the company for many years. The latter firm is to be merged into the new one, and Mr. Partridge and Mr. Peterman's interests are to be turned over to the Milwaukie Co.

Pension, Bonus And Profit Sharing Plans And The Revenue Laws

(Continued to next page)

1.—A plan may cover all or only certain employees.

A plan may cover all employees of a company, or it may cover a representative group of key employees who are selected by the company. The Social Security Board should determine if the plan covers all employees or only certain employees. The plan may have to be amended if it is found to be discriminatory in a way which results in hardship to the employees not covered by the plan.

2.—A company may or may not benefit taxwise, depending on plan.

It is not always clear whether a company will benefit from a particular type of plan. The company will benefit if the plan is not discriminatory in a way which results in hardship to the employees not covered by the plan. The company will not benefit if the plan is discriminatory in a way which results in hardship to the employees not covered by the plan.

3.—One way of setting up a qualified plan is to set up a trust fund. Section 615 (a) further provides that the trust fund may be either a "trust", or a "trusteed person". The Internal Revenue Code does not define the term "person". The plan document will have to be amended if it is found to be discriminatory in a way which results in hardship to the employees not covered by the plan.

4.—Another way of setting up a qualified plan is to establish a "trust fund". Section 615 (a) further provides that the trust fund may be either a "trust", or a "trusteed person". The Internal Revenue Code does not define the term "person". The plan document will have to be amended if it is found to be discriminatory in a way which results in hardship to the employees not covered by the plan.

5.—Another way of setting up a qualified plan is to establish a "trust fund". Section 615 (a) further provides that the trust fund may be either a "trust", or a "trusteed person". The Internal Revenue Code does not define the term "person". The plan document will have to be amended if it is found to be discriminatory in a way which results in hardship to the employees not covered by the plan.

6.—Broad leeway is given.

It is, therefore, apparent under the law that a plan may be either a "trust", or a "trusteed person". The Internal Revenue Code does not define the term "person". The plan document will have to be amended if it is found to be discriminatory in a way which results in hardship to the employees not covered by the plan.

7.—Profit sharing or continuing fixed payment plan.

It must be decided whether a plan is a profit sharing or a continuing fixed payment plan. The Internal Revenue Code provides that a plan is a continuing fixed payment plan if the plan is for not more than 20 hours in any one year or whose customary employment is for not more than five months in any calendar year, and in the future and it's ability to fund trust, and the plan must meet certain requirements. The Internal Revenue Code provides that a plan is a profit sharing plan if the plan is for not more than 20 hours in any one year or whose customary employment is for not more than five months in any calendar year, and in the future and it's ability to fund trust, and the plan must meet certain requirements. The Internal Revenue Code provides that a plan is a profit sharing plan if the plan is for not more than 20 hours in any one year or whose customary employment is for not more than five months in any calendar year, and in the future and it's ability to fund trust, and the plan must meet certain requirements.
tion at the present time are fairly well defined, the law and the rules and regulations of the Reserve Board in the execution of the policy of Economic Stabilization, the National War Labor Board and the Federal Reserve System, the Commissioner of Internal Revenue and the commissary services of the Navy and stock bonus and profit sharing plans, are the elements which determine salary and wage increases. Certain regulations of the rules and regulations as well as qualitative under Section 165 (b) of the Internal Revenue Code. 13.—Summary of applicable major wage- 

3. With regard to salary stabilization, the Federal Reserve System has made certain rules and regulations which are summarized and described below: (a) Compensation of an employee may include insurance and pension benefits. The amounts to be taken into consideration are the amounts of net income derived from employment. To the extent that the insurance and pension benefits accruing to an employee in reasonable amount, such benefit is not considered as salary. (b) Contributions made by an employer to an employee’s retirement plan which meets the requirements of Section 165 (a) (i) are considered reasonable contributions to the amount of such contributions. (c) However, where the contributions are made by an employer to a bonus or profit sharing plan, it must provide for benefits only in the event of death, retirement, sickness or disability. The benefits under the other wage, 

25.—A summary of the various plans and factors to be considered in the determination of the amounts. (a) Concerning profit sharing plans, the Federal Reserve Board follows rules and regulations of the Commissioner of Internal Revenue for the most part. The Commissioner of Internal Revenue has issued regulations but not of sufficient importance to enumerate. (b) As to other types of plans and retirement plans, the Labor Board has made some detailed regulations. However, interest on contributions made by the Federal Reserve Board follow the regulations of either a profit sharing plan or the Commissioner of Internal Revenue for the most part. In any case, the Federal Reserve Board may provide for benefits only in the event of death, retirement, sickness or disability. The benefits under the other wage plans, may be considered. (c) When plans are established by an employer for the purpose of profit sharing or profit sharing plans and debt plans, the Commissioner of Internal Revenue has issued regulations in which he stated that as to plans and retirement plans as well as in October 1942, his office would approve contributions to such trusts where the distributions are made payable to the employee only in the event of death, the plan may provide for benefits only in the event of death, retirement, sickness, or disability. It is the position of the Commissioner of Internal Revenue that such plans are deductible, and that the plans must be made under Section 10 of the Internal Revenue Code, exclusive of such plans and stock bonus, and stock bonus trusts and plans. 26.—Effect of termination of Wage and Salary Stabilization. In setting up a plan, a company may make its plan so that when the limitations of the Wage and Salary Stabilization Laws are only to a certain extent. The details of the plan, its purpose, and its effect, shall be considered. For example, if a company makes a plan that it will be amended so that the employees of a plan and plans for profit sharing and plans and plant closing plans and plants may be considered. (b) When plan is established, the provisions thereof may be under Section 165 (k) of the Internal Revenue Code. In any event, in the plan, it should be certain that such plan is effective from time to time to time by both the employer and employee, and for that reason, the employers and the employee, the employer and employee, and for the.C. (c) The plan may be considered. (e) For the purposes of the operation of the plan, (f) Provide for the plan to be on a profit-sharing or profit sharing plan. (g) Provide for the plan to be entirely self-administered or whether insurance and annuity policies will be purchased. (h) Provide for proper amendment, modification, termination and liquidation of the plan or trust by the Commissioner of Internal Revenue. (i) Provide as to what rights of an employee are, or may be forfeitable and when, and under what conditions. (j) Provide for what information must be furnished by the employee or employee to the Commissioner of Internal Revenue. (k) Provide for the formula whereby the benefits distributable under a plan or trust to an employee may be determined. (l) Provide for the obtaining of approval, in a proper case, of a plan or trust by the Commissioner of Internal Revenue or the Labor Board so as to determine that it qualifies under Section 165 (a) of the Internal Revenue Code and the Wage and Salary Stabilization Law. 24.—A conclusion. A plan may be short or it may be long. It depends on what is in it. As morale builders, they are wonderful for a company. As a matter of fact, they are excellent, and is expected to be provided by the chief executives and owners of businesses as well as the minor employees.
INSURANCE & BANK STOCKS

Analyzed by E. A. Van Beusech
Special Bulletin and Booklet Service to Dealers & Brokers
Trading daily 7 a.m. to 5 p.m. (C. T.)
Invitations invited.

OUTLETS-HUFF & CO.

21 FIFTH AVENUE NEW YORK

Bank and Insurance Stocks

This Week—Bank Stocks

By E. A. VAN BEUSECH

New Jersey Municipal Bonds

Bank Stocks

J. S. Rippel & Co.

Established 1851
18 Clinton Ave., Newark, N. J.
Market 2480
N. Y. Phone—Edear 2-1938

Bank of Manhattan...

...the proceeds from the open market by the

sale of assets...-

Philip M. Mayer, 20


east

111 Broad Street, New York City.

Out-of-town

of

paragraphs,

March 1943, on June

30, they showed

$17,752,415; thus in one year earnings

increased more than

$5,753,000 or 295%.

Individually, the banks for the second quarter aver¬

aged approximately 12.75% for the three months. The

average for the first six months was 14.92%. The

banks are in the best condition in five years, except

only for the Chicago banks, which are slightly

below average. The above rates are based on

out-of-town earnings, however, and cannot be

taken at face value since they merely indicate the

condition of some smaller territories.

The accompanying tabulation shows two separate indicated earnings for 1944 compared with 1943, also six months earnings for 1944 and 1943. Current indications are not comparable with the 1943-year-end figure.

Out-of-town banks, also, are all showing substantial earnings, and further im¬

provement is expected. Chicago banks in particular appear to be reaching peak figures in deposits and Government securities, and furthermore, the National banks of Chicago are reporting a sub¬
stantial rise in loans and discounts. Data on non-member banks is not yet available.

AttrACTIVE Speculation

The 6.5% cumulative preferred shares of H & B American Ma¬

chinery Co., which are trading actively, offer attractive speculative possibilities from the point of view of yield and further price enhancement, according to a director who has a sizeable holding in the situation issued by F. M. Mayer, 20 Broad Street, New York City. Complete details may be obtained from the firm upon request.

To Form Geer & O'Connor

Guarantee, which owns a large New York stock exchange license, will form Geer & O'Connor with offices at 30 Broadway, New York City, as of July 20. Mr. Geer has purchased a block of shares owned by his late brother, Mr. Q. M. Geer, and Mr. O'Connor will act as his alternate on the floor of the exchange.

China Will Join With Other Nations In Monetary Reforms

Dr. H. H. Kung, Chairman of China's Delegation To Monetary Conference, Pledges Country's Co-operation

In a statement issued on July 4, Dr. Hsiang Hsiung Kung, the head of the Chinese delegation to the United Nations Economic and Monetary Conference, said that China would join with other nations in monetary reforms.

A sample, in Honan Province, recent military operations have cut revenue from 6,100 million Yuan monthly. Taking account of the value of the tax base in 1943, this reduction in revenue in 1944 exceeded 44% of expenditure. Taxes have been raised in the north, but a lesser amount of revenue is available in the south, where the large industrial areas are located.

China has been doing its best to avoid war losses and somewhat surprised that the ex¬

tent of taxation in China is not under control. The 1944 budget estimates figure the total tax revenue at 52% of total expenditures. It is possible, however, that this can be realized, especially because recent military operations have material¬

ized to revenue for ex¬

ample, in Honan Province, recent military operations have cut revenue from 6,100 million Yuan monthly. Taking account of the value of the tax base in 1943, this reduction in revenue in 1944 exceeded 44% of expenditure. Taxes have been raised in the

China's government was indicated.

The Chinese, Government, has considered it necessary to maintain the official value of its currency, as part of the program of sustaining the war effort. A change under present circumstances is not likely, but the government is sure to have some reaction in the Spring of 1944, when it is thought that the price of rubber and perhaps other commodities cannot be ade¬

Another aspect of the war strategy is the increased use of gold and silver bullion in the new monetary systems. China has been following this policy and has been increasing its gold and silver reserves.
Regrets Omission From Monetary Talks

The omission of Italy from participation in the monetary conference which is taking place at Bretton Woods, N. H., is regretted by Luigi Criscone, long interested in promoting better financial relations between the United States and Italy. Mr. Criscone said recently that Italy should not be a belligerent party to a great part of Italy is now in the hands of the Allies, but because of debts Italy and the United States are very, much larger than those with other nations whose resources are much smaller than Italy's. "Taking only the issue $100,000,000 in England Italy's belligerent pet, there are amounts to a fabulous sum if considered in line at the present rate of the exchange," said Mr. Criscone, "we have another fabulously sum, to consider, which should not be ignored in the calculations now being made. Behind it all I see not a little rivalry between the United States and Britain for primacy in Italian economic and industrial affairs, and the one which will win the confidence of the Italians will be the one that will get Italian trade for the future. The most ridiculous thing I have heard of for a long time is the statement on the part of Col. Charles Poletti to the effect that the American arms industry should stay in Italy until the Italian army learn democracy. Apart from the twenty-one years during which Fascism ruled in Italy, and was helped in that rule by American finance, the Italians had repudiated a Debtor's Agreement years ago and do not need any lessons in democracy from us. One of the members of the anti-Fascist group, a great Italian leader, wrote me a year ago that if the Fascist government were overthrown the new government would never recognize the bonds and other obligations issued by the Fascist government. The omission of Italy from the present Bretton Woods conference is not going to help that situation very much, and that is why I urge that someone, even an American, private citizen of Italian origin, be appointed to represent the interests of Italy at that conference or American interests and prestige will suffer drawbacks."

STATEMENT OF CONDITION

MERCANTILE-COMMERCE

BANK AND TRUST COMPANY

Locust - Eighth - St. Charles
St. Louis, Missouri

JUNE 30, 1944

THE RESOURCES

Cash and Due from Banks...$6,682,500.71
United States Government Obligations, di¬rect and guaranteed (incl. $70,513,839.50 pledged)....166,569,910.78
Other Bonds and Securities...23,154,824.41
Demand and Time Loans...70,043,611.19
Stock in Federal Reserve Bank in St. Louis...420,000.00
Real Estate (Company's Building)...2,790,536.40
Other Real Estate (Former Bank of Com¬merce Building)....1,500,000.00
Customers' Liability on Acceptances and Let¬ters of Credit...6,470.15
Other Resources...204,160.32
$313,634,475.85

THE LIABILITIES

Capital Stock...$10,000,000.00
Surplus...4,000,000.00
Undivided Profits...4,563,947.52
Reserve for Dividends Declared...525,000.00
Reserve for Interest, Taxes, etc...965,973.49
Unpaid Dividends...3,974.55
Bank's Liability on Acceptances and Letters of Credit...1,228,453.12
Other Liabilities...49,743.00
Deposits, Secured: Public Funds...$6,130,572.04
Other Deposits, Demand...192,144,283.32
Other Deposits, Time...282,824,327.84
292,259,182.40
$313,634,475.85

* All Securities pledged are to the U. S. Government or its agents, State of Missouri and the City of St. Louis, to secure deposits and fiduciary obligations.

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION
Mutual Funds

"Should An Investor Seek Profits?"

National Securities & Research Corp., in the current issue of National Notes, contributes an interesting discussion to the current literature on the desirability of capital gains over other forms of income under present tax laws.

A chart is used to show the sharp contrast in the tax advantage which an individual retains from long-term capital gains and from other forms of income after payment of Federal income taxes. The maximum Federal tax on long-term capital gains is 35%, leaving 65% of the profit to the individual in the top tax bracket. The rate of tax on dividends and other income, however, is 100%, or leaving only 5% of such income to the individual.

This week Distributors Group has released an interesting article advertising on Railroad Stock Shares. A new class of Group Securities Inc., representing "an investment in a diversified and continuously supervised group of railroad stocks." Copies of the announcement to individuals interested in the subject of railroad securities who have not already received the current portfolio of this group, were mailed to affiliated dealers.

In the current issue of Street News, Distributors Group reproduces a letter to its subscribers from the June 24 issue of "Business Week." The letter, signed by "Business Week" at the conclusion of this analysis is one that will profoundly shock the pessimists on the steel industry. "For the end we cannot escape the question: Do we have the steel capacity for full employment?"

Keystone Custodian Funds

Certificates of Participation in Trust Funds

Investing their capital as follows:

| SERIES | 1, 2, 3, 4, 5, 6, 7, 8, 9 | 1, 2, 3, 4, 5, 6, 7, 8, 9 |


Investors Mutual, Inc.

A BALANCED FUND

Prospects are received from Principal Underwriter INVESTORS SYNDICATE MINNEAPOLIS, MINNESOTA

Representatives in the principal cities of the United States

New SEC Rules on Liquor Stocks Trading

The Securities and Exchange Commission announced on July 7 the adoption of two new rules. The "first," says the Commission, "requires reports to be filed promptly by issuers of securities registered under a securities exchange whenever they decide to declare dividends or distributions in the form of stock or cash available to shareholders."

"The second" rule, it adds, "prohibits over-the-counter trading in liquor stocks during any period when the Commission, for the purpose of preventing fraudulent manipulation or deceptive practices, has suspended or restricted trading in that security."

The SEC also states: "The first of the new rules, which is embodied in Section 11(a) of the Securities Exchange Act of 1934, the section dealing with periodic reports. This rule provides that, whenever the Commission registers an issuer of securities under the Securities Exchange Act of 1934, the issuer shall file reports with the Commission containing a full and complete description of the contemplated dividend or distribution and reports are required whenever the terms of the contemplated dividend or distribution are changed in any material respect, and also whenever the securities are sold or distributed in lieu of the dividend or distribution."

"If the Commission finds on the basis of such a report or otherwise that the report is not in accordance with the requirements of the Act or approved rules thereunder, it may, after affording the issuer an opportunity to show cause why the registration of the dividend or distribution should not be suspended, suspend the registration of the dividend or distribution."

"The second rule is promulgated under Section 11(c) (2) of the Securities Exchange Act of 1934, which requires the Commission to adopt rules and regulations in the rule-making process to curtail, prevent or punish fraudulent, deceptive or manipulative practices in the over-the-counter markets."

The rule, X-162-2, is aimed at curtailing abuses in the over-the-counter market which are reasonably designed to prevent, such as practices as fraudulent, deceptive or manipulative in the over-the-counter markets. This rule, X-162-2, is not limited in its application to situations contemplated by the new reporting rule, X-13A-4, but will operate automatically to outlaw over-the-counter trading whenever the trading is subsequently suspended under the Commission under Section 12(a) (4), provided the summary is suspensive for the purpose of prevention fraudulent, deceptive, or manipulative practices or acts."
South African Delegate At Monetary Conference Urges A Flexible Gold Standard

Dr. J. E. Holloway Says That International Monetary Fund, By Readjusting The Value Of Gold, Can Maintain Proper Relations Between Countries. He Is "Not Worried About The Future Of Gold—It Will Continue To Play Its Part In The World"

The Chairman of the Delegation of South Africa to the International Monetary and Financial Conference, Dr. J. E. Hol¬lorney, expressed the view that the wise way to approach the problem of the relation between gold and currency is the use of a flexible system of gold parity.

"We are among those who are not worried about the future of gold. It will continue to play its part in the world," Dr. Holloway reiterated this view at the conference.

It is the more necessary to sketch this background, he explained, because of the fact that such a large proportion of the world's gold is held as currency.

"It is important," he said, "that we should all be aware of the fact that the gold standard is a very flexible system, and that it is capable of accommodating a large number of different situations."
Problems Of Monetary Conference Multiply

(Kenney, is concerned with the Bank of England, which is possibly being destroyed by a development. The secretary is A. Guppy, who has a number of sub-committees, as follows: (1) Purposes; (2) Definitions, and Management, and (4) Form.)

Commission III has under its jurisdiction a number of matters, as stated in "Other Means of International Finance." This is the group headed by Senor Eduardo Sucre of the Mexican Economic Council. The report includes an announcement of its chairman, Senor Sucre, as follows: "The Mexican government has in the past year been concerned chiefly with the (1) regulations regarding "emerald" gold, and (2) bond loan or international monetary functions of silver. Unlike the other conferences, Commission IV is not dealing with special techniques. The conference has been under the subject of extended joint control in British India and colonial countries, and the technical adaptations of various nations, and the characteristics of their adaptations, is, as yet, undefined and is a subject of future discussion, particularly with regard to British India. At this time, no report can be approved by the conference."

The committee is not almo to put under way, but no final reports have as yet can be presented. Commission IV will undoubtedly report, and this will be of great importance.

The uncertainty regarding the independent status of sterling gold in the operations of the member countries' gold reserves has been removed, particularly the question as to whether a member country will hold gold and (2) to buy or sell gold in exchange for its own currency. The commission, Commission III of the Canadian Federation of International Finance, must give consideration to the future status of gold. There is, however, some indication that the independent status of the British, Canadian, and British colonies, in Britain, more particularly, is being considered. For example, it was announced that the Canadian government has been approached by the Chancellor of the Exchequer, Mr. J. W. Wilson, regarding the possibility of Canada's taking over the gold reserves of the Bank of England, which would be a serious step toward the establishment of a Canadian central bank.

The Federation has decided, however, to remain under the control of the British government, and the Canadian government has been informed of the Federation's decision. The Federation has also decided to remain under the control of the British government, and the Canadian government has been informed of the Federation's decision.

The Federation has also decided to remain under the control of the British government, and the Canadian government has been informed of the Federation's decision. The Federation has also decided to remain under the control of the British government, and the Canadian government has been informed of the Federation's decision.
Dewey 'Irresponsible Man' For U. S., Says Mrs. Luce, Candidate Confers With Connecticut Delegation

Comment to the effect that President Roosevelt "may be the indispensable man for the Democratic party, but Mr. Dewey is the one and only candidate," Mrs. Luce said at a meeting of the local Republican Women's Club at the U. S. Booth Luce of Connecticut, on July 11, incident to the announcement that President Roosevelt would accept the nomination for a fourth term.

"He said, as a police officer, with a reminder that Mrs. Luce in his press conference "there will be no platform record as being against such a man,"

"Well, she asked in return, "is any other nation in favor of such a man?"

"Explaining the Republican view of who should be a candidate, she said that in order to preserve the combined efforts of Great Britain, France, and the United States to prevent the rise of aggression, which wouldn't that mean a combined military force with an independent cause of war, if that wasn't asked. She replied, "Not any right thing, I don't know that there is any part of the world will use in any of the same thing will it support the Republican view."

"Mrs. Luce said that Governor Andrew Choate of New Jersey, expressed the same "frank and refreshing mind" to the problems understanding the United States, and the other matters actually discussed, Mrs. Dewey were outlined to Mr. Dewey with Governor's Danbury, head of the Connecticut delegation.

"Mrs. Luce said that Mr. Dewey favored an international organization to keep the peace and quoted General John J. Pershing, "by force if necessary," she would if she should repledge the foreign policy planks of the platform committee.

She was asked if there was any distinction between the "by force if necessary," and an administration could be used over a period of five years to liquidate various disturbances, what would really like would be the "dollarization" of the blocked silver.

This appears to her delegates that the dollarization of the economy, or by force of money recognition of the United States, and Mrs. Luce expressed in connection with this fund," said Sir A. J. H. Vincent, Chief of the official dollarization is not as interest in as a silver.

That the problems under consideration, by his resolutions, and you means and multiplied is indi- cated by the appointment of three groups on a committee on the 11th of July, 16, on one who a silver of the silver dollar-dollarization, a second on enemy assets, those on the 1st of the 3rd and a third to deal with recommendations on economic and financial policy, the exchange of information, and other means of financial co-operation.

"We talked about the general idea of the kind of the Congress in connection with the envisaging of support of our con- session, and the President to give Governor Dewey assurance that Connecticut will go Republican.

"Asked if they discussed such matters in connection with cam- paign policy, she said; "Not nearly as much as that, but more as the basis for a general over-all meeting of the minds, in which we discussed the general understanding with reference to those measures in dealing with the international organization which was discussed and also the subscription to the foreign-policy planks of the Republican plat- form."

In the delegation besides Mrs. Dewey, she appeared Repre¬ sentatives R. A. Ruffin Compton, Governor's Danbury, Governor's Danbury; and Joseph E. Talbot. Mr. Dewey also confided this conversation with Herbert H. Longworth, Republican National Chair- man, who remained over night and is with the staff; Mr. Dewey, Russell, Massa- chusetts Republican State Chairman, who was accompanied by Carroll L. Meine, former Massachusetts State Chair- man, and an organization mat- ters with Mr. Dewey and Mrs. Dewey, was accompanied.

Mr. Dewey confes¬ seded with him since his nomi- nation. Mr. Dewey told Mr. Dewey that the campaign was made at today's conferences.

Public National Attractive

Stock of the Public National Bank and Trust Company of New York offers interesting possibilities for investment, according to a memorandum issued by C. E. Usterberg & Company, 61 Broad¬ way, New York, New York. Copies of this memorandum outlining the attractiveness of this stock are available on request from C. E. Usterberg & Co.

Attractive Situation

H. H. Robinson Company offers an attractive situation (the issue is tax free in Pennsylvania), ac¬ cording to an interesting memo¬ randum from the firm of Buckley Brothers, 129 Walnut Street, Philadelphia, and the Public National Bank and Trust Company of New York and Philadelphia.

Below the line goods, copies of this memorandum may be had upon request from Buckley Brothers.

Granty Trust Company of New York

Fifth Ave. at 44th St. 114 Broadway Madison Ave. at 60th St. London: 11 Birch Lane, E. C. 3 Bush House, Condition, Washington, June 30, 1944

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Blocked Sterling Balances

(Continued from page 179)

emphasized if they had held back from helping us so wholeheartedly, we would have moderate the judgment and mature the solution of the problem which Mr. Sherwood has set before our heads. Nevertheless the solution of these debts must be in our border and at the gorges of those who were most directly threatened and were least able to resist the consequences of the war on the principle of unlimited liability and a reckless disregard to economic consequences for others who were more fortunately placed. We do not plead guilt to imprudence; for in the larger field of human affairs nothing could have been more prudent than hesitation or a careful counting of the cost.

On the other hand there has been inevitability no equality of financial sacrifice. In respect of overseas accounts the end of the war will find the United Kingdom greatly indebted to the other countries, owing to the fact that the United Kingdom is not levied to deal directly with war expenses, but that the Fund is.

"If we do not intend either to ask for, or to avail ourselves of, a direct settlement of the Fund, it appears to the United States delegation that the question of a settlement of the Fund should be considered. If the United States delegation expresses its sympathetic understanding of the consequences of war on India. The Indian delegation hopes that it is not the wish of the Fund to guarantee the special debt of the United Kingdom; and for which it is suited.

The position taken by Lord Keynes and the U.S. delegation with regard to the question of the Fund's relations to the United States is one of the important questions before the committee to which the problem is referred.

Another point at the outset I should like to have your ruling on before I can possibly facilitate discussion and determine the course of this Board. It is the question of whether the Conference shall be held in London or New York. As far as I understand, the only impediments to a meeting in London are the distance and the cost of travel for the committee. I think this is a matter of great importance, and I am disposed to think that the Conference is more likely to be held in London if it is to be held at all.

At the time we discussed Alternatives A and H in Committee with a view of the situation at the time I had in mind the following sequence: To facilitate the multilateral settlement of a reasonable portion of the international indebtedness accumulated among the various countries, to put in the pay of the repaying countries the resources of the other countries which they would otherwise place under strain on the resources of the United States, to make possible the raising of new capital by the United States, and to improve the flow of trade.

At the time we discussed Alternatives G and H in Committee I was inclined to favor Alternative G. The delegate from the sources opposed this. Moreover, there are other alternatives on the ground of which the United States will not overload the Fund. From the very start when we placed our estimates in consideration be-
Accordingly, the plan advocates that, after the first few years, the current high normal and surtax rates, ranging up to 40%, be retained for corporations, and that substantial reductions be made on individual income rates. Incentive for economic activity is an essential element of the plan under the Federal Reserve Bank of St. Louis model. The Twain City plan lays heavy emphasis on virtually full employment and calls for something like a 25% rise in the national level of production. Effective provision is made for all possibilities of venturing by capital into new enterprises.

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The present method of taxing corporate earnings must be alleviated. It is unfair in principle and its inherent flaws make exceptionally great a burden on the business dollar. When a corporation makes a profit on its net earnings, the tax, in reality, is a tax upon the stockholders. Revenue requirements in the post-war period will call for a relatively high tax on corporate earnings.

Stressing the need for immedi-
"The 5% Rule Is, In Law, And In Fact, A Rule'

(Continued from page 171)

by every member of the National Association of Securities Dealers. The 5% rule is no more, nor less, than that each member knew, or ought to have known, that that rule and every other rule had a purpose to prevent fraudulent and manipulative acts and practices, to promote fair dealing in the security markets, and to remove misleading statements and practices. The 5% rule is the manifestation of those purposes. By imposing a 5% mark-up or mark-down on the price of securities sold by a member, it is intended to prevent the sale of securities at prices which are above or below the fair value of the securities.

The 5% rule is an important aspect of the National Association of Securities Dealers. The National Association of Securities Dealers is a self-regulatory organization whose purpose is to promote fair dealing in the security markets. The 5% rule is a part of the National Association of Securities Dealers' rules for the regulation of the security market. The 5% rule is an important rule because it helps to ensure that securities are not sold at prices which are above or below the fair value of the securities.

The 5% rule is an example of the National Association of Securities Dealers' commitment to fair dealing in the security markets. The National Association of Securities Dealers is committed to the promotion of fair dealing in the security markets. The 5% rule is an important part of this commitment.

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which would be fair. Yet, the Bunkers Re: statement provision has it already.

It should further be understood that in the case of investment in profit, or is a limit and a risk of loss to the investor. Dealers would be highly pleased with the privileges of securities transactions, but in many cases they could go to the credit of his investments, particular, if there are any profit at all. If the spread is limited to 3%. That is the limit of the risk of loss to the investor. It is an absolute one, but the rule as an absolute one, it makes that a dealer's profit is based on the difference between his cost and his selling price, which require it to pay good balances.

It is the Plain Duty of the Securities and Exchange Commission to Order the Treading of a Fouth in the Contended of the Rule

Under the provisions of the Securities and Exchange Act of 1934, amended, supervisory power over the registration of security dealers and of broker-dealers is vested in the Securities and Exchange Commission. The framers of the Act, in recognizing the possibility that, without supervision by the Commission, dealers engaged in the association could get their facilities used, publicly or by the public, or through members who have been detected in the association could get their facilities used, publicly or by the public, or through members of the association, are providing for the regulation of such associations. In the event that a dealer is not only to advise, appraise and service his customers' investment in securities, but to protect those who seek his counsel. The Commission, therefore, is authorized to require over-the-counter retail sales are made on the recommendation of the seller, and this recommendation depends upon the accuracy and completeness of the information to which the Commission's capacity to weigh its results, and to make a reasonable judgment on the facts. The completeness of the information depends upon the accuracy of the broker's report, the time spent in gathering facts, and the amount of time spent in obtaining them. It takes ability to know what is not the case and what is not. Information is frequently acquired only on the basis of a period of a fund of facts regarding a situation. Therefore, if a dealer has investment in securities, and to the rights of the over-the-counter security businesses, he has acquired a special right to obtain information.

A financial house that has for years carried on a careful investigation and developed an enviable reputation can justly charge more for its services. A dealer who can render such a service is likely to be the highest type will knowingly con
tinue to serve the customer at a price close to the market on the day of sale. The customer in a money market investment is left with large residual loss to the customer. Real investment advice requires a knowledge of the market and a readiness to make a decision where a decision is needed. The customer in a money market investment is left with large residual loss to the customer. Real investment advice requires a knowledge of the market and a readiness to make a decision where a decision is needed. The customer in a money market investment is left with large residual loss to the customer. Real investment advice requires a knowledge of the market and a readiness to make a decision where a decision is needed. The customer in a money market investment is left with large residual loss to the customer. Real investment advice requires a knowledge of the market and a readiness to make a decision where a decision is needed. The customer in a money market investment is left with large residual loss to the customer. Real investment advice requires a knowledge of the market and a readiness to make a decision where a decision is needed. The customer in a money market investment is left with large residual loss to the customer. Real investment advice requires a knowledge of the market and a readiness to make a decision where a decision is needed. The customer in a money market investment is left with large residual loss to the customer. Real investment advice requires a knowledge of the market and a readiness to make a decision where a decision is needed. The customer in a money market investment is left with large residual loss to the customer. Real investment advice requires a knowledge of the market and a readiness to make a decision where a decision is needed. The customer in a money market investment is left with large residual loss to the customer. Real investment advice requires a knowledge of the market and a readiness to make a decision where a decision is needed. The customer in a money market investment is left with large residual loss to the customer. Real investment advice requires a knowledge of the market and a readiness to make a decision where a decision is needed. The customer in a money market investment is left with large residual loss to the customer. Real investment advice requires a knowledge of the market and a readiness to make a decision where a decision is needed. The customer in a money market investment is left with large residual loss to the customer. Real investment advice requires a knowledge of the market and a readiness to make a decision where a decision is needed. The customer in a money market investment is left with large residual loss to the customer. Real investment advice requires a knowledge of the market and a readiness to make a decision where a decision is needed. The customer in a money market investment is left with large residual loss to the customer. Real investment advice requires a knowledge of the market and a readiness to make a decision where a decision is needed. The customer in a money market investment is left with large residual loss to the customer. Real investment advice requires a knowledge of the market and a readiness to make a decision where a decision is needed. The customer in a money market investment is left with large residual loss to the customer. Real investment advice requires a knowledge of the market and a readiness to make a decision where a decision is needed. The customer in a money market investment is left with large residual loss to the customer. Real investment advice requires a knowledge of the market and a readiness to make a decision where a decision is needed. The customer in a money market investment is left with large residual loss to the customer. Real investment advice requires a knowledge of the market and a readiness to make a decision where a decision is needed. The customer in a money market investment is left with large residual loss to the customer. Real investment advice requires a knowledge of the market and a readiness to make a decision where a decision is needed. The customer in a money market investment is left with large residual loss to the customer. Real investment advice requires a knowledge of the market and a readiness to make a decision where a decision is needed. The customer in a money market investment is left with large residual loss to the customer. Real investment advice requires a knowledge of the market and a readiness to make a decision where a decision is needed. The customer in a money market investment is left with large residual loss to the customer. Real investment advice requires a knowledge of the market and a readiness to make a decision where a decision is needed.
Post-War Municipal Finance in The National Economy

(Continued from page 170)

lacking ‘taxes’ imposing surtaxes by one government for the taxes of others, and, even more, a marked correlation of tax resources with government responsibilities. In no other course, retain our federal system, balance our local self-government and a federation of 48 States—each of them an independent entity in duplication and conflict. But the price we are now paying seems to be more than the worth of the apple.

In the old days, when the States and localities were making property taxes from property taxes, while the Federal Government levied excise taxes on liquor and tobacco taxes and customs duties was perhaps feasible. But today it was hardly a problem. But, as the sphere of government expanded, coupled with diversification, with only a limited number of tax streams to fish in the welfare and education of our children, and soon found themselves fishing the same stream, thereby cutting off the elbow room on the banks of the stream, each government invidiously justified the other.

By 1941, overlapping use of the same revenue sources was discovered to comprise about 62% of all local, State, and Federal fiscal activities. With the adoption of all State tax collections and nine-tenths of all Federal funds, the old mistakes were derived from tax sources joined with the new mistakes of Federal governments. With respect to the Federal Government, certain fiscal mandates (that is, that col- lects more than half of total revenues from the given tax source) in net income, death, gift, liquor, tobacco, federal income taxes, and real estate and gasoline taxes. Local governments, of course, dominate in property taxes, excise taxes and property taxes are comple- ments to one another, not overlapping.

Overlapping taxes, together with the misuse among State and local tax laws, multiply costs of collection and create a marked and obvious dis- tribution of compliance. For in- dividuals, this means the burden of inconvenience or nuisance, as in the case of law suits when they are returned or going through two different property-tax assessments each year. For businesses, this is worse. But for complex businesses a welter of overlapping taxes is far worse. Merely in trying to keep up with the changing and adding up diverse tax forms, businesses are subject to unnecessary and often excessive taxation. Moreover, over, since tax laws differ from city to city and are often overlapping, both individuals and busi- nesses run the risk of double or multiple taxation.

Even if tax conflicts were confined within the framework of the Federal levels, the cities could not view the situation without anything but alarm. The cities are subject to the principle of equality, and anything that adversely affects the States adversely affects local government. In other words, the States are direct, as in the case of State-lo- cal law, and they are sure to act in direct in weakening the State’s ability to serve local government.

Unbalanced Government and the Responsibilities

Lack of co-ordination is not, of course, the only consequence of conflicting taxes. It runs much deeper into administrative dis- persion of the ‘thirties.

That great depression high- lighted the complexities that developed between the revenues available to the local governments and the services they had to perform. Everywhere, the result was the ‘thirties, but costs of running local government were born and refused to fall correspondingly. In fact, in new re- definition, they retreated into their financial shells. They reduced budgets, deferred new works, the cost of tax-expenditures on public welfare, in short, all the operations of the Federal Government was fighting against itself in both the curtailment of grants and deficit financing, State and municipal financial policies were operating against the opposite direction.

Against the backdrop of the war, the situation is reversed. While the Federal Government’s fiscal policy was designed to help make its citizens to suffer a death struggle with inflation, some State and local units have been making an effort to protect and prop up consumer’s buying power into consumers’ pockets, causing a marked up in prices. While the Federal Government is fighting against itself in the form of a Federal-State Fin- ancial Relations Act, which, incidently, our Washington alphabet still has room, would be to increase taxes, one to be appointed by the President, the other (obviously the third (presumably an expert in fiscal policy)) appointed by the first two. The Authority would be assisted by an advisory council representing a wide range of interests. Hansen and Perloff suggest an alternate agency, the Intergovernmental Fiscal Author- ity, to consist of seven members appointed by the President with the advice of State and local officials.

Either of the proposed joint authority could be useful if the Federal Government, no longer subjected to the power of Congress, could learn the level of the Authority’s activities and the kinds of grants-in-aid.

Even the very cursory survey of Federal and State variances, the comparison of the Federal’s sets of figures, (2) the bad alignment of municipal revenues with municipal expenditures, and (3) the ‘permeability’ of local finance, re- vealed the need for a comprehensive fiscal planning at the municipal level and the need to solve the problems of inflationary finance.

In a decent (and the spread of inflationary finance) it is impossible to deliver the appropriate services (to meet the demand of new population growth) to the cities appropriate services (to meet the demand of new population growth) to the cities.

Before, Federal grants-in-aid operated to meet the conditions of the worst defects of fiscal instability. But, in the absence of re- alistic planning, both the chronic and the acute economic problems are bound to reappear after the war. Only if the cities work in advance on their post- war finance problems can they avoid the need, as soon as the war is over, to cut down on the city government and a stable post-war economy.

Remedies

What can the municipalities as a group do to serve the dual pur- pose of stabilizing the national and State fiscal conditions and bolstering the post- war economic recovery? If the States of action suggest themselves:

1. Active participation in the Federal Administration, and at the Federal-State-local fiscal policy.

2. Cooperation with State and Federal governments in working out a more rational and flexible grand-as-a-policy.

3. Replanning the field of local finance and tax levies.

4. Coordination of local finance and public administration and public works programming, etc.

A Federal-State-Local Fiscal Policy

The problem of conflicting taxation has long since given birth to the federal involvement of the Federal tax system or some type of grand-as-a-policy.

(1) Combining at several lev- els of government (such as State, Federal, and county governments), in the public interest, the public development of public works programs, etc.

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A Federal-State-Local Fiscal Policy

The problem of conflicting taxation has long since given birth to the Federal-Local tax system or some type of grand-as-a-policy.
than as a supplement designed to

guarantee certain services, they will

tell the story of the growth and the independence of local
governments.

The Democratic-Gulick-Newcomb committee, especially, decries the

members of the board in the central part. The

committee, despite its best efforts, has little sense for cities to ask the

Federal Government to solve their

troubles through direct intervention. The last

analysis, the source of the future trouble. A local

government must draw within the local

boundaries. The committee at its worst that it is

"the problem of the "silver coast," as

popularity regarded as the "gold

coast" of a rich country, going through

from one government after another, obliged to add to the
debit without reducing the

credit of the city. The committee had successfully attacked in Con-
gress for four or five years, to forestall future
debt, the backbone of local

government. It

is a

credit system, that

the Federal government, depending on

the vitality of the national economy
to

the main outfall for the local

debt. It is

the

system is already highly

enhanced in

use by the Federal

government. The

vitality of the local

debt is extremely

high.

The Kelvin

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Metallic Money Or Managed Currency?

(continued from page 175)

the element of instability into the whole price structure. This is what makes the American taxpayer bear the rather unpleasant obligation of surrendering to it the gold content of his own currency as early as 1933.

Such an obligation to hoard has, of course, its grave implications in fields in which, to practice, all of open, without any serious moral culpability, only to preserve which, by every right and justice, it belongs to our community. Some may properly raise the question as to what the right of the individual to do what he pleases with his own property, and how that right can be considered. But, as between tolerated and tolerated and tolerated, the question has a broad distinction which should be respected by all concerned and dealt with according to the principles which the public policy should be held to observe.

To me, the only real problem is that of balancing the freedom to hoard with the freedom to use the funds so hoarded. No one can pretend that the freedom to hoard silver is a privilege of the individual seeking to take advantage of the price fluctuations of silver. The same holds for hoarding of gold or in fact of any other commodity. The individual could transport his hoard to Europe or to South America, or into any other part of the world, cache it in his own private vault, or hoard whatever he pleased. He is free to do so, and it is his freedom of action. But let us deny him all public facilities and insurance and all the other advantages which the expense of the commonwealth would have tended to bring him. In other words, let us preserve the individual's freedom of action, but let us deny him all public advantages and insurance and all the other advantages which the expense of the commonwealth would have tended to bring him.

There is a strong tendency to make hoarding appear to be a matter of exchange over the exchange. Here again the problem is to be solved by those who fail to differentiate between speculative operations and the legitimate use of commodity deposits. For mass movements of capital seldom occur without the creation of an artificial scarcity of gold or foreign exchange.
On Winning The Four Freedoms

(Continued from page 171)

quite unable to support their sovereignty. And, today, it is not only the battle borders of Russia and the English Channel will be the foot¬

step of our compatriots. I am glad to see that our men have al¬

day continued the charm of the war powers of the President. 

Every American will have the chance to help them. It will be dif¬

Barred developments of an exceptional and unforeseeable nature, therefore, may result in continued strength in municipal bond prices for the duration. At present, however, the signal of the Morgan Guaranty Trust Co. of New York, 20 Exchange Place, and the First National City Bank of New York, 30 Exchange Place, is that prices should be kept low, and while taxes must necessarily rise as a result of "normal" welfare spending, the rate increases will not be so large as to leave a gap.

This opinion has been confirmed by the bond house officials that observe that "the Federal debt is put on a permanent basis, and it must be kept low," and while taxes must necessarily rise as a result of "normal" welfare spending, the rate increases will not be so large as to leave a gap.

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The present level of municipal prices may well prove perfectly high, and there are no signs that bond issues will be kept low. However, the present level of municipal prices may well prove perfectly high, and there are no signs that bond issues will be kept low. However, the present level of municipal prices may well prove perfectly high, and there are no signs that bond issues will be kept low. However, the present level of municipal prices may well prove perfectly high, and there are no signs that bond issues will be kept low.
Tomor'o's Markets
Walter Whyte

(Continued from page 176)

But while the urgent signs are missing the undercurrents that tend to pull stocks down are present.

Strength is no longer general. It seems to be scattered. Fewer and fewer issues participate in daily up moves. And even if this situation is not general—it is an indication that should not be overlooked. For if this tendency spreads, all recent and current paper profits can go up like dry cordwood on a hot stove.

Signs of hesitation are mostly present in the leading, General Motors which made 65 three weeks or so ago is still at about 65. General Electric which was 99 a few weeks ago is now down to 97. These are not harbingers of a good market. Somebody is obviously in there selling. That somebody is doing the buying is also as obvious. But the two transactions don't seem to have anything to do with each other.

So while I see the possibilities of an inflation fear psychology taking hold, the more immediate potential seems to point to a down move. So the advice to postpone buying new still obtains.

More next Thursday.

—Walter Whyte

(The views expressed in this article do not necessarily represent those of The Tennessean or The Chronicle. They are presented as those of the author only.)

H. Hentz & Co.

New York Stock Exchange New York Cotton Exchange Chicago Board of Trade New Orleans Cotton Exchange

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

LAMBORN & CO.

99 WALL STREET NEW YORK 5, N. Y.

SUGAR

Exports—Imports—Futures

Daily 4-7:37
Post-War Employment

(Continued from page 171)

duction of war-goods, as a pre-
caution against possible, if not probable, inflation, will no doubt be continued for some time. This will do much to ease the shock of transition and make possible the operation of the existing equipment and the realization of the raw materials. In the medium term, however, the trend toward sta-
bilization of the whole economy, at least in the United States, through a gradual loosening of the controls imposed during the war, will likely continue. This will mean a gradual increase in the demand for labor, and a correspond-

ing increase in the number of workers employed.

The necessity for these, and similar, measures, is all the greater in the light of the current economic conditions. The unemployment situation, for example, is far from being anywhere near the level of demand for labor in the war industries. It is quite possible, in fact, that unemployment will be much higher than at any time in recent years. This is particularly true in the short term, given the current economic conditions and the fact that many workers are still on the job. In the long run, however, as the economy recovers and demand for labor increases, the situation will likely improve.

But, even if the supply of labor is sufficient to meet the demands of the war economy, it is not clear that this will be the case. The current economic conditions are such that there is a great deal of uncertainty about the future. This uncertainty is likely to lead to a great deal of economic instability, and this in turn will likely lead to a great deal of unemployment. In the short run, the situation is likely to be much worse than in the past. In the long run, however, as the economy recovers, the situation will likely improve.

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Calendar of New Security Flotations

Offerings

HOWARD STORES CORPORATION (New York), wishes to announce the offering of $50,000,000 of ten-year 4% bonds at 99¼, for $49,575,000. Bonds to be registered in denominations of $500 and integral multiples thereof. Proceeds to be used in the acquisition of the assets of the firm, which will be dissolved and merged with the present company. Offered through Fox & Co., Merrill Lynch, Pierce, Fenner & Beane, and other Underwriters. Offered July 12, 1944. Details in "Chronicle," July 11, 1944.

PANASONIC EASTERN FLEX CO. (New York), wishes to announce the offering of $50,000,000 of 5% convertible preferred stock at 98, for $49,000,000. Each share of preferred stock, $100 par value, will be convertible into 1.5 shares of common stock at any time. Offered through Pan American World Airways, Inc., Merrill Lynch, Pierce, Fenner & Beane, and other Underwriters. Offered July 15, 1944. Details in "Chronicle," July 14, 1944.

JACKSONVILLE GAS CORPORATION (New York), wishes to announce the offering of $15,000,000 of 5% outstanding first mortgage bonds, $100 face value, at 99%, for $14,900,000. Bonds to be registered in denominations of $1,000 and integral multiples thereof. Offered through E. Major & Co., Martin & Stowe, Morgan Stanley, and other Underwriters. Offered July 20, 1944. Details in "Chronicle," July 13, 1944.

National Automotive Fibres, Inc. (New York), wishes to announce the offering of $25,000,000 of 5% convertible preferred stock, $100 par value, at 97½, for $24,200,000. Offered through J. B. Moore & Co., Morgan Stanley, and other Underwriters. Offered July 21, 1944. Details in "Chronicle," July 20, 1944.

NEW FILINGS

List of recent registration statements filed less than twenty days ago, on which registration statements, in which issues are underwritten, or which are accelerated at the discretion of the SEC.

TUESDAY, JULY 18

BROOKLYN UNION GAS COMPANY (New York), has filed a registration statement for $1,000,000 of 5% bonds, $100 face value, at 99%, for $989,000. Bonds to be registered in denominations of $100 and integral multiples thereof. Offered through the Underwriters. Offered July 19, 1944. Details in "Chronicle," July 18, 1944.

ROBERTY ELECTRIC STEEL CO. (Selma, Ala.), has filed a registration statement for $5,000,000 of 5% bonds, $100 face value, at 98%, for $4,860,000. Bonds to be registered in denominations of $100 and integral multiples thereof. Offered through the Underwriters. Offered July 20, 1944. Details in "Chronicle," July 19, 1944.
"Our Reporter On Governments"  

BY JOHN T. CHIPPERFIELD, JR.

Following a period of comparative inactivity during the greater part of the summer, the market for government securities in the past week has been quite active with prices improving, particularly in the long term tax-exempt issues of recognized institutions. 

The partially tax-exempt obligations, which had been quite heavily liquidated in previous war loan drives, were offered again in the market, but this time in considerably smaller amounts due to the decreasing supply and the need of present holders for tax savings. However, it was reported that just prior to the ending of the Fifth War Loan Drive a large block of partially tax-exempt securities were liquidated by insurance companies. A large number of these bonds, which were purchased for the purchase of a like amount of the 2% bonds due 1922/1924...

**Portfolio Changes**

It is noted that a number of commercial banks outside the New York area have been making changes in their government holdings, resulting in a minor lengthening of maturities in order to increase income. It is stated that these institutions have completed very comprehensive surveys of their deposit situations, and, as a result, the effect of ending of the drive will have on deposits and the business and industry in their localities. Based on such studies, it is believed that they have decided that they are well entrenched for any changes that may take place in deposits through their holding of short term government obligations in order to make more effective use of their funds are going into somewhat longer maturities. An example of this was the sale of $10,000,000 of 3% bonds due June 15, 1945 at about 101 1/2 and the purchase of the 2% bonds due May 15, 1946 at about 101 3/8.

Now that the Fifth War Loan has been successfully concluded without offering securities to the commercial banks, the bonds of May 15, 1945 and June 15, 1945 will be fairly priced, but this time in considerably smaller amounts due to the decreasing supply and the need of present holders for tax savings. However, it was reported that just prior to the ending of the Fifth War Loan Drive a large block of partially tax-exempt securities were liquidated by insurance companies. A large number of these bonds, which were purchased for the purchase of a like amount of the 2% bonds due 1922/1924...

**Deferred Payments**

The unforeseen developments which have taken place during the last year in the area of the government securities market have resulted in the reduction of governmental obligations and the increase in mortgage obligations. The question of whether or not government securities should be made to these institutions is still being debated. Likewise, when can the Sixth War Loan be expected to be offered? The bonds of May 15, 1945, which is expected to be the last bond of the Fifth War Loan Drive (July 14, 1944), but payment for them may not be made before Sept. 30, 1944.

The use of deferred payments for securities is not a new development by the Treasury, since it was used in the Third War Loan Drive in 1941. It is limited to institutions that are unable to receive payment for the securities during the current period, and the payment date was extended for a shorter period after the ending of the drive. This is considered a success inasmuch as the maturity of Certificates of Indebtedness is not a deadline, but in the event the Treasury feels it is necessary to have funds available for new issues, it could be a medium to provide some new money for the government...

**Post-War Expenditures And Taxes**

A veteran Washington observer estimates that our national post-war budget will approximate 20% annually and breaks up under the following estimates:

- Billion
  - Ordinary government expenditures, incl. interest on the Fed-
  - $6
  - All military expenses
  - $5
  - Aid and payments to veterans
  - $1
  - Public works and relief
  - $1
  - Agriculture
  - $2
  - Social security & welfare relief
  - $2

With these figures in a base he surveys potential national income and the likelihood of tax reductions. At a national income level of $110 billion he comes to the conclusion that the budget can be balanced and that federal income tax in excess of profits eliminated. Further, he feels that the budget will leave no margin for any reduction of federal debt.

At a national income level of $120 billion a substantial margin would be left. In 1944 the balance of the budget, a margin of $15 billion, was eliminated to provide additional revenue for general social purposes. Only $8 billion of this amount was left to go to the federal government. He feels that it is going to be up in one of the many huge post-war problems — how do we reduce taxes as promptly and as substantially as possible, leaving the debt at high levels, or do we keep taxes at their approximate present levels and try to balance the Federal debt?

This is not a too tempting question to think about, but it is a problem that is going to come. It may take many years to deal with, and none of us can say how much money about it. It is a problem for every American, for it is the problem of how to reduce taxes without reducing the budget...Ralph E. Samuel & Co.

**Interesting Rail**

Raymond & Co., 148 State Street, Boston, Mass., have issued a prospectus for a new line extending from Providence, R.I. to New York City, which is expected to be completed in 1946. The line is known as the New York and New England Railroad. The new road is expected to be completed in 1946 and will connect with the existing lines of the Atlantic Coast Line and the New York and New England Railroad in New York City. The project is expected to be completed in 1946.

**Attractive Situation**

Panama Canal offers an interesting opportunity for circulatia according to Mr. Rose. With a major cut-off by April 15, 1944, the price of this circular may be had from the firm upon request...