

The Commercial and FINANCIAL CHRONICLE

Reg. U. S. Pat. Office

Volume 160 Number 4312

New York, N. Y., Thursday, August 31, 1944

Price 60 Cents a Copy

N
S
T
A1
9
4
4

Preamble

The object of this Association is to promote the general welfare of its members, to establish and maintain high standards of ethical conduct, to provide the benefits to be derived from personal acquaintance and to afford the means of discussing matters pertinent to the trading division of the security business.



Signed
National Security Traders'
Association

24
AFFILIATES.

Eleventh Annual Meeting, August 25-26, Chicago, Illinois

BOND and STOCK BROKERS

Specializing in
Railroad Securities and Reorganization Securities

Publishers of
"GUIDE TO RAILROAD REORGANIZATION SECURITIES"

Special Interest In Defaulted and When As and If Issued
 Railroad Securities

PFLUGFELDER, BAMPTON & RUST

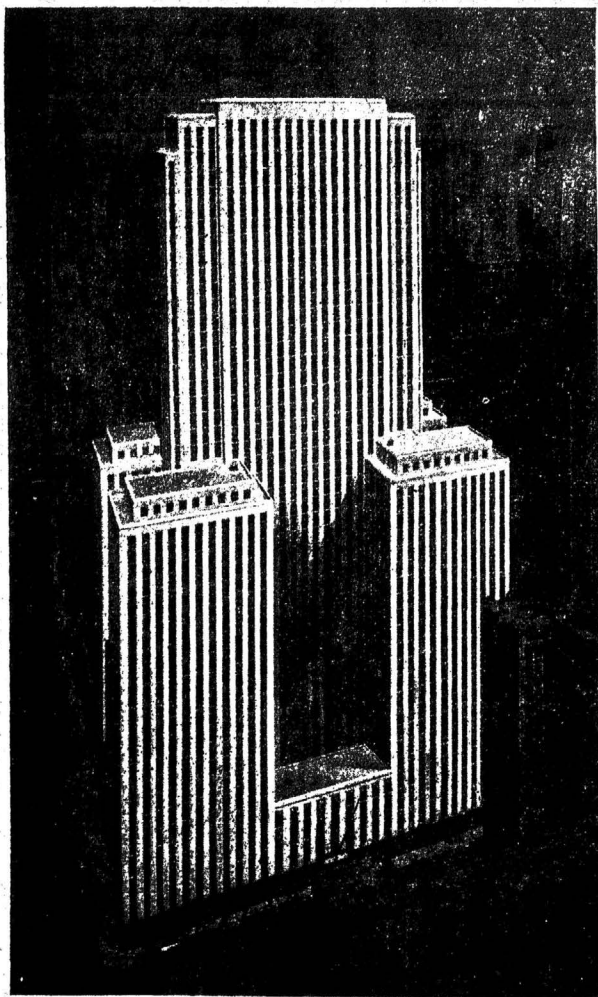
61 BROADWAY

Members New York Stock Exchange

NEW YORK 6, N. Y.

Telephone DIgby 4-4933

Bell System Teletype NY 1-310



THE FIELD BUILDING

An address of prestige is a sound investment. The firms listed here have found that headquarters in the Field Building, located in the heart of the financial district, pay dividends in convenience, goodwill, and distinction.

FINANCIAL BUSINESS TENANTS IN THE FIELD BUILDING

Bache, J. S. & Co.	Gofen & Glossberg	Mullaney, Ross & Co.
Bacon, Whipple & Co.	Graham Parsons & Co.	National Triangle Securities, Inc.
Bear, Stearns & Co.	Halsey Stuart & Co.	Nuveen, John & Co.
Blair Securities Corp.	Harriman Ripley & Co., Inc.	Otis & Co.
Blair, William & Company	Harris, Upham & Co.	Ranson-Davidson Company, The
Blyth & Company, Inc.	Hickey & Company	Rollins, E. H. & Sons, Inc.
Boettcher & Co.	Hirsch, Lillenthal & Co.	Rothschild & Co.
Brown Brothers, Harriman & Co.	Huff, Geyer & Hecht	Scott & Wyandt, Inc.
Byllesby, H. M. & Co.	Jacoby, Louis	Security Supervisors, Inc.
Cargill, Incorporated	Johnson, Joseph M. & Co.	Selected Investments Company
Carlton, F. A. & Co.	Kidder, Peabody & Co.	Shields & Company
Cavanee, Clark M.	Kitchen & Co.	Slayton & Co., Inc.
Central-Illinois Securities Corp.	Ladd, Henry	Speer, H. C. & Sons Co.
Chicago Corporation, The	La Forge, John G. & Co.	Stein & Roe
Commercial & Financial Chronicle	LaSalle National Bank	Stranahan, Harris & Co.
Dempsey-Detmer & Co.	Lewis, Benjamin & Co.	Straus Securities Co.
Devine, C. J. & Co., Inc.	Lillig, George J.	Swift, Henke & Co.
Dickson, R. S. & Co., Inc.	Lizars, Rawson & Co.	Thomas, E. W. & Co.
Doyle, O'Connor & Co.	Mabbett, R. H. & Co.	Valiquet & Co.
Eastman, Dillon & Co.	McMaster, Robert F., & Co.	Van Ingen & Co., Inc. B. J.
Fahnestock & Co.	Martin, Burns & Corbett, Inc.	Van Strum & Towne, Inc.
Federal Deposit Insurance Corporation	Mason, Moran & Co.	Weeden & Company
Fiduciary Counsel, Inc.	Mesirov, Norman	Welsh, Davis & Co.
Gerwig & Gerwig	Milwaukee Co., The	Woodruff, Hayes & Co.
Glore, Forgan & Co.	Molloy, Edward P.	Yantis & Co., F. S.
	Moseley, F. S. & Co.	

For Complete Information, Address ROBERT CARPENTER, Manager

135 So. LaSalle Street, Chicago

National Security Traders Association

Newly Elected Officers

Secretary



Edward H. Welch

1st Vice-President



Thomas Graham

President



Ed. E. Parsons, Jr.

2nd Vice-President



John E. Sullivan, Jr.

Treasurer



J. G. Heimerdinger

Retiring Officers

President



Wm. Perry Brown

1st Vice-President



B. Winthrop Pizzini

2nd Vice-President



Jerome F. Tegeler

Treasurer



Russell M. Dotts

Executive Council

The Executive Council is composed of the Officers, retiring President, Joseph W. Sener, Walter F. Saunders, Wm. Perry Brown, and Russell M. Dotts,



Joseph W. Sener



Walter F. Saunders

Greetings From N S T A Officials Past and Present



Ed. E. Parsons, Jr.

Presidential Greetings

The honor of being President of the National Security Traders Association comes to me with a great deal of pleasure as well as with a sense of great responsibility.

The previous administration under Perry Brown has done an outstanding job and it is the desire of this administration to continue the work. As we see the end of the war approaching, the uppermost thought in my mind is the return of our many members in the Armed Services, as well as the opportunity to attract young men to the industry.

Having been one of the organizers of the NSTA and having served in various capacities, it has been my pleasure to know what an effective force the Association has been in the trading business. Contacts and friendships brought about through the Association are invaluable.

We have had many meetings in Chicago and this is an opportunity to thank our members here for really making the Association possible and for their untiring efforts in handling this and other meetings.

Our industry is fortunate that we are not confronted with renegotiation, reconversion or termination.

We start the year 1944-45 with the hopes of great accomplishments.

Edward E. Parsons, Jr.

WM. PERRY BROWN

The Eleventh Annual Meeting and Election of Officers of the National Security Traders Association came to a close in Chi-



Wm. Perry Brown

cago on Aug. 26 with the general feeling of the members and their guests that this meeting was perhaps one of the finest ever held in respect to accomplishments for the members and the industry as a whole. A very serious tone prevailed throughout the two-day session which was taken up principally with meetings of the National Committee, Corporate and Municipal Meetings and reports and discussions as presented by the various Committee Chairmen. Members and guests in attendance cooperated with the travel problems of the country by combining other business while attending this meeting.

Today, after 11 years of hard work, the NSTA means full representation to the members of the Association and the securities industry. It is expected that this situation would finally arrive due to the untiring efforts of the Officers, Members of the Executive Council and Committee Chairmen who have served so faithfully over these years. No other group represents the indi-

viduals in this business in the manner in which they are represented by the NSTA. With over 2,000 active members associated with something over 1,200 firms in this business, located in every principal city of the United States, a vast cross section of the industry is represented and a correct answer to the many problems that continually confront the business can be attained. In the past two years Dallas, Texas, Memphis, Tenn., and Atlanta, Ga., have become affiliated with the NSTA, bringing about an even larger membership than ever, but, more important than numbers, the ever-increasing realization of the importance of the NSTA as the means of knowing that the members are being represented on all problems that confront the industry.

Great confidence has been placed in the incoming Officers and Members of the Executive Council who were elected to these high offices at this meeting. They will have responsibilities that are as great or greater than those of the preceding administrations. These men are qualified to continue the policies of the NSTA and the program of economy of operation which have been in effect in the past. Their untiring efforts are a guarantee towards an even greater Association than in the past and they will contribute much towards continued success in doing their part for the members of the Association. They are able men who measure up to the necessary qualifications successfully to carry on the business administration of the NSTA.

The membership has expressed itself again that the War Effort comes first and the entire strength of these members can be counted upon by the United States Treasury Department in all future War Loan Drives. The part to be played by the NSTA after victory has come is all important to those of our industry who are in the Armed Forces and the NSTA may be counted on 100% in the problems of post-war days.

My fullest support can be expected as a member of the Executive Council to the President-elect and his official family. The membership of the Association are fully behind these administrators and they join me in expressing the utmost confidence in these gentlemen towards a greater and better NSTA.

Cordially yours,

Wm. Perry Brown

JOSEPH W. SENER

It was my pleasure once again to be present at the annual meeting of our Association. Having attended all these meetings since the birth of the NSTA, I have been able to observe at first hand its consistent growth and the in-



Joseph W. Sener

creasing interest of our members in its activities involving the welfare of our business.

I extend heartiest greetings to all of our members and guests, particularly the representatives of our new affiliates.

Joseph W. Sener

Maj. HERBERT H. BLIZZARD

Greetings to members and guests of the National Security Traders Association! For the past three years I have followed with interest the activities of the Association and its accomplishments



Major H. H. Blizzard

under its competent officers. I am proud of the record the Association has made by so many of its members entering the Armed Forces. We must recognize the fact that the emergency will not be over when hostilities cease. We have never lost a war and have never won a peace. The post-war period will be one of severe readjustment and I know the NSTA members realize the serious situation confronting our nation. Don't get out of harness when the last shot is fired—that is only the time for the Generals to celebrate—your work will just be beginning.

Herbert H. Blizzard

Major A. C.

Past Pres. NSTA

(Continued on page 953)

Established 1856

H. HENTZ & CO.

New York Cotton Exchange Bldg.

HANOVER SQUARE, N. Y.

STOCKS • BONDS • COMMODITIES

Members

New York Stock Exchange

New York Cotton Exchange

New York Curb Exchange

Chicago Board of Trade

and other leading exchanges

Branches

CHICAGO DETROIT

PITTSBURGH

GENEVA, Switzerland

BONNER & GREGORY

The Outlook For Public Utilities In Post-War Era

By P. L. SMITH*

President, Middle West Corporation

Utility Executive Forecasts A Favorable Situation For Utilities In Post-War Period Due To Absence Of Serious Reconversion Problems And Probability Of Increased Demands By Consumers. Sees Ample Capacity To Serve Post-War Loads Without Increase In Operating Costs. Much Depends, However, On Wise Planning And Execution Of Our National Economy And On Fair Tax And Regulation Policies

My primary activities in business have been towards the objective of making constructive and reasonable profits, and not in being a prophet. Most business, in order to realize reasonable profits, must engage in some forecasting from time to time, and in some instances almost continuously. It is with some trepidation that I hazard a few guesses publicly though I realize that—in common with most other businessmen—I have been operating on forecasts privately in my regular occupation for a number of years. If a small majority of our guesses turn out to be right it is usually a successful accomplishment, so, at the outset, I will "hedge" with the statement that I am fully aware of the probability that some of my conjectures will turn out to be wrong. It would be remarkable indeed if unfavorable ones should not eventuate and most of the favorable ones prove to be reasonably good.

What I have to say will apply principally to the electric and gas utilities. While the general pattern of post-war experience may be similar for a majority of such utilities, there will be wide variations among separate companies or companies in certain geographical or industrial areas. Electric and gas utilities will not have current inventory, reconversion, and renegotiation problems except of minor significance. The fact that electricity is produced for immediate use rather than for storage means that electric utilities will not have an accumulated inventory of their finished product to affect the market in post-war years, as may be the case with some industries. The same is true as to manufactured gas com-

panies; and as to natural gas companies—of course it is highly advantageous that a large supply of their raw material is in the ground. Reconversion by utilities will relate to changes in transmission and distribution caused by a great decrease in war industry business and resumption of peacetime activities.

Shortly after durable civilian goods are again being manufactured in great volume, electric and gas utilities will increase their loads and sales to commercial and residential customers as such customers are able to buy equipment, appliances, and facilities which have not been available during the war years. These utilities will rebuild their New Business departments for the purpose of stimulating the maximum possible consumption of their services by existing customers and prospective new ones of all classes. In time many new devices and inventions using electricity or gas in their operation will gradually appear on the market. Electricity, after the war, may be even more important in every-day living than it was before Pearl Harbor. Much of this will be due to inventions spurred to completion to help win the wars. In the field of electronics, many new products that will give additional and greater comforts, conveniences, and enjoyment in every-day living will undoubtedly be generally distributed to the public. The manufacturers of many electrical and gas appliances have already had discussion and display meetings for the purpose of exchanging ideas and planning for the future of such post-war activities. It seems certain that the ingenuity that so well characterizes American industry will again be directed to making our homes, offices, and places of recreation more enjoyable than they have ever been.

One is stunned by the realization of what wonderful improvements in the standard of living throughout the world could have been made if the materials and effort and time had been applied to making permanently useful buildings, machinery, equipment, and facilities rather than destructive products. The tragedy of human failing is apparent all over the globe. The costs in lives, suffering, materials, and money are stupendous. If man has advanced

in his capacity and ability to administer mass human affairs, then at the close of these wars the world can turn to remedying its mistakes and the destruction caused thereby. We cannot have real and permanent prosperity and progress unless a majority of peoples have the conviction that they must assure sound policies in and among nations, states, cities and families. Enlightened effort will be productive of permanent success. Narrowness, bitterness and hatred will preclude it.

These philosophical remarks lead to the fact that the post-war outlook for utilities as well as for business in general will be determined by the future political and

economic policies adopted by the stronger nations. These policies will have very important effects upon the general business cycles. It is a tremendous task for wise statesmanship. Fortunately there are indications that the solutions to be agreed upon will be better than those following the close of World War I. It is the opportunity and duty of every adult to strive to bring that about and continuously to be vigilant to avoid slipping back into former faults.

The utilities are in an excellent position to contribute their share to the job of changing back rapidly to peace-time work. For the most part there will be ample capacity to serve post-war loads. Some companies will have surplus

capacity which, will take care of future growth in their service areas, while for the later post-war period, when loads are expected to go beyond those of the last few years, new additions, improvements and extensions can readily be made. While the cost of virtually all other commodities has increased in recent years, the average cost to consumers per kilowatt-hour of electricity and unit of gas has declined. It is reasonable to expect that conditions may permit of the continuation of the downward trend.

There will be quite an interplay of factors determining the final effects upon net income. In many companies there will be sub-

P. L. Smith

We are interested in offerings of

**High Grade
Public Utility and Industrial
PREFERRED STOCKS**

SPENCER TRASK & Co.

25 BROAD STREET, NEW YORK 4

Telephone HANover 2-4300

Teletype NY 1-5

Members New York Stock Exchange

Public Utility Stocks

**We maintain an active market in the
stocks of many public utility companies**

PAINE, WEBBER, JACKSON & CURTIS

ESTABLISHED 1879

Greetings From The Chairman Of The Committee On Arrangements

It has been a great privilege to have again acted as chairman of the Committee on Arrangements for the Annual Meeting of the National Security Traders Association. I wish to take this opportunity of extending my thanks to the members of the Committee and the members of the Association for their splendid cooperation in making this one of the most successful meetings since the inception of the N. S. T. A.

From a small membership ten years ago the Association

now has grown to the largest organized group in the industry with twenty-four affiliates located in the principal cities of the United States, and more than 2,600 members, five hundred of whom are in the armed forces.

Our membership has contributed a great deal to the maintenance of the high standards of trading and the general welfare of the over-the-counter market.

EDWARD H. WELCH



Edward H. Welch

Committee On Arrangements

in addition to Chairman Edward
H. Welch, consisted of



Leo J. Doyle



L. A. Higgins



Henri P. Pulver



Harry L. Nelson



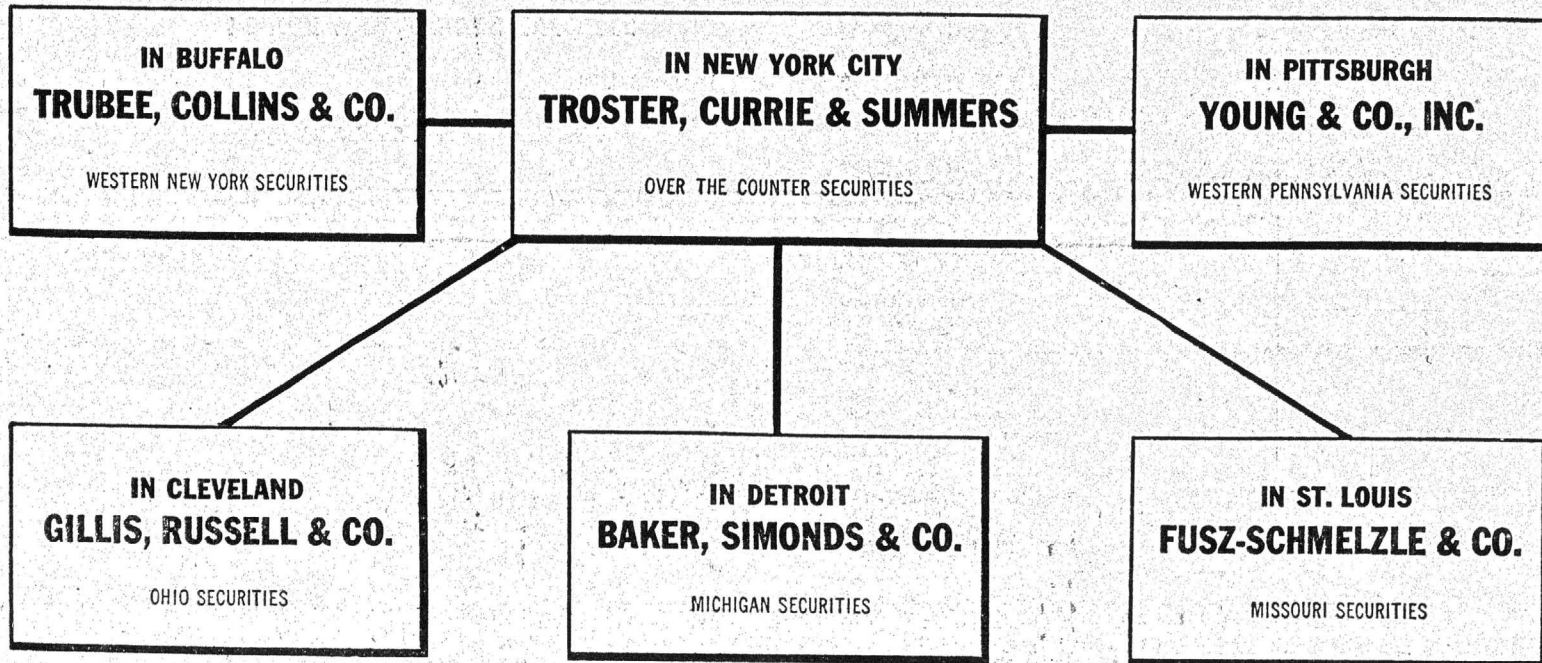
R. E. Simmons



Ralph G. Randall

INTER-CITY WIRE SERVICE

FAST AND EFFICIENT SERVICE MAINTAINED BETWEEN THESE CITIES



Inquiries and orders invited

Some Practical Phases Of Post-War Municipal Financing

By JOSEPH A. MATTER*

Of Chapman and Cutler, Attorneys, Chicago

Municipal Bond Attorney Looks For Heavy Volume Of Municipal Financing Following The War, Due Partly To Refunding, Partly To Investment Demand For Tax Exempt Securities, As Well As To The Larger Borrowing Margins Arising From Wartime Debt Reductions—Predicts Heavier Borrowing For Highway Construction And Municipal Improvements And Points To New Sources Of Municipal Revenues And Larger Volume Of Revenue Bonds



J. A. Matter

It is nice to be home again after a vacation in the mountains which began a month ago with a pack trip into the Big Horns, and ended yesterday morning with a climb up and down one of the trails near Rocky Mountain National Park. A child's definition of an adult is a person who has stopped growing except in the middle. In an effort to combat the accuracy of that definition I made it a rather strenuous month, and many times during the month remembered with deep appreciation a famous remark of Chauncey Depew's. When he reached the age of 90 Depew was asked what kind of exercise he took. He replied that he had always made it his rule to get his exercise acting as pallbearer to his friends who take exercise.

When I mentioned to my good friend and associate, Henry Cutler, the topic on which your President had asked me to talk to you today, his comment was that you should have selected not a lawyer but a crystal gazer. To some extent that is of course true, and I was interested to learn later that when Carl Chatters addressed you last year on a similar subject he prefaced his remarks with the same thought. However, there are some straws in the wind, some circumstantial evidence, which when studied give a fairly substantial clue to the probable volume and nature of post-war municipal financing. Circumstantial evidence is not the best evidence, but it is helpful. Henry Thoreau once remarked that it can be very strong, as when you find a trout in the milk. Some of the circumstantial evidence which is available to us is almost that strong.

The complexity of the problem is made evident when it is remembered that there are in the United States over 155,000 governmental units. Of these about 70% are school districts, 12% townships, 10% incorporated municipalities, and 5% special districts. Probably most of them are planning post-war improvements.

I do not need to tell any of you to whom municipals mean bread and butter that the volume of long-term municipal financing reached a 10-year low in 1943, but you will be interested in a few comparative figures. Earlier this year I checked the number of new municipal files made in our office during one month, and found the number to be about 40% of the number for the same month in 1939. According to "Bond Buyer" compilations, long-term financial flotations for 1943 were about \$500,000,000. This figure was a little under that for

1942, and compares with \$1,230,000,000 in 1941, and an average of almost \$1,200,000,000 for the eight years 1934 to 1941, inclusive. Accordingly, these figures also indicate that in 1942 and 1943 we had roughly 40% of what might be called a normal municipal business. However, in each of even these two years there were more municipals issued than in any of the five years preceding our entrance into World War I. This is doubtless due in part to refundings induced by present attractive interest rates.

Figures like the above never fail to remind me that those of us who depend on municipal obligations for our livelihood have a pretty consistent source of business. We grouse from time to time, of course, that business is terrible, but year in and out,

through boom and depression, we have done pretty well. The Athenian law-giver Solon once said that if all our misfortunes were laid in one common heap whence everyone must take an equal portion, most people would be contented to take their own and depart. I'm sure that would be true of the average dealer in municipals. Moreover, entirely apart from the profit angle, I know that its endless variety, its challenge to the imagination, its opportunities for fellowship with a fine group of men, and its opportunity for constructive effort of permanent value make it a fascinating game to all of us.

Naturally, estimates of the amount of post-war financing differ. Merrill Lynch, Pierce, Fenner & Beane have analyzed the International City Managers' Association report which I will

mention later, and have concluded that each of the first five post-war years should see \$2,500,000,000 in State and municipal expenditures. If financed with bonds, this would be nearly twice the all-time high reached in 1940, but I am advised that in a later report, the firm estimated that the projects involved would result in the issuance of bonds to the amount of only around \$6,000,000,000. Halsey, Stuart & Co. in its Mid-Year Municipal Bond Review, gives consideration to present high prices, uncertain national policies as to production, inflation, taxation and free enterprise, and the necessity for continued peak income tax rates, and concludes that some increase in volume, particularly in revenue bonds, is to be expected, but that the increase will not reach unparalleled amounts. The Municipal Securi-

ties Committee of the I.B.A. estimated last November that the first four post-war years would see a total of between \$5,000,000,000 and \$8,000,000,000. Even the smaller figure would of course mean four banner years. The "Bond Buyer" has been carrying on extensive surveys, and is making and will make specific reports in its columns from time to time.

Present estimates of post-war Federal budgets run from a low of \$20,000,000,000 to a high of \$30,000,000,000, and assume an annual national income of between \$110,000,000,000 and \$140,000,000,000. Our national income in 1937 was only \$71,000,000,000. It is hard to see how that figure can double for post-war years, but even if it does, budgets in the estimated amount will make possible little reduction in Federal

(Continued on page 912)



Entrance to the
"MARKET PLACE of the MIDDLE WEST"

*An address made by Mr. Matter before the annual meeting of the National Security Traders Association at the Palmer House, Chicago, Ill., on Aug. 25, 1944.

The Advertising Committee Thanks You

Fellow Members:

May we, the NSTA Advertising Committee, in behalf of the entire membership, thank all our advertisers and boosters for their splendid cooperation in making this year, 1944, the most successful



Alfred W. Tryder Harold B. Smith

demonstration of financial support. This acclaim proves our position in the securities industry.

We extend our most gracious appreciation to our fellow member, the Publisher and Editor of the "Commercial and Financial Chronicle," Herbert D. Seibert; his solicitors, Messrs. Hal Murphy, Edwin L. Beck, F. V. Reilly and Al Reynolds, for their unlimited support to our Committee.

The invaluable aid of the members of our National Advertising Committee has confirmed this medium to be the greatest source of financial income to our National Treasury. May your Chairmen extend their sincere thanks?

The names of the members of the National Advertising Committee follow:

Don E. Summerell
O'Melveny-Wagenseller &
Durst, Inc.
Los Angeles, Cal.

Kermit B. Sorum
Allison-Williams Company
Minneapolis, Minn.

Joseph H. Weil
Weil & Arnold
New Orleans, La.

Ralph F. Carr
Ralph F. Carr & Co.
Boston, Mass.

Phillip J. Clark
Amos C. Sudler & Co.
Denver, Colo.

Wm. Maddin MacRury
Paine, Webber, Jackson &
Curtis
Milwaukee, Wis.

Josef C. Phillips
Drumheller, Ehrlichman & Co.
Seattle, Wash.

Ray P. Bernardi
Cray, McFawn & Co.
Detroit, Mich.

Ernest E. Blum
Brush, Slocumb & Co.
San Francisco, Cal.

Bert H. Horning
Stifel, Nicolaus & Co., Inc.
St. Louis, Mo.

Jeff Horsfield
Wm. J. Mericka & Co., Inc.
New York, N. Y.

John M. O'Neil
Stein Bros. & Boyce
Baltimore, Md.

May we further praise our esteemed President, W. Perry Brown, and our most resourceful Secretary, Edward H. Welch, for their untiring efforts. This assistance consummated our final success.

We recommend to the newly elected officers that the Advertising Committee for 1945 endeavor to develop a representative in each and every affiliate and broaden its work into the commercial field.

K. I. M.

Chairman, Harold B. Smith
Collin, Norton & Co.
New York, N. Y.

Vice-Chairman, Alfred W. Tryder
W. H. Newbold's Son & Co.
Philadelphia, Pa.

National Security Traders Association

Never was there such a meeting,
Such a group from East and West,
Then the traders met together
And convened with all their zest!

North they came from the Southland,
South they came, too, from the North,
To Chicago for convention,
All the traders traveled forth!

National their scope and int'rest,
Stocks and bonds their watchword, too,
Teletype their mark of business,
Affiliated traders true!

Some Practical Phases Of Post-War Municipal Financing

(Continued on page 911)

income taxes. This will, of course, cause the demand for municipals to continue strong, and should help stimulate the supply, but will not help profit possibilities. Substantial profits in municipal transactions no longer come almost automatically, as they once did. I have never forgotten the story once told me of how the head of a large municipal house got into the business. As a young man he was employed by an indemnity company to write surety bonds for public officials. On one occasion he had ridden horseback to a non-railroad county seat to write an indemnity bond covering the County Treasurer. The county was selling an issue of courthouse bonds on the same day, and another man had ridden over to buy the bonds. Their business concluded, the two men rode back to the railroad together. "Well," remarked the insurance agent, "I made a commission of \$49.50 on that indemnity bond. What did you make on the bonds you bought?" "Let's see," replied the other, "I bought one hundred 5s at 96. I have them sold at 103. That makes \$7,000 profit." The first man pondered a few minutes, then announced: "Well, by cracky, I'm going into the municipal bond business right now." He was as good as his word, borrowed a little capital, and the following Monday was sitting in an office in Nashville with his name on the door. Thus was born what developed into one of the largest municipal houses in the South. I wonder if "those days are gone forever."

Another factor which will increase municipal borrowing is the substantial amount of debt reduction which has taken place over the past several years. Municipalities, like individuals, are tempted to spend when borrowing is easy and debt-incurring margin is large. Total municipal debt was about \$20,000,000,000 in 1940. This was decreased an average of 15% by the end of 1943, with many cities reporting decreases

since the depression of more than 50%. Lansing and Saginaw, Mich.; Milwaukee, Wis., and Springfield, Ill., report more than 80% decrease.

Highway construction is sure to be of post-war importance. It is estimated that almost \$4,000,000,000 will be required to restore our highways to pre-war condition, and extensive new systems are also contemplated. On June 2, a bill was introduced in the House of Representatives which would authorize Federal aid of \$500,000,000 a year for each of the first three post-war years. Forty percent matching State funds would be required the first year, and 50% the second and third years. Allotments (but not payments) may be made within 30 days from the passage of the Act. The bill differs from previous bills in that roads and streets of all classes, including both secondary country roads and express arteries in urban areas, are eligible for aid.

To what extent the States will borrow money to match these proposed Federal funds is uncertain, but some are sure to do so. I have been working this year with officials of some States on legislation for such borrowing, and I believe that in at least one of these States—North Dakota—such financing will be its first of the kind. Considerable legislation is needed for a really modern highway program. It is stated that about 30 States need new laws before high speed inter-regional highways can be constructed. Many States need better laws for the acquisition of rights-of-way, and many need laws permitting closer cooperation between State highway departments and city administrations. A striking fact which we must not overlook in debating the merits of highways as post-war projects is that modern types of high-speed roads, such as the Merritt Parkway in Connecticut, are cutting traffic fatalities by two-thirds.

As to specific post-war programs of the various States and municipalities, so many announcements have poured from the presses that no summary is possible here. Scattered examples are Oregon, with an announced program involving \$320,000,000; New York with \$250,000,000 per year for schools; California with \$250,000,000; Philadelphia with \$350,000,000; Cleveland with \$130,000,000; Tennessee with \$23,000,000 for highways; Wisconsin with \$70,000,000 for roads; Houston with \$20,000,000, and Miami with \$42,000,000. It is estimated that sewer construction to the amount of over \$1,000,000,000 is to be undertaken. Miami and Philadelphia are cited as specific examples, and it is suggested that most of the cost will be financed with revenue bonds. A bill pending before Congress would make available \$1,000,000 per year to be matched by States and municipalities for the construction of airports. Another bill would distribute \$100,000,000 to the States just for the planning of public works. Still another would appropriate \$300,000,000 for education.

Most of you will want to know exactly what financing is in prospect by the municipal units in your own territories, and as to this I refer you to a report made by the International City Managers' Association published in the Municipal Year Book for 1944. There is summarized in this book the results of an extensive inquiry sent by the Association in January, 1944, to every city in the country having over 10,000 population. Of 1,072 cities of this size,

(Continued on page 955)

Canadian Securities

Government

Provincial

Municipal

Public Utility

Wood, Gundy & Co.

Incorporated

14 Wall Street, New York 5

Toronto

Montreal

Winnipeg

Vancouver

London, England

Capital Needs And Other Problems Of Small Business

By IVAN WRIGHT

Professor of Economics, Brooklyn College

Writer Contends That More Money And Credit Or Easier Terms Are Not The Main Problems Of Small Business. Bureaucratic Regimentation, Legal Barriers And Other Restraints To Doing Business Transcend Credit Difficulties. Holds There Is No Shortage Of Credit And Capital For Reconversion And Expansion

The financing of small business has long been a vexing problem. Small business enterprisers have relied upon their own savings, the local banks, individuals, finance companies and large businesses which the smaller enterprises served. The latter has been the largest source of credit for the small business and tradesman. Information upon the financing of small business by credit extended by large manufacturers and wholesalers is vague and inadequate, but this volume of financing is known to run into the billions. In an average business year in the middle '30s it was reliably estimated by a survey that the interbusiness loans at the end of one business year exceeded \$20,000,000,000. Prior to these days of war finance \$20,000,000,000 was a lot of money, more than twice the net national savings for the boom year of 1929. These interbusiness credits had to come out of the money and capital markets. Large manufacturers



Dr. Ivan Wright

and wholesalers financed other producers and distributors out of their earned surplus or borrowed from the banks and the capital markets, and in turn extended credit to the small tradesmen less able to borrow.

Business of any kind or size is risky, and the risks of small business, new enterprises and unproved ventures are for the most part not bankable. The local bank that accumulates too many of these small business credits is taking too much risk with other people's money. If the depositors want to lend their own money either for short- or long-term purposes to small and new enterprises they know or should know that they are taking chances and speculating. But if they deposit their money in the bank for safekeeping and the bank takes risks that the depositors would not take with their own money, that is an abuse of the banker's trust and entirely too risky. The banker finds it safer to loan to intermediaries such as finance companies, and large businesses, or cooperatives who can charge higher rates than the banker is permitted to charge, and with the higher returns write off the losses that develop in the course of business. The individual banker must have loans that are carefully selected or well secured because he is loaning other people's money, and just a few sizable losses are enough to embarrass a

bank. Venture capital is a most essential part of enterprise, but supplying this venture capital must be encouraged from lenders who can afford to take large risks for large profits. It is not the business of bankers who accept other people's money for safekeeping.

Much Ado About Loans For Small Business

When the Baruch-Hancock Report recommended as a permanent source of credit for small business that the Federal Reserve System's authority to make industrial loans be expanded but that these loans should be made in such a way as to "supplement" and not "compete with private business," a whole volley of plans and schemes sprang forward to provide the credit and capital needs of small business. Immediately a bill was introduced in the Senate by Senator Wagner and an identical bill in the House by Representative Spence to provide the capital for the Reserve banks to guarantee loans to small business patterned after the V-loan program in war production.

The American Bankers Association appointed a commission of 41 bankers from 32 States to mobilize the banking facilities for post-war credit business. These bankers, while their full plans are not complete, have suggested a pool of credit for marginal loans. Most of the loans would be handled by

the smaller banks. For the most part it is felt that these marginal loans would be unbankable and perhaps little of the pool of credit would ever be used.

A survey made by the Robert Morris Association disclosed that small businesses had prospered more under the war program than large businesses. Relatively, it appears that the small concerns had a larger increase in the volume of sales, and that profits rose more in the small manufacturing companies than in the large ones. With the exception of chemicals, the smaller concerns made larger additions to plant, had greater increase in liquid assets, and increased the ratio of liquid assets to sales more than the larger companies did. The evidence available, however, indicated that this was not the trend in the non-war industries.

At the recent conference of Small Business Organizations at Chicago the answers to a questionnaire survey placed the inability to borrow money for reconversion and post-war sixth in the list of causes of dissatisfaction and distress among small business enterprises. The first fear was post-war bureaucracy and regimentation; the second, inability to retain enough earnings to remain in business; third, economic dictatorship; fourth, Government subsidized competition, and fifth, continued political rule in business.

It seems clear that more money and credit, or easier terms, are not the main problems discouraging small business enterprisers. Some of the other fears make the difficulty of securing capital far greater than would be the case if small business was again independent and free.

Prior to the Securities Exchange Act and the Securities and Exchange Commission small businesses of from one to ten millions of dollars in resources offer marketed stock and bond issues locally through local security dealers. But the burdensome restrictions of qualifying with the Commission have virtually destroyed the local capital markets. It is difficult, if not impossible, for many small businesses to keep within State borders and thus avoid the necessity of registration. The legal and accounting costs of qualifying a small corporation are so large that the costs of raising capital through the sale of securities is prohibitive. Moreover, most small business enterprisers have a holy horror of any closer contacts with agencies of the Federal Government. This was clearly indicated by the Chicago Survey. If it was possible to make a complete survey of the costs to business of government questionnaires, and the regulations and other red tape in complying with bureaucratic regi-

(Continued on page 950)

TRADING MARKETS

Panama Coca-Cola Bottling Company

Coca-Cola Bottling Co. of New York

Coca-Cola Bottling Co. of Los Angeles

Coca-Cola Bottling "A" of Cincinnati

Coca-Cola Bottling Co. of Chicago

Coca-Cola Bottling Co. of St. Louis

Red Rock Bottlers, Inc.

Circulars upon request

HOIT, ROSE & TROSTER

ESTABLISHED 1914

Members New York Security Dealers Association

74 Trinity Place

New York 6, N. Y.

Telephone
BOwling Green 9-7400

Teletype
NY 1-375



National Security Traders Association MEN IN THE SERVICE



Atlanta Bond Club

Craig Barrow, Jr.
Frank A. Chisholm
Molon C. Courts
Jack F. Glenn
Remer Y. Lane
Frank J. Meyers

Baltimore Security Traders Association

William H. Boggs
William A. Brown
Robert P. Chambers
Jack C. Creech, Jr.
Alan F. Daneker
Bernard E. Eberwein
Lloyd R. Freeman
Theodore Gould

Malcolm G. Keech
Howard L. Kellerman
David C. Kratzer
David G. McIntosh
Benjamin C. Mitchell, Jr.
Joseph T. Netter, 2nd
Charles A. O'Connor
William C. Roberts, Jr.
Albert N. Salters
Gifford H. Teeple
J. West Thompson, Jr.
Norville E. White

Bond Club of Louisville

Robert Barr
Albert C. Brocar
Powhatan Conway
Charles C. King

Bond Club of Denver

Norman C. Barwise
Arthur F. Bosworth
Ernest Etter
Alfred G. Brown
Donald F. Brown
Glenn B. Clark
Lester D. Fedderman
Alexander Forsyth
Jack B. Fuller
Norman F. Godbe
Gray B. Gray
Paul H. Hadley
Jackson F. King
Channing F. Lilly, Jr.
Leon Macart
Raymond W. Maxwell
Robert L. Mitton
W. Douglas Morrison

Jack N. Mowbray
John Mullen
W. F. Nicholson
Canton O'Donnell
Fred Pabst
Donald L. Patterson
Joseph Raichle
Ray E. Sargeant
George Seeman
W. T. Tutt
Wesley Whitna
George S. Writer

Bond Club of Houston (Texas)

Lovett Abercrombie
Henry Biessner
Claude H. Crockett
Gordon Crockett
Wilbur Frederiking
Fred P. Hamill
Wilbur E. Hess
Robert B. Maroney
Lewis W. Pollok, Jr.
A. W. Snyder
Walter W. Todd
Milton R. Underwood
Charles B. White

Bond Traders Association of Los Angeles

Charles B. Boothe
Milton C. Brittain
Ted Carlson
Donald C. Foss
Pierce R. Garrett
Paul G. Goldschmidt
Max Hall
E. Parkman Hardcastle
James E. Hill
William H. Jack
J. Earle Jardine, Jr.
Joseph LaPuma
Henry F. Link
William McCready
Elmer E. Meyers
William A. Miller
Tim D. Spillane
Kenneth H. Thompson

The Bond Traders Club of Chicago

Richard J. Aldworth
Joseph G. Ballisch
N. B. Baum
Paul J. Bax
Kenneth S. Beall
George Fabrian Brewer
William G. Budinger
Frank H. Buller
James J. Callan
Richard Cooley
Walter Cooney
James E. Czarnecki

Jack Danner
J. N. Faust
J. Smith Ferrebec
Maulsby Forrest
J. H. Fye
Richard H. Goodman
William A. Grigsby
Joseph F. Hammel
Charles J. Hofer
George F. Hummel
Henry Jensen
Fred F. Johnson
Hugh Kearns
Clyde H. Keith
William Lawlor
Edward A. Leinss
Ed Liening
Donald R. Muller
Paul M. Ohnemus
Nathan M. Silberman
George R. Torrey
George R. Wahlquist
Richard J. Wallace
Thomas J. Walsh
Raymond C. Wauchop
Chapin Wright
Owen H. Wygant
S. Burnham Yates

Bond Traders Club of Kansas City (Mo.)

King Baker
Don D. Belcher
W. E. Bilheimer, Jr.
John C. Bragg
Laurence B. Carroll
Ross Collins
Leo T. Farrell
Francis G. Kulleck
Claude McDonald
Wm. B. Pessell
Hoyt Purcell
Russell Sparks
Jack Strandberg
Jack Wheeler
Al Wolfgang

Bond Traders Club of Portland (Ore.)

Wallace E. Frazier
Pierre Kosterman
Lloyd Legg

Bond Traders Club of Seattle

Colin A. Campbell
R. E. Daniel
Edward K. Easter
F. K. Easter, Jr.
Donald A. Meyer
Jack Rhode
Julien F. Weber
Gordon Zwiebel

(Continued on page 956)

CLEARANCE FACILITIES

for

New York and Out of Town

OVER-THE-COUNTER BROKERS and DEALERS

*Inquiries are invited regarding occa-
sional or regular use of our facilities.*

TRUST COMPANY OF NORTH AMERICA

Securities Clearance Division

115 Broadway, New York

BARclay 7-1300

Complete Domestic and Foreign Banking Facilities

Member Federal Deposit Insurance Corporation

REMEMBER...

WITH nation-wide dealer contacts and private wire connections with a number of the larger New York brokers and dealers, and with no retail sales department of our own

OUR up-to-the minute trading facilities, service, and markets are entirely at the disposal of our valued broker, dealer and institutional contacts, national and local, in

OVER-THE-COUNTER SECURITIES

Kobbé, Gearhart & Company

INCORPORATED

Members New York Security Dealers Association

45 NASSAU STREET

NEW YORK 5

TELEPHONE: RECTOR 2-3600

PHILADELPHIA TELEPHONE: ENTERPRISE 6015

BELL TELETYPE: NEW YORK 1576

Much midnight oil these days is being burned by those who are discovering or devising ways and means to keep money cheap.

Everyone of them realizes that the principal problem involved in the almost universal desire to "freeze" interest rates indefinitely is the simple but inexorable fact that we are running out of ice. And most of the arguments now center around how long our present supply of "ice" will last and how we can manufacture more ice. No one appears to have examined the project with the idea of determining whether it is worth the effort—and the cost.

How cheap is cheap enough and not too cheap? Isn't it possible that, in our desire to make our money worth less, there is the danger that we may make it worthless? How did it all start anyway? What has it produced already in advantages and disadvantages, where is it leading us and what, if anything, can be done about it? All these are important questions to which small attention has been paid. Anyone of them would warrant extended discussion, but this article will not attempt more than a summary.

Too many of those who deal with statistics have never heard, or have dismissed as a wise-crack, the definition of a statistician as "A man who draws a mathematically precise line between an unwarranted assumption and a foregone conclusion." Most wise-cracks contain more than a germ of wisdom in spite of the barbs in their tails. That one is no exception. How many of today's arguments are based on assumptions that are unwarranted? And how many do seek to justify or rationalize foregone conclusions?

Certainly no one doubts that cheap money is an advantage to the borrower. But by the same token it is a disadvantage to the lender, sometimes to the point where he is not interested in lending. Something of the sort is all too apparent right now in the hoarding of currency. Is it worth while for us to encourage a sit-down strike of private capital at this particular stage of our experience?

Everyone is concerned with preserving the existing standard of living for those who work with their hands. What about those who are living on the income from invested capital and whose standard of living has been reduced to the bare subsistence level or below because money is cheap?



W. W. Townsend

How Cheap Is Cheap Money?

By W. W. TOWNSEND

Townsend-Skinner & Company, New York

Author of "Bond Salesmanship" and "Wall Street at Close Range"

Lecturer on "Bond Values" in Columbia University School of Extension

Writer Calls Attention To Currency Hoarding Arising From Prevailing Low Interest Rates And Points To Its Inflationary Dangers. Since The Object Of "Cheap Money" Is To Keep Down Cost Of Servicing Debt And To Protect Banks Against Decline In Bond Values, He Suggests New Perpetual Bonds Bearing Flexible Interest Rates, Varied According To Money Conditions As Remedy

Our banks are prospering on cheap money created by deficit financing, because their earning assets are out of all previous proportion to their capital funds. But they present a special situation which can, and should, be handled in a special way. Incidentally, the preference of banks for short maturities has presented us with the prospect and the problem of financing World War II twice a year from now on—and for a long time to come. That is a simple but a rather overwhelming fact. Our debt maturing in one year or less actually is just about twice the total cost of World War I. Those short maturities also present another problem which may become costly as well as acute.

A recent study by the National Bureau of Economic Research discloses that short term rates from 1900 to 1930 inclusive were as high as, or higher than, long rates in all but two of those years, also that they followed closely the fluctuations in the commercial paper rate—which is a risk-rate. If we revive commercial borrowing, as everyone seems to think we will, and all that short Government debt has to be rolled over from a 1% rate out to a 3% or 4% rate, we not only will have accomplished very little by today's cheap money, we won't even have cheap money.

But to get back to some of our earlier questions, how did cheap money come about in the first place? We were told, and are still being told, that it was an evidence of very high Government credit. That statement is simply a challenge to credulity. If any such thing were true why was Government credit poorer when Mr. Mellon was retiring debt in the 1920's on a 4% base rate than when Mr. Morgenthau was financing deficits in the 1930's on a 2% base rate? The credit of the United States has not been a relative term since the days of the Civil War. No, the reason was something else.

That reason was an accidental development from something undertaken for quite a different purpose. Mr. Goodyear got vulcanized rubber that way and he also took full advantage of the accident—but he never denied that it was an accident. Back in

the early thirties we decided to raise the price of gold and devalue our dollar internationally in order to produce more money which would stimulate the use or turnover of money. The people were lagging behind the "planners" in the scheme for speeding up prosperity. It was a good scheme but it made the mistake of taking the public for granted. If they had more money, they would spend more money. With equal logic it could have been assumed that if they had more soap they would wash their faces more often. They weren't spending the money they had and they weren't at all eager to spend the new money. So what happened?

Well, the same thing happened that would happen if anyone, who knew no more about electricity than the formula that "one volt times one ampere equals one watt," tried to increase wattage by increasing amperage at low voltage. That fellow doesn't get power, he gets heat—as he soon discovers. The "planners" got the most amazing bond price inflation in all history—which is cheap money by another name—but very little prosperity.

There was some pick-up in business, to be sure, and by the end of 1936 it looked as though the scheme had worked. But early in 1937 the spending began to fall off again just when the nation was being told that "we planned it that way". The goods that were being produced, processed and bought to meet the demand, which had quietly dried up, became a serious inventory log-jam which brought on the collapse of late 1937. Those were facts of record at the time, and are facts of sad recollection now. We almost lost our cheap money in that collapse as everything tumbled out of bed except Government bond prices. The run-off and non-renewal of commercial loans saved the day for Governments in late 1937 and 1938.

But why all this recital of facts? Simply to show that up to the outbreak of war and for nearly a year thereafter our cheap money was based on gold imports. Ever since about October, 1942, the Government bond market has been supported by the Federal Reserve Banks. This is a function never

intended by the framers of the original law. Like many other wartime measures, it was undertaken as the lesser of two evils. We will have more to say about that later.

The most serious problem which has resulted from cheap money requires some explaining. The commercial banks create money by making loans and investments. Everyone knows that by now. In so doing they get an earning asset in the form of a loan and a corresponding deposit liability. If that deposit is withdrawn and deposited elsewhere by the withdrawer or anyone else, the money stays in the banking system. If it is drawn out as currency and put under the mattress, it is outside the banking system and if that goes on long enough the earning assets have to be disposed of, because the withdrawal of the currency reduces the banks' reserves. That should be remembered. It has become important.

Buying gold is the exact but more potent opposite of withdrawing currency as far as bank reserves are concerned. Here we have a deposit with no corresponding earning asset. Excess

(or free) reserves created by gold imports are investible, but they cannot be invested out of the banking system because every time they are invested there appears both a new deposit liability and the corresponding earning asset. The process would be almost endless except for one thing. The commercial banks are running the equivalent of a margin account. The margin is their capital account, the securities are their earning assets and the deposits are the debit balance. And no banker likes to operate on a thin margin.

As of today, a commercial bank can expand its credit out to five or six times its reserves. At one time the banks had seven billion dollars of excess reserves. That meant nearly forty billion dollars of credit expansion! Goodness, gracious! Some leading economists drew charts showing the relationship between excess reserves and money rates, forgetting that we had seen all sorts of changes in money rates long before we ever heard of excess reserves. These gentlemen appeared to be rather badly confused between causes, consequences and coincidences.

All this time the public had been saving money the *wrong way*. The commercial banks paid no interest. The savings banks paid very little. "Why bother with banks? Give me the cash. I'll keep it," is what they must have been saying because that is what they did—and are still doing. Most of that will have to be charged up against cheap money and we have no idea how big the bill will be before we get it paid. Is it worth while?

Today we have over twenty-three billion dollars of "circulating" currency, most of which does

(Continued on page 942)

HOLSAPPLE & CO.

MEMBERS NEW YORK STOCK EXCHANGE
MEMBERS NEW YORK CURB EXCHANGE (ASSOCIATE)

30 PINE STREET, NEW YORK 5, N. Y.

TELEPHONE—DIGBY 4-4960

TELETYPE—N. Y. 1-221

N. Y. 1-2224

UNDERWRITERS — DISTRIBUTORS — DEALERS

Net markets to institutions and dealers on

RAILROAD BONDS • UTILITY BONDS • REORGANIZATION SECURITIES
BRITISH and OTHER FOREIGNS

Quotations Furnished—Inquiries Invited

HIRSCH, LILIENTHAL & CO.

Members New York Stock Exchange and Other Exchanges

NEW YORK 4, N. Y.
25 BROAD STREET
HAnover 2-0600
TELETYPE N. Y. 1-210

CLEVELAND 14, O.
Union Commerce Bldg.
Main 2933

LONDON

CHICAGO 3, ILL.
135 South La Salle St.
State 8770 — Teletype CG 1219

GENEVA REPRESENTATIVE

Direct Wire to Chicago and Cleveland

Investment Trusts In The Post-War Securities Field

By L. SCUDDER MOTT
National Securities & Research Corporation

As any old-timer can remember, the scope of security ownership in the United States was tremendously enlarged during the First World War. Millions of people who actually or virtually had never been security owners (particularly in the modern sense of holding actively traded, widely distributed stocks or bonds) bought Liberty Bonds. Much the larger part of these people would probably never have bought securities if the war had not occurred.

At the end of World War I and in the succeeding years, the fact that this multitude had become "security conscious" undoubtedly was the foundation for the vast increase and diffusion of security ownership since then — basically an extremely sound development.



L. Scudder Mott

However, due to the general inexperience, to preoccupation with other affairs and, in so many cases, to the fact that funds for investment (individually) were insufficient for adequate diversification, these new owners were, in large measure, not suited to indiscriminate buying of varied individual issues, especially since proper guidance was often not available or not sought.

Had the present types of modern investment trusts with the present experienced managements then been available, in a large proportion of cases they would have provided ideal vehicles, and would have aided in putting emphasis on investment as against speculation in many instances where such emphasis was needed. But they were not available; and it is not too much to say that, partly because of the lack of suitable investment vehicles and guidance, the seeds of the debacle of 1929 and the succeeding years were sown after World War I.

While the proportion of people who will be rendered "security conscious" and who will be con-

verted from non-investors into security holders, through purchase of war bonds, will doubtless be less as a result of the present war than as a result of the previous war, their numbers will nevertheless be legion. Opportunities for proper guidance have increased and the SEC rules and regulations were not in existence in the previous period. But a widespread lack of qualifications will still exist for indiscriminate investment in individual securities, and for recognizing the need for what emphasis should be on investment and what on speculation.

This time, however, the investment trust "industry" in the United States offers excellent vehicles for such new investors, as well as for many who were already investors. But before pursuing this line of thought further, let us glance briefly at the history of American investment trusts.

The first to attain prominence was the closed-end, general management type, in which there was little or no restriction on the management, and where prices for the trust shares depended directly on their own markets, and not on liquidating or asset value. As a class, this type was involved in the abuses and extremes of the speculative boom ending in 1929, partly because of its nature, and partly merely because so many of the type were in existence at the time of the boom—indeed, some were formed relatively late during it.

The next type to become popular arose largely from the public distrust of management in the great bear market, and was virtually the antithesis of the first. In this type management functions were practically eliminated (except for provisions in some cases to dispose of obviously deteriorating issues) after the selection of

an original holding list. This type contained, however, two provisions that are general in the later types of trust. First, assets were under bank trusteeship, or custodianship. Second, they were "open end," that is, shares were always for sale at a spread above liquidating value, and could be redeemed at or near liquidating value, so that they were dependent only on the value of securities held, and not on values placed in the market on their own shares. Without going into all the arguments, it can be said that the fixed trust by-passed the essential fact that management is necessary to successful long-term investment, and it was only natural that their popularity waned after more normal market conditions were established.

The fixed trust was succeeded in public acceptance by the restricted management type (some of which had been in existence a number of years) in which no more than a certain percent of assets (usually 5%) could be placed in one security and all purchases were from established eligible lists, changed only on notice to holders. Otherwise, management was largely able to conduct the trust according to its best judgment. This type included the "balanced trust," where bonds as well as stocks were held under established policy.

The most recent type is the so-called "class" or specific purpose trust. Here each trust is set up with specific objectives. Some were restricted to specific types of securities, such as various grades of bonds or preferred stocks, common stocks with certain similar characteristics, foreign securities, securities representing new industrial developments. Some were confined to investment in securities of specific

industries. And some were set up with specific objectives, such as liberal income or large appreciation possibilities. Except that in some cases a normal policy of full investment is established, the "class" trusts are on lines similar to the aforementioned restricted management trusts.

The new growth trend in investment trusts, especially apparent in the last year or so stems largely from the "class" trusts, which constitute a very large proportion of all new trust share sales. It is evident from their success that they meet the needs of a host of investors for whom nothing so suitable was available before.

Now, to get back to the post-war prospects, it is obvious that a great new field suitable for modern investment trusts will exist. The experience gained by the managements, and the evidence provided by growth that even during the war—when the Government is still issuing great quantities of new bonds, and patriotism dictates holding Government bonds whenever possible—indicate that modern investment trusts are filling investors' needs better than ever before, the growth of the trusts should be greatly accelerated. Not only should their shares find wide acceptance among "new" investors, but also they should continue to gain among those who are already investors, including corporations and trustees. It should be remembered that savings, aside from Government bonds, are also at record levels, and that indications are that much of these savings will be invested rather than spent for goods.

At present no trust has assets of as much as \$200 millions. Investment trust authorities expect that post-war growth will be such that there will be not one, but several billion-dollar trusts.

The closed-end trusts will continue to play their part in the investment field, but it is unlikely that any large proportion of new money will flow to them. The general type of restricted management trust will undoubtedly continue to supply a widespread requirement; its class will be "general investment." It is among the specific purpose trusts that the bulk of the continued and accelerated growth can be expected.

Since investment trust shares are sold through dealers—whether local or over-the-counter firms, or stock exchange houses—this expected investment trust growth is of obvious interest to the investment fraternity. And it might be worth while here to digress to correct a misconception.

There seems to be an impression in some investment quarters that, since trust shares are bought generally with greater emphasis on continued investment than most

individual securities, the dealer who places a client in trust shares ties up the client's capital. But due to some quirk of human nature, investors seem much more willing to tell others about their trust share holdings than about individual security holdings (possibly because in the latter case they might be assumed to be speculating rashly, or might be queried about connections with a company). Hence, satisfied trust share clients bring in other clients by word of mouth or radiation. The writer knows of one case where a dealer started with 30 trust share accounts that grew to 300 by this means.

Furthermore, a majority of trust share buyers are holders or potential buyers of other securities. Trust share holdings are not confined to people of small means. Individual transactions in trust shares of over a quarter million dollars have been made. Thus a client obtained on a trust share sale may be valuable as a general client also.

It is well to note that particularly with specific purpose trusts, holdings have become extended into unlisted issues to an appreciable degree. Hence, besides selling trust shares, unlisted houses or departments, as well as exchange members, can expect to receive business from the trusts as well.

Bearing all these factors in mind, the alert investment firm will not overlook the coming post-war growth in investment trusts. Like all other successful businesses, the investment trusts as a whole have had to learn how to serve public needs. In the "class" trust a particularly suitable vehicle has been found. The new investor as well as the old after this war will find his requirements able to be met in a way unavailable after World War I. Because of their nature, the "class" trust distributor understands that he should not and need not sell just any security to a client or prospect, but one suitable to the particular requirements. For example, if income is the real need, an intelligent approach to meeting the need can be made through "class" trusts. Indeed, a large factor in their success to date has been filling the needs of income investors, who run the risk of choosing less suitable individual securities. As new investment fields open, or investors' requirements alter, adaptations of "class" trusts to them can be made. The opportunity exists to aid the soundness of post-war investment conditions through the further growth of trusts.

PRIMARY MARKETS OVER-THE-COUNTER

TRADING DEPARTMENT

Partner in Charge—D. Fred Barton

Public Utility Bonds—
CHARLES F. PRELLER

Industrial Bonds—
D. FRED BARTON

Foreign—
WERNER G. JENSCH

Street Representative—
HENRY E. GRAY

Public Utility Stocks—
MATTHEW J. McCABE
HENRY S. BARTOLD

Industrial Stocks—
JOHN W. BAIR
CARL J. LACHMAN

EASTMAN, DILLON & Co.

MEMBER NEW YORK STOCK EXCHANGE

15 BROAD STREET, NEW YORK 5, N. Y.

BOWling Green 9-3151

Teletype NY1-752

Philadelphia • Chicago • Reading • Easton • Paterson • Hartford

Private Wires To Our Correspondents

R. C. Buell & Co., Hartford

Rogers & Tracy, Inc., Chicago

Nelson Douglass & Co., Los Angeles

Scherck, Richter Co., St. Louis

COLLIN, NORTON & CO.

ESTABLISHED 1920

Members of

New York Stock Exchange New York Curb (Assoc.)
Chicago Board of Trade Cleveland Stock Exchange (Assoc.)

LISTED and UNLISTED SECURITIES

508-12 Madison Ave.
Toledo 4, Ohio

30 Pine Street
New York 5, N. Y.

Telephone: Adams 6131
Long Distance: LD 71
Bell Teletype: TO 190

Telephone: Bowling
Green 9-2432
Bell Teletype: NY 1-865

Post-War Export Prospects

By DR. MELCHIOR PALYI

Chicago Economist Denounces Artificial Fostering Of Exports As A Political Distribution Of Favors And As Creating Vested Interests—Holds Foreign Demand For Our Foodstuffs Will Be Temporary And Few Countries Will Need Our Raw Materials—Predicts Formation Of Russian And British Trade Blocs And Thinks Durable Goods Will Constitute Our Leading Post-War Exports

New Deal enthusiasm for foreign trade, especially for the all-round diffusion of American capital, is no mere matter of humanitarianism, as it is presented by the Wallace school of global sentimentalists. It has little in common with Cordell Hull's reciprocity treaties, and still less does it mean a return to Adam Smithian ideals. The mere fact that it implies, nay, postulates, governmental fostering of trade instead of the self-regulation of the market place, indicates that this apparent revival of economic internationalism is to serve objectives very different from the classical belief in the undiluted freedom of international exchange.



Dr. Melchior Palyi

The underlying motivation is to some extent purely propagandistic. Allies and neutrals and even enemy nations are supposed to be stimulated or lured by promises of "free" access to raw materials and to capital, and free entrance to our juicy markets. It is in the light of such war-time objectives that the President's Freedom From Want or the Vice President's Pint-of-milk-for-every-child have to be appreciated. So are the generous spending sprees abroad, and other methods of a world-wide Good Neighbor Policy. But there is more involved.

Our fundamental economic problem, as seen by New Dealers, is: how to avoid the "coming" depression. As a matter of fact, the New Deal is primarily not so much a socialistic movement as an anti-depression ideology. It has grown out of the 1931-32 crisis and has never overcome its original tenet, contracted under the devastating impression of that crisis. Probably three-fourths of all peace-time New Deal measures of an economic nature originated from this fear of recurring unemployment, or, in a more positive language, from the urge to provide "full employment" in an economy which is allegedly over-

mature and unable to utilize, under its own power, its rich resources. Capitalistic economy is supposed to reach the stage of senility just before it dies—according to the Marxian scheme of things—at which time only exports offer an outlet for the unutilized energies of the nation. In effect, exports are wanted as a substitute, or alternative, for public works.

A third kind of motive is—politics. The artificial fostering of international trade means the assumption of powers and the distribution of favors. It creates vested interests in the regime; and provides potentialities for intervention in business matters, all of which helps to secure political power.

Lastly, the new internationalism operates on the (wishful) assumption that the world will consist largely of collectivist or semi-socialistic units, and as such will not be able to appeal to normal channels of long-term credit. Therefore, it will have to be provided with capital goods on a governmentally managed basis, i. e., without regard to profit and repayment chances.

Pseudo-Free Trade

Not a few liberal-minded souls (including the souls of economists) are attracted to this economic internationalism because of its apparent similarity to Free Trade. The appearance is totally misleading. According to the old-fashioned liberal idea, division of labor among nations as among individuals is the way to greatest national welfare. Its logical correlate is a policy of economic freedom, internal and external, so as to enable each country to specialize in what it can produce at cheapest comparative costs. This is just about the reverse of the idea underlying the new philosophy of foreign trade. For one thing, it doesn't abolish governmental interference, but adds to the internal management the external one; it substitutes the trust in a paternalistic bureaucracy for the reliance on the automatism of business interests. Nor does it advocate international division of labor, but the contrary: forced industrialization of all countries so that they may all produce the same things (including armaments). And it would make Adam Smith turn over in his grave to

hear that exports should be fostered with no regard to payment, just for the benefit of keeping people employed at home.

In short, the new enthusiasm for foreign trade has nothing to do with free trade ideology. It is the renewal of a sophisticated brand of 18th century mercantilism which believed in fostering exports so as to create employment. The only difference is that the mercantilist had the common sense to expect a *quid pro quo*.

A forced industrialization of the world, as is contemplated on the Russian pattern, would have devastating consequences on the economic and social structure of the world. It is also likely to create

vicious conflicts, and to lay the foundations for all-round armaments. But leaving ideologies aside, a realistic approach to our export prospects has to start with the analysis of foreign demand and of its ability to pay.

Foreign demand for foodstuffs will be acute only for a short while. Serious shortages exist only in a comparatively few countries. Recent reports of the Office of Foreign Agricultural Relations (Dept. of Agr.) indicate that in the season 1943-44 food supplies in continental Europe and the Soviet Union "have held up fairly well on the whole." That holds in particular for the supply of grains and their substi-

tutes, but also for fats. Consequently, disregarding individual and temporary cases such as that of sugar, a short flurry of foreign demand for farm products is all that may be expected.

The more so, since the food-importing countries have intensified their own agriculture and plan to use it as a channel to provide employment. Britain, e.g., is all set to scrap the traditional free trade policy in favor of relying on an artificially subsidized national granary. The strength of agrarian interests is such that after the first need for curing shortages is satisfied, many countries may not accept edibles even

(Continued on page 941)

BONDS
GOVERNMENT
PROVINCIAL
MUNICIPAL



STOCKS
PUBLIC UTILITY
AND
INDUSTRIAL

MARKETS maintained in all classes of Canadian external and internal bond issues.

Stock orders executed on the Montreal and Toronto Stock Exchanges, or net New York markets quoted on request.

DIRECT PRIVATE WIRES CONNECT OUR NEW YORK, BUFFALO, TORONTO AND MONTREAL OFFICES

BELL SYSTEM TELETYPE N Y 1-702

DOMINION SECURITIES CORPORATION

Buffalo
Philadelphia
London, Eng.
Halifax

40 EXCHANGE PLACE, NEW YORK 5
Telephone WHitehall 4-8161

Toronto
Montreal
Winnipeg
Vancouver

31 YEARS

**Specialists In Quotation Services For
Security Dealers**

**Publishers of National Daily and Monthly
Quotation Services**

Descriptive Booklet Sent on Request

NATIONAL QUOTATION BUREAU

INCORPORATED
NEW YORK

CHICAGO

SAN FRANCISCO

"Wake Up America!"

By Hon. FRED E. BUSHEY*
Member of House of Representatives

Congressman From Illinois Warns Of Efforts To Smear Congress And Destroy Representative Government. Defends Congress As Only Agency Which Prevented A Dictatorship During The War Crisis. Recalls Previous Anti-War Attitude Of Communists Contrasted With Their Present "Camouflaged" Attitude. Attacks CIO Political Action Committee As The Cleverest And Most Dangerous Revolution That Ever Hit The World. Promises Assistance To Workingman In Throwing Off CIO Octopus

President Brown, Distinguished Guests, Officers of the National Security Traders Association, my Fellow Members of the Association, and Fellow Americans: I wondered for a minute just when Mr. Brown was going to stop talking about me, and the one thing I wish he had said that he didn't say was that I have been a member of this Association ever since its inception.



Fred E. Bushey

I want to congratulate the Association and the officers

for the wonderful work they have accomplished, and I only regret that I have had to be inactive in the Association for the past two years.

The title of my discourse this afternoon is entitled, "Wake Up America!" I am sure that you will recognize at the end of my remarks that there is nothing political in whatever I may say.

I understand that you had a

*An address made by Congressman Bushey at the Luncheon Session of the National Security Traders Association at the Palmer House in Chicago, August 26, 1944.

very delightful evening and profitable session last night with my colleague, the Hon. Lyle Boren from Oklahoma, when he gave you a very good Democratic talk. I only wish I were qualified to give you as good a Republican talk today.

First of all, I would like to take you back to Nov. 11, 1918. Those of you who were at the front when the Armistice was signed will remember the cry that went up and down the battlefield, "Finis la guerre! Finis la guerre! The war is over!" And so we thought it was. They told us "we were fighting the war to end all wars." They told us "we were fighting to make the world safe for democracy."

What a sham those words are today in light of the conflict raging all over the world. The war news, as you know from reading the newspapers, is extremely encouraging. One of the reasons it is encouraging is due to the ability of American industry to produce tremendous quantities of implements of war.

Here I give credit in that production schedule both to labor and management, because in my opinion the spirit of cooperation with which the heads of industry went into this war production program after being kicked around as they had for many years by the New Deal, is one of the glorious pages in the history of America.

We are all hopeful that the boys on the far-flung battle fronts of the world will be back with us very, very soon. I have talked with many of them that have returned from overseas. I have visited with them in the hospitals.

From my observations I can tell you that there are three things they have on their minds. First, winning the war as soon as possible. Secondly, getting back home to the good old U. S. A. Thirdly, security in the form of jobs when they return.

These are trying days for those of us who have sons and relatives out there on the front. I never go to bed at night but I think of the millions of mothers and fathers of this country, kneeling beside their beds, saying prayers for those boys out there to be returned home safe and sound. I can picture any boy when he comes back home, running up the walk to meet his mother, the mother who has said so many prayers and spent so many anxious hours for him, running out to meet that boy. And they greet each other, throw their arms around each other, and that boy hollers, "Ma, it's great to be home!"

What kind of a home is that boy coming home to? What kind of a country is he coming home to? What kind of a Government is he coming home to?

Friends, if you and I don't do everything within our power to maintain and keep this representative form of Government as it was when he left, we are the traitors in this war.

That is our responsibility. He is doing his part on the battlefield; we must do our job on the home front.

Mr. Brown mentioned the Veterans Committee, on which I am honored to serve. I do consider it an honor to have that privilege, because when I was elected to Congress I knew the Veterans Committee was going to be called upon to handle some of the most important legislation in this, the 78th Congress of the United States.

From this Committee came much beneficial legislation for those serving in the armed forces of our country in the present war. The most important is the G. I. "Bill of Rights" that was passed by this Congress and signed by the President on June 22 of this year. This legislation I consider to be the best insurance policy

that was ever written in the history of our country.

You may have recently heard certain radio commentators and read news of certain people of the Communist, radical, left-wing group, conducting a smear campaign on your Congress.

That smear campaign, my friends, is not accidental. It is deliberate. This group of people, who are not in sympathy with our form of government, and everything that Old Glory stands for, realize that the Congress of the United States is the one agency, the one group that represents the people, that has prevented a complete dictatorship being put over in this country.

To illustrate: Every amendment recently proposed to the Constitution has received the support of this left-wing radical group, for the simple reason they realize the more the Constitution is amended, the closer they are to wrecking our representative form of government.

This same group will be found backing every movement in this country which tends to centralize the government in Washington, because it is much easier to obtain control of one central governmental agency rather than when authority is distributed in 48 States.

The Atlantic Charter was signed in August, 1941, and provided in part:

"III. They respect the right of all peoples to choose the form of government under which they will live. And they wish to see sovereign rights and self-government restored to those who have been forcibly deprived of them."

Now is the time for the signers of that historic document to tell the world that they propose to stand back of those documentary principles set forth in Section III.

Poland and Lithuania, who fought so valiantly and bled for their freedom against the Nazi hordes that invaded these countries, should have their boundaries restored after the war is over, and have the right to choose their own form of government without any outside interference.

If statements of principles are made and signed, they should be lived up to, in fact as well as in principle.

On August 10 and 11, 1941, less than sixty days after Hitler invaded Russia, there was called under the direction of Mr. Josef Stalin of Russia a congress in Moscow known as the "All-Slav" (Continued on page 946)

Industrial, Utility and Municipal Financing
Securities Bought and Sold on Commission

Dealers in

Industrial, Utility, Railroad Bonds and Stocks
Foreign Dollar Securities

KIDDER, PEABODY & CO.

FOUNDED 1865

Members New York and Boston Stock Exchanges
and New York Curb Exchange

NEW YORK	BOSTON	PHILADELPHIA	CHICAGO
ALBANY	PROVIDENCE	NEWPORT	BALTIMORE
NEW BEDFORD	SPRINGFIELD	LOWELL	SCRANTON
			READING

New York Teletype NY 1-193

Underwriters and Distributors

REYNOLDS & CO.

Members

New York Stock Exchange
Philadelphia Stock Exchange
Chicago Board of Trade

New York Curb Exchange
Chicago Stock Exchange
Commodity Exchange, Inc.

120 Broadway

Empire State Building

The Sherry-Netherland

NEW YORK CITY

BRANCH OFFICES

Philadelphia, Pa.
Scranton, Pa.
East Orange, N. J.

Allentown, Pa.
Pottsville, Pa.
Morristown, N. J.
Syracuse, N. Y.

Lancaster, Pa.
York, Pa.
Bridgeton, N. J.

Pacific Coast Securities

Orders Executed On Pacific Coast Exchanges

Schwabacher & Co.

Members

New York Stock Exchange
New York Curb Exchange (Associate) — Chicago Board of Trade

14 WALL STREET
Cortlandt 7-4150

NEW YORK 5, N. Y.
Teletype NY 1-928

Private Wire to Principal Offices

San Francisco — Santa Barbara — Monterey
Oakland — Sacramento — Fresno

Easing Collateral Loan Restrictions On Inactive Securities As An Aid To Small Business

By A. M. SAKOLSKI, City College, New York
Formerly An Economist of The Federal Trade Commission

Writer Points Out Handicaps Of Collateral Restrictions To Growth Of "Risk Capital" And Expansion Of Small Business—Calls Attention To Preponderance Of Securities As Bank Assets And The Role Of Securities Dealers In Maintaining And Stabilizing Markets—Sees Trend Away From "Listing" And Toward Larger Over-Counter Trading And Urges More Cooperation Between Dealers And Bankers In Establishing And Maintaining Markets

During the last few years, a great deal has been said and published regarding the need for encouraging the use of "risk" or venture capital. The advocates point to the wider application of this field of investment not only as a means of promoting full employment, but as an aid in the maintenance and expansion of small business. Yet, when we look back over the last decade, we find that almost all the legislation relating to banking, finance, security trading and investment has had the effect of discouraging the application of capital funds in small ventures and handicapping the placement of investments represented by equity securities and other forms of risk capital. The Securities and Exchange Acts, the Federal Reserve Act, and other similar laws, both national and State, in seeking to protect investors and inhibit the excesses of "high finance," have tended, on the whole, to add to the burdens of small and moderate sized enterprises in obtaining needed capital funds, and have increased the handicaps they undergo in competing with large and well financed enterprises.

Perhaps the most serious handicap involved in the financing of local and moderate sized business concerns is the discrimination they suffer, which prohibits the acceptance of their securities by banks as collateral for loans. The modern investor must not only seek a security that has marketability, but, if he is prudent and far-seeing, he should have assets which can serve as collateral for bank loans in the event he should need this accommodation. In this way an investor is relieved of the necessity of keeping funds

uninvested or of being forced to liquidate in an unfavorable market. In this way a position of "liquidity" is maintained, since the investor is enabled, at any time, to temporarily convert a long-term investment into cash. The investor's desire for "liquidity preference," as Lord Keynes calls it, has received a great deal of attention from economists, both theoretical and practical, in recent years. It is contended that one of the most potent causes of business fluctuations and financial crises is the wild scramble of investors and traders, when a bad turn of affairs looms on the horizon, to hold their cash or to convert their assets into cash. By thus hoarding cash they reduce the flow of investment funds and hence cause business retrenchments and widespread unemployment.

The faculty of making loans on the deposit of collateral has long been a feature of the modern investment process. Life insurance made very little progress in this and other countries until the practice of granting loans on "surrender values" arose. Real estate ownership and operations could not have spread so rapidly and firmly if loans in the form of mortgages had not developed on such widespread scale over several centuries. Security marketing would never have become such a well recognized and established business if the dealers and traders were not enabled to carry their commitments through the use of collateral loans. Commercial banking itself would not have assumed its present importance and would not have functioned so fully in the national economy if the banks had not, from their earliest period of operations, followed the practice of making collateral loans. The rapid progress of American economic development may be said to have been due largely to expanded borrowing facilities arising out of the early use of collateral as the prime security by all forms or classes of institutions of lending. Of course the system is subject to abuses. But these abuses, as bad as they have been, have been more than offset by

the great advantages which have accrued to our economic growth and development from the extended borrowing facilities which are the result of making cash loans available through the use of collateral.

The close relation of collateral-secured credit with business expansion is common in modern industrial countries, but it has been a conspicuous feature of the American business economy. It was permitted under the old national banking system before 1913 and has been continued under the Federal Reserve System. Because of it, the commercial banks throughout the country have been enabled to carry large deposits with small cash reserves, maintaining their "liquidity" through the large amounts of securities which they hold, both directly and as collateral against loans. In this way, without assuming the risks of direct ownership in business enterprises—as has been common in European countries—the American banks have greatly contributed to growth of capital in productive enterprise, and in addition have assisted the private placement of idle funds. In fact, the bulk of the nation's banking business today—despite what has been said and done against it—comprises not merely the granting of so-called "self-liquidating" loans based on current exchange of goods and services, but also consists in keeping the nation's wealth in a fluid and convertible state, so necessary to a psychological atmosphere of "liquidity preference."

As regards "the liquidity" of bank assets, several American

economists have rightly pointed out that even the so-called "self-liquidating" business loans of the commercial banks in the aggregate are not truly "liquid." Prominent among these are Prof. B. M. Anderson (see his "Value of Money," p. 502); Dr. H. G. Moulton, the Director of the Brookings Institution, and Dr. Fritz Machlup in his book, "The Stock Market, Credit and Capital Formation." Prof. Anderson has contended that the only commercial loans which possess real liquidity are those that can be paid off without a

distressing inconvenience to the borrower, while, in view of the corporate organization of business and the enlarging element of investors and security speculators among the population, credit instruments representing fixed capital have a more immediate market than other forms of property. Accordingly, he contends that modern banks derive their liquidity from the securities markets. This is borne out by the fact that in these days the bulk of bank assets consists of securities rather than of commercial self-

(Continued on page 945)



A. M. Sakolski

FREEMAN & COMPANY

61 BROADWAY, NEW YORK 6, N. Y.

Railroad Mortgage and Terminal Bonds

Equipment Trust Securities

Underlying Public Utility Bonds

NEW YORK TELEPHONE
Whitehall 4-3344



PHILADELPHIA TELEPHONE
Rittenhouse 6161

Bell System Teletype—NY 1-2288-89

We have an active interest in the following securities:

American Gas & Power Common
Arkansas Missouri Power
Coca Cola Bottling Co. of Chicago
Deep Rock Oil
Douglas (W. L.) Shoe Preferred and Common
Hydraulic Press Mfg. Common
Northeastern Water & Electric \$4 Preferred
Northrop Aircraft
Ohio Match Co. Common
Rohr Aircraft
United Public Utilities \$2.75 & \$3.00 Preferred

DOYLE, O'CONNOR & Co.

INCORPORATED

135 So. La Salle Street

Chicago 3, Illinois

Established 1908

BANK--INSURANCE--INDUSTRIAL STOCKS
INDUSTRIAL — PUBLIC UTILITY BONDS

We specialize in service to Banks
Institutions and Dealers

36 years of service to the financial world has given us
complete records which are at your service in unlisted
and inactive securities.

J. K. Rice, Jr. & Co.

Rector
2-4500

120 BROADWAY,
New York 5, N. Y.

Teletype
NY 1-714

Members New York Security Dealers Ass'n

Is The Coming Boom In The Home Washing Machine Industry Already Discounted?

The Market Leader Is An Over-The-Counter Issue

By H. M. GARTLEY

Washing machines stand at the top of the list of post-war "musts," according to several recent surveys of what American housewives want.

In 1941 the Washing Machine industry had its biggest year, and delivered a total of 1,959,887 washers at an average selling price of \$79.76. Although "Electrical Merchandising" (January 1940) published a directory of manufacturers showing that washers were made under 220 trade names, 80% of the business is now concentrated in the hands of seven manufacturers. These are listed in the chart below.



H. M. Gartley

Two Types Of Washers

There are two general types of washers, namely the conventional—which is chiefly of either the agitator or the spinner construction—and the fully automatic, which was pioneered in 1936 by Bendix Home Appliances, Inc., of South Bend, Indiana. A small number of automatics were made in the pre-war period by Westinghouse and also by the Blackstone Manufacturing Company.

The big volume company making the conventional type of washer is Maytag. Easy comes next, with the Nineteen-Hundred Corp., producer for Sears, in third place. Number four is Apex Electric, supplier to Ward; then come Electrical Household Utilities (Thor) and Barlow & Seelig (Speed Queen). Last of all in the lineup of the "Big Seven" is Bendix, which is the only company exclusively producing automatics.

Accumulated Backlog

Industry executives just won't give opinions as to when production of washers, which was stopped in May, 1942, will begin—they say they don't know. However, there are indications that within three months after the Germans are beaten production will be under way and probably in large volume within six months.

Depending upon when production starts, the estimated backlog (of washers, which has been growing since May, 1942) varies from 4.6 to 8.9 millions. Professor Slichter of Harvard has estimated that currently the backlog is 4.6 millions. International Statistical Bureau, the greatest optimists, estimate 8.9 millions at the end of 1944. One trade estimate at the same date is 5.4 millions, and Editor L. S. Mott of National Securities and Research Corp. estimates 7.1 millions at the end of 1945.

Estimated Post-War Demand

It is a good guess that American housewives are ready to buy about 5.5 million new washers. In 1943, the Curtis Publishing Company survey suggested the following annual post-war market as a logical possibility:

An Estimate of Post-War Demand for Washers

Washers	
Annual replacement sales.....	1,500,000
Newly electrified farms and farms recently electrified.....	250,000
Newly established homes.....	500,000
Expansion of unsaturated market.....	250,000
	2,500,000

It is not difficult to foresee something in the neighborhood of \$170 to \$210 million a year in washer sales for several years. This means prosperity for the industry and should mean fair-sized earnings, assuming a Federal Income Tax rate not exceeding 50%.

Prices To Be Higher

Prices will be higher in the post-war period, perhaps by 10 to 20%—the increases, however, will

not be as large as some automobile price increases. In the last full pre-war year of 1941, according to trade figures, the following was the breakdown by price categories:

Breakdown of Washer Sales by Price Category for the Year 1941

Electric—		
Retail Price Range	No. of Units	% of Total Production
Below \$40.00.....	58,744	3.19
\$40-\$49.99.....	245,796	13.37
\$50-\$59.99.....	750,586	40.83
\$70-\$99.99.....	464,495	25.27
\$100 & Over.....	318,767	17.34
Electric total.....	1,838,388	100.00
Gas—		
Retail Price Range	No. of Units	% of Total Production
Below \$70.00.....	20,958	17.25
\$70-\$99.99.....	82,119	67.59
\$100 & Over.....	18,422	15.16
Gas total.....	121,499	100.00
Combined total.....	1,959,887	

*All automatic washers are in the higher price category.

It is expected that after the war the lowest-priced washers will not

Washing Machine Stocks Bull Market Advances Compared (Ranked according to greatest gains)

	1942	1944	Per Cent Advance
Bendix Home Appliances.....	Low	High	1,775.0
Maytag Co.....	1/2	9 3/4	820.0
Electric Household Utilities.....	1 1/4	11 1/2	375.0
Easy Washing Machine Co.....	3	14 1/4	362.5
Nineteen Hundred Corp.....	2	9 1/4	168.6
Apex Electric Manufacturing.....	4 1/4	11 3/4	162.1
Barlow & Seelig.....	7 1/4	19	152.9
Dow Jones Industrials.....	6 1/2	16 1/2	62.8
	92.69	150.88	

Pre-War Earnings Poor

In 1941, which was the industry's best year, the principal washer companies made profits

appear, at least until the seller's market has abated. Easy and Apex, which were the largest producers in the very low-priced category, made very small margins of profit according to published figures (see table below).

How High Are the Shares?

The big question which must now be answered is whether the 1942-1944 advance in the common stocks of the home washer manufacturers has fully discounted the expected prosperity of the industry. As a measure, first we might examine what has happened to prices of the "Big Seven" since the bull market started from the lows of April-May, 1942. Taking the high prices of mid-July, 1944, and ranking the stocks according to their present advances, we find that while the Dow Jones Industrials advanced 62.8% the poorest of the washer stocks gained 152.9%. Bendix, the leader, advanced 1775.0%.

which were nothing to write home about, as is indicated in the following table:

Comparison of Sales, Net Income, Per Cent of Net to Gross and Net Earnings Per Share of the Principal Home Washing Machine Stocks

	Sales	Net Income	% of Net to Gross	Net Earnings Per Share
Apex Electric.....	\$10,166,007	\$97,186	0.9	\$0.55
Barlow & Seelig.....	5,255,715	303,797	5.7	1.57
Bendix Home Appliances, Inc.....	7,882,956	174,905	2.2	0.13
Easy Washing Machine Co.....	11,718,000	377,125	3.2	0.75
Electric Household Utilities.....	10,168,259	701,665	6.9	1.81
Maytag Company.....	16,242,653	1,625,646	10.0	0.38
Nineteen Hundred Corp.....	10,245,852	584,914	5.7	1.71

*After deducting \$500,000 non-recurring income from patent litigation.

These earnings, however, are not necessarily indicative of what is to be expected in the first three post-war years, even considering substantially higher tax rates.

Earnings Prospects Most Important

The degree to which the home washer stocks are now over-priced (if they are), it seems will depend primarily upon the ability of the various companies to increase profit margins and bring more down to net for shareholders, de-

spite higher taxes. If they cannot do any better than previous records, the stocks look over-priced at current levels.

However, all of the companies will have the advantage of large volume, and it is fair to assume that earnings will be higher, at least for two or three post-war years. It is reported that the big producers of washers will start post-war production by bringing out models quite similar to the pre-war ones of the conventional type. Thus tooling costs will be relatively low and conversion back to washing machine production should be rapid.

With much greater volume than ever before, with lower marketing costs and with prices at least 10-15% higher, profit margins should be considerably greater—enough to offset much higher taxes and still leave greater earnings per share.

The impact of the demand for automatic washing machines is important. Such units are higher in price, and are mechanically quite different from the conventional type. It would be costly for many of the companies to develop volume production in automatics. Moreover, they would run into a powerful patent structure which has been built up by Bendix. It is this situation which explains the history of the advance in Bendix stock, despite the fact that it is the youngest company of the "Big Seven."

Coming Demand for Automatic Washers

In a recent survey made by McCall's Magazine, a panel of 7,000 housewives were interviewed. Geographically and economically they were representative of the nation as a whole. It was learned that 75% of American housewives do their own washing—60% of them had seen and knew about automatic washers—32% of this group felt that they must have an automatic washer as soon as available—38% more expressed a desire to have an automatic washer. This suggests that at least 42% of American women are prospects for automatic washers. Interesting in this connection is the fact that only 5% of the 1941 sales were automatics and only approximately 1.8% of the 17,670,000 home washers now in operation are automatics.

In the post-war period at least one or two of the "Big Seven" will bring out semi-automatic machines. However, it is almost (Continued on page 947)

EFFICIENT SERVICE In
Over-the-Counter Securities
To Brokers . . Dealers . . Banks
Throughout the United States and Canada

UNLISTED TRADING DEPARTMENT

Industrial, Railroad, Public Utility Securities, Bank and Insurance Stocks

Canadian Securities Department

Direct Wire to Montreal and Toronto

GOODBODY & Co.

Established 1891

Members New York Stock Exchange and other important exchanges

NEW YORK 6

115 Broadway
BR 4-7-0100 Tele. NY 1-672

CHICAGO 3

105 West Adams St.
Central 8900 Tele. CG 321

Dealers In

CANADIAN

Governments
Provincials
Railroads
Utilities

ERNST & COMPANY

MEMBERS

NEW YORK STOCK EXCHANGE NEW YORK CURB EXCHANGE
CHICAGO STOCK EXCHANGE CHICAGO BOARD OF TRADE
COMMODITY EXCHANGE, INC.

120 Broadway
New York 5

231 So. La Salle St.
Chicago 4

Direct private wires to Chicago, Ill., and Los Angeles, Cal.

The Post-War Trade Outlook

A Review And A Prospect

By EUGENE VAN CLEEF

The Ohio State University

Economist Holds That Exports Of Manufactured Goods Should Continue To Rise, Although At A Slower Rate Than In The Past. Sees Prospects For Export Expansion In Far East After Japan's Defeat. Looks For Decline In Imports From Europe And An Increase From Lesser Developed Regions, And Predicts In The Near Future There Will Be A Greater Tendency For World Trade To Level Off And Ultimately To Decline

Predictions of our post-war trade prospects are becoming so common, their market value is rapidly approaching the proverbial "dime a dozen" level. Presumably we can have about as many opinions as there are persons able to think. Some of these opinions are mere "shots in the dark" but some are based upon certain statistical data which give them a degree of dependability. In this discussion we shall look ahead in terms of world trade data which provide in all probability, as sound a foundation for forecasting as any data at the moment can yield.



Dr. E. Van Cleeff

The American business man has at long last come to appreciate that our domestic trade, no matter how local in character, ultimately is affected by our international trade relations. Too often in past decades he has failed to see the general trade forest because of his closer proximity to its individual industrial trees. In such circumstances, a view of our total economic situation lacks proper perspective. So in the argument to follow we shall look over a unit of America's trade experience dating from Civil War days and on that basis endeavor to project our probable experiences. Immediately, someone will say, the past is no criterion for the future. This can be true. But the past is the only experience we have and if we recognize that the future can be radically different from the past, even while we make our forecast, we shall avoid self-deception. Obviously, if the future takes on some catastrophic form, none of our predictions will be worth while. However, we have reason to believe that these current years of war will not in

the long run change man's ways materially. His evolution through eons of time has been exceedingly slow and offers no basis whatever for any supposition that the next few years will find him radically different. This is an important conception which should not be lost sight of for a moment.

In the accompanying graphs, figures 1 to 4, are shown the trend of our exports and imports by classes of commodities and trends in the distribution of our trade by regions. Figures 1 and 2 in particular should be tacked up in enlarged form on the office wall of every sales executive and alongside, graphs depicting the sales trends of the specific commodities which the respective firms sell. These curves cover a period marked by a critical shift in our national viewpoint and in our trade status.

Until the Civil War we had participated in world affairs both as traders and as carriers of goods. Ships proudly flying the American flag were known in every port of consequence. But after the war we turned our thoughts from the seven seas toward the interior of our vast undeveloped land and concentrated upon its settlement and exploitation. Furthermore, the Bessemer process of steel manufacture had been invented in England where iron ore was abundant. This process made possible the construction of steel ships. Our wood vessels could hardly hope to compete with British steel ships and up to this time our own vast iron ore resources had not yet been discovered, making the prospect at the time rather dismal for the American ship building industry.

This shift in our national interest soon was reflected by our world trade curve. Our exports of crude materials took a precipitate and continued fall as we retained more of these materials for our own embryonic manufacturing industries. Coincidentally our exports of manufactures started upward although at first at a rather slow pace. Lagging somewhat behind was a decline in our exports of crude and manufactured foodstuffs. The processing

of foods generally had to await advances in mechanical refrigeration and the invention of various kinds of machinery for the processing procedure.

Another factor affecting changes in the character of our trade was a rapidly growing population in Europe and emigration from Europe to the United States. Figure 3 shows how our exports across the north Atlantic fell off rapidly, while they increased at a slower rate to our neighbors in North America, to South America and to the Far East. Between 1871 and 1930 the percentage of our exports to Europe was almost halved; nor was this compensated for by our increased exports to other regions. Our own growing population absorbed the difference.

While the percentage of our total exports to Europe declined, certain changes in the character of those and other exports were taking place as already noted. These exports became especially significant about the year 1900 when the rising curve of exports of semi-manufactured and manufactured products crossed the falling curves of crude materials of all types. This event at the turn of the century marked a new era in our world-wide economic activities and likewise celebrated the birth of the United States as a manufacturing nation. Note, that this event occurred less than half a century ago.

The import curves reveal a picture complementing the export curves, which is as it should be. Our crude materials imports have

increased as we have consumed more of our own products coincident with the rapid expansion of our manufacturing industries and broadened the field of our industrial achievement. Without many imported raw materials, we could not have manufactured the telephone, dynamos, motors, automobiles, refrigerators and hosts of other commodities which so widely affected our domestic economy and comfort. Our imports of finished products naturally reveal a

considerable decline as we ourselves developed the industries. Foodstuffs imports show somewhat smaller departures from earlier years, although for a time they fell steadily, providing another crossing of curves at the turn of the century, this time a crossing of foodstuffs and crude materials. The later slowing down in the rate of fall of the foodstuffs curve was due to the introduction to our markets of more tropical and sub-tropical prod-

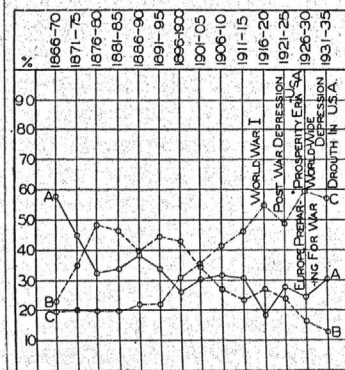


Fig. 1

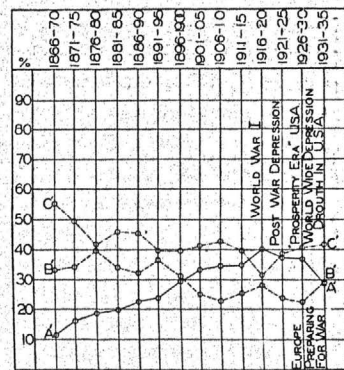


Fig. 2

Exports and Imports of Merchandise (%) By Commodities
(Data from Statistical Abstract of the United States—U. S. Dept. of Commerce and Bureau of the Census)

A—Crude Materials
B—Crude and Manufactured Foodstuffs
C—Semi-manufactured and Manufactured Products
A'—Crude Materials
B'—Crude and Manufactured Foodstuffs
C'—Semi-manufactured Products

(Continued on page 922)

UNDERWRITERS TRUST COMPANY

50 BROADWAY
NEW YORK 4, N. Y.
DIgby 4-3883

Complete Commercial Banking
and
Safe Deposit Vault Facilities

Equipped To Serve In Every
Corporate Trust Capacity

Member F.D.I.C.

Amerex Holding Corp.
American Barge Line Co.
American Maize-Products Co.
Berkshire Fine Spinning Assoc.
Bird & Son
Philip Carey Mfg. Co.
Cliffs Corp.
Crosse & Blackwell Co.
Crowell-Collier Publishing Co.
Deep Rock Oil Corp.
Durez Plastics & Chemicals, Inc.
General Aniline & Film Corp. "A"
Haloid Co.
M. A. Hanna Co.
Howard Stores Corp.
Int'l Cellucotton Products Co.
International Petrola Corp.
Johnson & Johnson
Kendall Co.
Long Bell Lumber Co.

P. R. Mallory & Co.
Marathon Corp.
Marlin-Rockwell Corp.
Maryland Drydock Co.
Mohawk Rubber Co.
National Airlines, Inc.
Ohio Match Co.
Republic Natural Gas Co.
H. H. Robertson Co.
Shuron Optical Co.
Skenandoo Rayon Corp.
A. E. Staley Mfg. Co.
Stromberg-Carlson Co.
Sylvania Industrial Corp.
Talon, Inc.
Trico Products Corp.
Universal Match Corp.
Warner & Swasey Co.
Wickwire Spencer Steel

Assoc. Gas & Elec.—All Deb. Issues
Delaware Power & Light Co.
Missouri-Kansas Pipe Line Co. "A"
Panhandle Eastern Pipe Line Co.
Southwestern Public Service Co.

Trading Department

WERTHEIM & CO.

Members New York Stock Exchange

120 BROADWAY

NEW YORK 5

Telephone
REctor 2-2300

Teletype
NY 1-1693

The Post-War Trade Outlook

(Continued from page 921)
ucts, certain specialized food products such as sardines, Swedish bread, Spanish olives and many other edibles, which grew in popularity among us.

Exceptions to the trends of our

export and import curves may not be ignored. These occur for the most part in the period beginning with World War I and coming down to date. The reasons are not far to seek and need no amplification. They are marked on

the graphs and are fresh in the minds of all business men. These exceptions are what we had in mind when earlier we noted that predictions can have validity only when man behaves reasonably well and does not engage in revolutions or other cataclysmic operations. When the latter conditions arise, the best we can do is live from day to day and leave the practice of forecasting for soothsayers, crystal gazers and their ilk.

On the assumption that after this war is ended we shall experience a peace lasting for some 35 to 50 years, we can predict certain general trends in our world trade. Into these trends can be fitted the trend of specific businesses. We can eliminate the probability of another worldwide depression soon, owing to the lessons we have learned from our monetary experiences since the last war and the leveling-out process going on among the nations resulting in lesser financial advantages of some nations over others.

Our exports of manufactured goods should continue to rise although at a slower rate than in the past, owing to increased European manufacturing and the slow but sure growth of manufacturing in many nations which heretofore have done little along these lines. Hardly a nation which is not going to increase its manufactures. Our own curve may increase rapidly for three or four years immediately after the war, until Europe regains some of its earlier stability and then settle back again to a slower rate. We should not lose sight of the fact that whereas Europe has been our best customer, the percentage of our total world sales going to that continent has fallen steadily. The continued rise of our export curve will depend upon our ability to develop

new markets. In this connection let us not overestimate South America but note carefully in Figure 3 that both the Far East and North America outside the United States, show substantial rates of increase as customers of ours and offer good long-run prospects. Too many business men have overlooked in particular, the fact that the Far Eastern trade curve outdistances the South American both in rate of rise and in absolute total of trade. What is more, this is likely to continue, for if Japan had any prospect of a monopoly on Far Eastern trade before this war, as some persons thought, that prospect is certainly gone now.

The percentage of our total imports coming from Europe likewise shows a decline while from other regions it increases. Analysis of these imports reveals that they are made up to an increasing extent of crude materials (Figure 2) and that the less well developed regions of the earth, especially low latitude areas, can supply us with greater quantities of such materials than advanced regions. However, let us not forget that as these undeveloped regions engage in more manufacturing activities they will become more important competitors of ours, even as they supply us with more raw materials.

In general, then, the curves of exports and imports are likely to continue the trends which they showed in the period of 1911 to 1916 with the exception of (1) the export curve for crude and manufactured foodstuffs which in that period momentarily rose, and (2) the import curve for the same class of goods which is likely to level off at the same rate as indicated at this time. In this argument we revert to the trends at the beginning of World War I rather than to any period since

then, because it is evident from the pattern of the curves during the past 25 years and from the facts as we know them that the recent pattern has been abnormal rather than normal. It has been erratic and as such is not a safe basis for prediction.

In the near future, there will be a greater tendency for world trade (both exports and imports) to level off than to increase or decrease, although ultimately, as the populations of the continents become static and industrialization develops apace, both exports and imports are likely to decline. Not only that, but the paths of commerce will tend to shift from east-west routes to north-south, that is from trade between regions climatically similar to trade between regions climatically different, probably between high and middle latitudes on the one hand and low latitudes on the other.

We fully appreciate the complexities of life and the great uncertainty of man himself, who at best is as variable as elements, which demand consideration in a forecast of trade trends. But these elements are of greater significance in association with the details of a local business than with the sum total of the nation's business. The individual manufacturer no longer dares remain oblivious to the whole nation's world trade trends in assessing the probable future of his own business.

If our trade relations with the rest of the world decline, many industries here will decline and in turn our local purchasing power will be correspondingly affected and this in turn means less business for still others who depend upon the constancy of that purchasing power.

It is important for us to recognize that we sell to other nations quite as much to enable us to buy raw materials upon which our domestic business depends, as we do for immediate profits. Without a market abroad we would be forced to resort to gold or services in direct payment for our imports and such procedure normally is not possible.

Accordingly, it must become apparent to the small merchant that his business, heretofore seemingly local and wholly unrelated to the larger sphere of business is, as a matter of fact, highly sensitive to world trends. Consequently, if he is interested in forecasting his business future, he will do well to view that future in its relation to the future of our world trade as we have attempted to record it here.

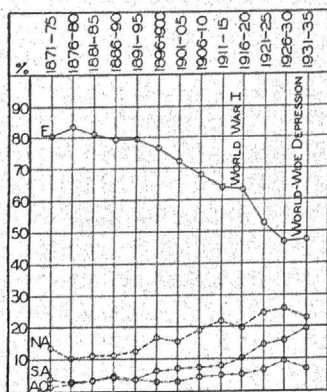


Fig. 3

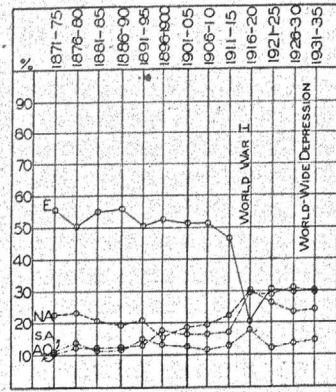


Fig. 4

Exports and Imports of Merchandise (%) By Continents

(Data from Statistical Abstract of the United States—U. S. Dept. of Commerce and Bureau of the Census)

E—Europe

N.A.—North America outside U.S.A.

S.A.—South America

A.O.—Asia and Oceania

E—Europe

N.A.—North America outside U.S.A.

S.A.—South America

A.O.—Asia and Oceania

African trade not represented because it is negligible. Range generally from less than 1% to 5.2% for exports and imports combined.

WARD & CO.

EST. 1926

Members New York Security Dealers Ass'n

DEALERS AND BROKERS

Making over 250 firm markets in
**OVER-THE-COUNTER
SECURITIES**

INVESTMENTS SUITABLE FOR DEALER DISTRIBUTION

Send for our Circulars
on Special Situations

120 BROADWAY, NEW YORK 5

Telephone
REctor 2-8700

Teletype
NY 1-1288 & 1-2173

Direct Wires to
Boston and Phila.

Enterprise Phones
Hartford 6111-Buffalo 6024

Compliments of

BENDIX, LUITWEILER & Co.

Members New York Stock Exchange

52 Wall Street
New York 5, N. Y.

BEAR, STEARNS & Co.

Members New York Stock Exchange

STATE AND MUNICIPAL BONDS

U. S. Territorial and Insular Bonds

NEW YORK

CHICAGO

So much has been written about the provisions of the International Monetary Fund proposed by the United Nations Monetary and Financial

Conference at Bretton Woods, N. H., that it is hardly worthwhile at this time to enumerate them. What is much more interesting is to take the six purposes stipulated in Art. I of the agreement and see to what extent the machinery of the proposed world stabilization fund could reasonably be expected to achieve the purposes set forth.

Purpose I is "to promote international monetary cooperation through a permanent institution which provides the machinery for consultation and collaboration on international monetary problems."

Probably of all the remaining five purposes, this is the one that the fund, if and when set up, could really accomplish. As stated before, the Fund is really a bank from which the members borrow in amounts determined by their respective quotas. It certainly will not stabilize currencies. It is in reality nothing but an agreement to tell each other what and why each sovereign nation has done what it has done or, more optimistically stated, explain what each sovereign nation proposes to do. A number of commentators seem to think, as does for example Mr. Lippman, that even if this nation does not get anything else out of its \$2,750 million contribution to the Fund, it would be a cheap price to pay for obtaining such information. There is something in that sentiment. Still to pay nearly three billion dollars merely for the rather dubious privilege of being told what someone else has done or is about to do, is a pretty steep price to pay for information.

But any critic must admit the necessity of obtaining information and advice. If nations will really submit to a central clearing office all the information as they promise to do under Art. VII, Sec. 5, no doubt a great step forward will have been taken. But must this be by necessity in connection with an \$8,800 million stabilization fund?

Purpose II: "To facilitate the expansion and balanced growth of international trade, and to contribute thereby to the promotion and maintenance of high levels of employment and real income, and to the development of the productive resources of all members as primary objectives of economic policy."

Unfortunately, the Fund as such can do precious little for "the expansion and balanced growth of international trade." Sometime ago, prior to the debate in the House of Lords on international



P. H. Lohman

Bretton Woods In Review

II—The International Monetary Fund

PHILIPP H. LOHMAN, Ph.D.

Economist Analyzes Purposes Of The International Monetary Fund As Stated In The Agreement And Concludes That The Only One That Can Be Effective Is The Provision Of Machinery For Consultation And Collaboration—Holds Tremendous Obstacles Exist In Path Of Real Facilitation Of International Trade And Points To British Imperial Preference As An Illustration—Predicts Problems Of National Sovereignty Will Hamper The Fund's Operations.

monetary proposals, some one raised the question whether to discuss currency stabilization before international trade problems was not putting the cart before the horse. One imagines the question was raised in the light of the history of the 1920's when the least line of resistance was followed in re-establishing the gold standard, but no institution nor policies were agreed upon which would have assured the free(er) flow of goods and capital between nations.

At any rate, Lord Keynes' answer was that "it was perhaps an accident that the monetary proposals got started first and are therefore more fully developed. . . . As we cannot talk about everything at once, let us talk about these first."

The "Economist's" comments were: "If the procedure of going ahead with some matters leads to a belief that they are the more important, real damage may be done. . . . But accidents of chronology must not be allowed to obscure the basic truth that the financial should be entirely subordinate to the economic, and the economic to the political."

After three weeks at Bretton Woods, I have very much come to the conclusion that tremendous obstacles exist in the path of real facilitation of international trade. Professor Ludwig von Mises in his recent *Omnipotent Government* (Yale University Press, 1944) hits the nail on the head by

saying: "Whether or not there exists a supernational authority with an international parliament is of minor importance. The real need is to abandon policies detrimental to the interests of other nations. No international authority can preserve peace if economic wars continue. In our age of international division of labor, free trade is the prerequisite for any amicable arrangement between nations." (Italics mine.) In other words, Professor von Mises advocates a return to multilateral trade, not bilateral trade, which is so important to the United States in that we cannot by the very nature of our trade balance bilaterally. If economics means anything it means the allocation of scarce resources (land, capital, labor) in such a fashion as to assure the highest possible standard of living to a nation.

On May 19, 1944, Secretary of State Cordell Hull expressed a similar belief by saying that "the great majority of American businessmen will recognize the need . . . for utilizing our enormous capacity in the production of the kinds of peacetime goods best suited to our material and human resources; for choosing those lines of production that can stand on their own feet without heavy tariff protection or subsidies." But what happened at Bretton Woods?

When the question of the British blocked sterling balances arose, Britain insisted it could not consider their inclusion in the

Fund as originally contemplated in the White Plan; insisted that this was solely a question to be decided between Britain and her creditors. The Indian delegation, composed of extremely capable individuals well-versed in business and finance, argued most convincingly that if India should be forced to settle her \$4 billion credits directly with Britain, she would be forced into the very type of bilateralism that the Conference and the Fund intended to eliminate. There can be no stabilization of currencies without multilateral trade.

Purpose IV of the Fund recognizes that by stating: "To assist in the establishment of a multilateral system of payments in respect of current transactions between members and in the elimination of foreign exchange restrictions which hamper the growth of world trade."

How much the United States realizes the importance of multilateral trade to her is seen by the fact that we insisted on Britain's agreement to Art. VII of the "Master Lend-Lease Agreement" of Feb. 23, 1942. This article represents an agreement of the United Nations that in effect, in partial consideration for lend-lease advances, no discriminations shall be placed upon international commerce to be conducted after the war. In the past Britain has always asserted that intra-empire trade is not to be included in international commerce. The agreement of Feb. 23, 1942, seemed to have abandoned that claim.

But the "Economist" said two years later (4-29-44): "There is no chance that the British Parliament would consent to the abolition of the system of imperial preferences save possibly as part of a very large reconstruction of international trade involving concessions by other countries far larger than any yet in prospect." A week earlier, the London "Times" editorialized: "The debate in the House of Commons on Empire relations has shown that the House, and the public outside the House, will scrutinize very jealously any agreement which even appears to restrict the freedom of Empire countries to make trade and other arrangements among themselves for their mutual advantage."

There are, according to Lord (Continued on page 924)

MUNICIPALS

Alabama

Arkansas

Louisiana

Mississippi

New Jersey

Tennessee

Virginia

CORPORATES

Railroad Bonds

Short Term Bonds

Utility Bonds

Utility Preferred Stocks

FOREIGNS

All Dollar Bond Issues

Stocks • Bonds • Commodities

UNLISTED TRADING DEPARTMENT

Dealers in U. S. GOVERNMENT, MUNICIPAL, FOREIGN AND CORPORATE BONDS

Leased Private Wires to Branch Offices and Correspondents in Principal Cities in the United States; Foreign connections in Europe and South America.

E. F. HUTTON & COMPANY

ESTABLISHED 1904

MEMBERS NEW YORK STOCK EXCHANGE AND OTHER PRINCIPAL SECURITY AND COMMODITY EXCHANGES

61 BROADWAY, NEW YORK 6

WHITEHALL 4-2100

BELL SYSTEM TELETYPE NY 1-1675

CABLE ADDRESS: TONHUTEF

LOS ANGELES

SAN FRANCISCO

BEVERLY HILLS
HOLLYWOOD

LONG BEACH
OAKLAND
PASADENA

SAN DIEGO
SAN JOSE
SANTA BARBARA

SANTA MONICA
PHOENIX
TUCSON

ALBUQUERQUE
EL PASO

ARNHOLD AND S. BLEICHROEDER, INC.

Investment Bankers

EUROPEAN AFFILIATIONS:

Anglo-Continental Exchange Limited, London
Adler & Co., A.-G., Bankers, Zurich (Switzerland)

30 BROAD ST.

NEW YORK 4

Bell System Teletype NY 1-515

IRA HAUPT & Co.

Members New York Stock Exchange

New York Curb Exchange
New York Cotton Exchange
New York Produce Exchange (Assoc.)

New Orleans Cotton Exchange
Commodity Exchange, Inc.
Chicago Board of Trade

111 BROADWAY

TELETYPE: NY 1-1920

NEW YORK 6, N. Y.

TELEPHONE: RECTOR 2-8100

Security Trading And Security Traders Of Bygone Days

By A. S. MORTON

A little over a century and a half ago there were no security traders in America, because there were no securities. It was not until Alexander Hamilton, by funding the Revolutionary debts and by establishing the first Bank of the United States in 1791, laid the groundwork for dealings and trading in securities, that the securities and stock brokerage business began to take root in the leading cities of the new republic. In England, however, the "stock jobber" and the "stock broker" had already become terms representing an established avocation. The term "stock jobber" in Great Britain, unlike in this country, was never an epithet of opprobrium. The original English representative of the House of Rothschild was frequently designated as a "stock jobber," without the least implication of contempt in the term. It is still commonly used to represent what we call here a "security dealer."

When the \$20 million of new Government bonds and the \$10 million of new Bank of the United States shares were put into the hands of the impoverished and almost moneyless inhabitants of the newly-organized republic, it required the creating of markets and traders to give them exchange value and marketability. Fortunately or unfortunately (which ever way you look at it) there was a progressive, optimistic and speculative spirit existing among the people of the period. The new securities, despite the lack of coin and other forms of money, began to change hands rapidly. This led to a need for intermediaries and marketing machinery for effecting exchanges.

The first individuals to engage in the business of security trading were, of course, the merchants and the dealers in foreign and domestic bills of exchange. These men had become accustomed to acting at times as bankers or as borrowers, as well as purchasers and sellers of domestic and foreign drafts. However, there was a need for specialized brokers to act as intermediaries in the transactions. These men were drawn partly from individuals and firms who were already engaged in the auction business, and partly from others, who because of their family or political connections, had close contacts with the moneyed and trading classes of the community. It was a group of these individuals and firms who, on May 17, 1792, signed the agreement under a buttonwood tree near William and Wall Streets in New York City, to form an organization from which the New York Stock Exchange claims its origin. A similar form of organization agreement was enacted in Philadelphia several years later.

Writer Traces The Development of Security Trading In The United States As A Separate And Distinct Business—Calls Attention To Part Played By Individuals And Firms In Establishing Security Markets And In Promoting The Economic Expansion And Development Of The Country And Holds That Security Business Is Essential To Nation

Among the 24 signers of the New York document establishing a trading organization were men of both commercial and political importance in the community. They included Leonard Bleeker and Bernard Hart. Both were men of means and were active in the political and social affairs of the city. Bleeker was a member of an old Dutch family and was a leading auctioneer and real estate owner. He has a street named after him in the downtown section of New York City. Hart was long identified with the New York Stock Exchange and was its first secretary, but his greatest distinction stems from the fact that he was the grandfather of the great American novelist, Francis Brete Harte. Both of these men continued to carry on dealings in stocks and bonds throughout their lifetime, but Bleeker's principal business, under the name of Leonard Bleeker and Sons, comprised that of an auction and mercantile house, a lucrative business for that period.

Not all of those actively engaged in stock dealings appear to have signed the original organization agreement under the buttonwood tree on Wall Street. There is absent the name of John Pintard, one of the prominent political and social "high lights" of the period, whose present fame is based largely on the fact that he was

one of the founders of the New York Historical Society, together with other institutions of which the city is proud. Pintard inherited a fortune and, like many other capitalists of the time, engaged in shipping and merchandising. When the new Government bonds were issued, Pintard was active in dealings in them. Unfortunately for him, however, he joined with William Duer in 1791 in attempting to corner the issue, and as a result lost most of his fortune.

Another prominent broker and jobber, who also joined in the Duer corner episode, was Isaac Whippo. He was probably the most active dealer at the time, but had a relatively short business career. Unlike Pintard and the other security dealers in the early days, Whippo was an "upstart". He raised himself into prominence as a stock dealer and a speculator from the humble occupation of an oysterman. But he became associated with the two leading financiers and capitalists of the period, viz.: William Duer, a social highlight (who succeeded Robert Morris as head of the National Treasury), and Alexander Macomb, reputed to have been the richest man in New York when the first National Government was inaugurated in that city. These three men engaged in joint speculations and promotions and, among

other things, attempted to "corner" the new issue of Federal 6% Bonds. The move ended in a complete debacle, and brought ruin to many prominent dealers and brokers of that day.

Although Duer and Macomb were sent to jail (Duer died there), Whippo succeeded in absconding and nothing further was ever heard of him. All this happened in 1792, prior to the first organization of stock brokers in New York. It caused a great shock to the security market, and

for a time greatly reduced the volume of transactions.

As far as is known, the earliest mention of an attempt toward establishing a market place for transactions in securities in New York City is found in the newspaper called "Diary, or London Register," which early in March, 1792, contained the following advertisement:

"The New York Exchange Office is opened at No. 22 Wall Street for the accommodation of dealers in stock, and in which Public Sales will be held daily at noon as usual in rotation by A. L. Bleeker and Sons, J. Pintard, McEvers and Barclay, Cortlandt and Ferrer, and Jay & Sutton."

The firms mentioned were mercantile and auction houses, thus (Continued on page 927)

Dealers and Brokers in

**Railroad, Public Utility & Industrial
Bonds & Stocks**

INGALLS & SNYDER

Members New York Stock Exchange
Members New York Curb Exchange

100 BROADWAY

NEW YORK 5, N. Y.

BOND BROKERS

VILAS & HICKEY

Members New York Stock Exchange

49 WALL STREET, NEW YORK 5, N. Y.

TELEPHONE: HANOVER 2-7900

Teletype: NY 1-911

ADLER, COLEMAN & Co.

Members New York Stock Exchange
Members New York Curb Exchange

15 Broad Street, New York 5

HANOVER 2-9780

Trading Department, MURRAY LERNER, Manager

CANADIAN

Government, Municipal and Corporation Bonds

F. B. ASHPLANT & CO.

Two Wall Street

NEW YORK 5, N. Y.

Bell System Teletype—NY 1-69

REctor 2-1545

Attendance At The Convention

(Continued from page 924)

Neil De Young

De Young, Larson & Tornga

Grand Rapids, Mich.

John J. Donoghue
Russell M. Dotts
Wm. F. Dowdall
L. J. Doyle
Oscar B. Drinkard
J. B. Dunbar
Thomas E. Dunk
Finley P. Dunne
Newman L. Dunne

Bioren & Co.
Wm. F. Dowdall & Co.
Doyle-O'Connor & Co.
Scott Horner & Mason
Cruttenden & Co.
A. C. Allyn & Co.
Shillinglaw Crowder & Co.
The Wisconsin Co.

Philadelphia, Pa.
St. Louis, Mo.
Chicago, Ill.
Lynchburg, Va.
Chicago, Ill.
Chicago, Ill.
Chicago, Ill.
Milwaukee, Wis.

William Einhorn
George J. Elder

Einhorn & Co.
Mercier, McDowell & Dolphyn
Daniel F. Rice & Co.
Yarnall & Co.
Smith Burris & Co.
Rauscher Pierce & Co.

Cincinnati, Ohio
Detroit, Mich.

Ken Ellis
Russell M. Ergood, Jr.
Elmer Erzberger
Roger H. Evans

H. M. Byllesby & Co.
Merrill Lynch, Pierce, Fenner & Beane

Chicago, Ill.
Philadelphia, Pa.
Chicago, Ill.
Dallas, Texas

Arthur E. Farrell
Mrs. Ora M. Ferguson

Peltason-Tenenbaum Co.
National Quotation Bureau
Buckley Bros.
Northern Trust Co.
Warren W. York & Co.
Boettcher & Co.
J. Walter Thompson Co.
Wm. A. Fuller & Co.
Fusz Schmelzle & Co.

Chicago, Ill.
Louisville, Ky.

Joseph S. Fischer
Chas. F. Fisher
Walter D. Fixter
C. E. Flynn
Paul C. Fredericks
Len Friedman
Martin Fritz
W. A. Fuller
Firman D. Fusz, Jr.

Halsey, Stuart & Co.
Link Gorman & Co.
Merrill, Turben & Co.
Huff, Geyer & Hecht
Glas & Crane
B. J. Van Ingen & Co.
Russ & Co.
Collin, Norton & Co.
Gillis, Russell & Co.

St. Louis, Mo.
Chicago, Ill.
Philadelphia, Pa.
Chicago, Ill.
Chicago, Ill.
Chicago, Ill.
St. Louis, Mo.

Fred O. Gale
Jas. P. Gallagher
Harry Gawne
George Geyer
R. Jeremy Glas
Tom Gleason
H. S. Goff
Oliver Goshia
Richard A. Gottron

Gillis, Russell & Co.

Chicago, Ill.
Cleveland, Ohio
New York, N. Y.
New Orleans, La.
Chicago, Ill.
San Antonio, Tex.
Toledo, Ohio
Cleveland, Ohio

Thomas Graham
Fred H. Gray
Henry E. Gray
Sam Green
John H. Grier
John Grimes
Alphonse J. Grun

George Gruner
Donald J. Guild
M. C. Gunn

Ray T. Haas
E. K. Hagemann
Earl L. Hagenseker
Clair S. Hall, Jr.
William T. Hall
A. C. Hallstrom
Jack B. Hanauer
Ed. A. Hanifen
Wood Hannah
Carl A. Hartwig
H. Russell Hastings
Gilbert Hattier, Jr.
John C. Hecht
John G. Heimerdinger

A. Helfman
Irving Heller
Frank Herman
Major A. P. Hess
Matt Hickey
Richard J. Hickey
Jas. E. Hitchcock
W. G. Hobbs, Jr.
John J. Holland
Bert H. Horning
T. G. Horsfield
Jefferson K. Hoshor
Thomas E. Hosty
William T. Howard

Thomas W. Hoynes
E. Jansen Hunt
Pete Hunter
Wellington Hunter
Almon L. Hutchinson

M. J. Isaacs
Jim Jacques
Chas. F. Jacobson, Jr.
Robert A. Jameson
Bob Janshoff
S. E. Johanigman
Roy W. Jordan

By. Kairies

John Kalb
Carl J. Kall

Gerald F. Kane
V. T. Kane
Herbert H. Kant
Max Kaplan
Homer Kaupp
Edward J. Kelly
Frank S. Kelly
Frank H. Kemp
Jack Kennan

Edward L. Kent
Chas. King
Everett A. King
J. W. Kingsbury

The Bankers Bond Co.
J. Walter Thompson Co.
Eastman, Dillon Co.
Pledger & Co.
First National Bank
Bear Stearns Co.
First National Bank

Lee Higginson Co.
A. C. Allyn & Co.
C. F. Cassell & Co.

Ray T. Haas & Associates
G. H. Walker & Co.
Reinholdt & Gardner
Clair S. Hall & Co.
The Bond Buyer
Lee Higginson Corp.
J. B. Hanauer & Co.
McCabe, Hanifen & Co.
The Bankers Bond Co.
Strauss Bros.
H. Russell Hastings
White Hattier & Sanford
Butler, Huff & Co.
Walter, Woody & Heimerdinger

1st National Bk. of St. Paul
Friedman Brokaw & Samish
First National Bank
Boenning & Co.
Hickey & Co.
Kneeland & Co.
Cruttenden & Co.
Boettcher & Co.
A. C. Allyn & Co.
Stifel, Nicolaus & Co.
Wm. J. Mericka & Co.
Adams & Co.
Sincere & Co.
J. M. Dain & Co.

Rogers & Tracy, Inc.
White, Weld & Co.
Baum Bernheimer Co.
Hunter & Co.
Buckley Bros.

Straus Securities Co.
Dallas Rupe & Son
Riley & Co.
Pohl & Co., Inc.
Otis & Co.
The Milwaukee Co.
G. H. Walker & Co.

M. L. P. F. & B.

Adolph Lewisohn & Sons
First National Bank

Luckhurst & Co.
C. L. Schmidt & Co.
Greenebaum Invest. Co.
White & Co.
Juran & Moody
C. M. Loeb Rhoades & Co.
Frank S. Kelly
R. C. O'Donnell & Co.
C. F. Cassell & Co.

Kneeland & Co.
Chas. King & Co.
Maynard H. Murch & Co.
Kingsbury & Alvis

(Continued on page 927)

Louisville, Ky.

Chicago, Ill.
New York, N. Y.
Los Angeles, Cal.
Chicago, Ill.
Chicago, Ill.
Minneapolis, Minn.
Chicago, Ill.
Chicago, Ill.
Charlottesville, Va.

Chicago, Ill.
St. Louis, Mo.
St. Louis, Mo.
Cincinnati, Ohio
New York, N. Y.
Chicago, Ill.
Newark, N. J.
Denver, Colo.
Louisville, Ky.
Chicago, Ill.
Detroit, Mich.
New Orleans, La.
Los Angeles, Cal.
Cincinnati, Ohio

St. Paul, Minn.
St. Louis, Mo.
Chicago, Ill.
Philadelphia, Pa.
Chicago, Ill.
Chicago, Ill.
Chicago, Ill.
Chicago, Ill.
Chicago, Ill.
St. Louis, Mo.
New York, N. Y.
Chicago, Ill.
Chicago, Ill.
Minneapolis, Minn.

Chicago, Ill.
New York, N. Y.
Kansas City, Mo.
New York, N. Y.
Philadelphia, Pa.
Chicago, Ill.

Dallas, Texas
Milwaukee, Wis.
Cincinnati, Ohio
Chicago, Ill.
Chicago, Ill.
St. Louis, Mo.

Minneapolis, Minn.
New York, N. Y.
Minneapolis, Minn.

New York, N. Y.
Chicago, Ill.
Chicago, Ill.
St. Louis, Mo.
St. Paul, Minn.
New York, N. Y.
Chicago, Ill.
Detroit, Mich.
Charlottesville, Va.

Chicago, Ill.
New York, N. Y.
Cleveland, Ohio
New Orleans, La.

Bretton Woods In Review

(Continued from page 924)

contains the old phrase: No objection "to a proposed change because of the domestic social or political policies of the member proposing the change" in parity.

One is reminded of the shaky European cabinets of the 1920's. Will devaluation made easy keep them longer in power by permitting them recourse to unsound fiscal policies, and in so doing make conditions all the more unsound over the long run? Surely every reputable economist agrees that in fixing exchange rates attention must first be paid to the factors most resistant to change, namely, the level of wages, "sticky" prices, and the volume of domestic and foreign indebtedness. Even in cases when a modification of exchange rates is unavoidable, it will be essential to success to combine such a step with a direct adjustment of costs and prices.

All this is a question of national sovereignty. No one, particularly not the British, wants to give up any part of national sovereignty to the personal dictates of executives of an international monetary fund nor to the impersonal dictates of an international gold standard.

There will probably be many requests for changes in parity when debtors (how many or rather how few are not debtors among the 44 nations that were assembled at Bretton Woods?) feel themselves pressed. If that is true, what about long-term investments and lending abroad, without which there is little chance for exchange stability in many, if not most, countries? Suppose that after a United States private investment has been placed, the country involved comes to the Fund to obtain permission to devalue, who takes the losses on the investment? Private investors? Or do governments guarantee such investments? The proposed International Bank for Reconstruction and Development? If losses to investors from possible exchange depreciation are a contingency, the interest rate on loans would have to be very high and would so again burden balance of payments as to make it almost inadvisable to make such loans.

Then there is still the question of actual par values upon which the Conference did not touch at all. What criteria will be employed to set par values? Indeed, a difficult question to settle even if none but economic criteria are involved. Purchasing power parity between two countries is not an easy thing to ascertain and without some such approach an exchange rate can easily, intentionally or otherwise, constitute an

(Continued on page 943)

CANADIAN SECURITIES

BONDS

Government
Municipal
Corporation

STOCKS

Public Utility
Industrial
Mining

Traded in American Funds

W. C. Pitfield & Co., Inc.

Phone: 30 Broad Street Teletype:
HANover 2-8770 NEW YORK 4 NY 1-1979

Montreal Toronto Ottawa Halifax Moncton
St. John Vancouver Kingston, Jamaica London, England

INVESTMENT SECURITIES

MUNICIPAL — RAILROAD

PUBLIC UTILITY — INDUSTRIAL ISSUES

Direct Wires to Principal Financial Centers

E. H. Rollins & Sons

Incorporated

NEW YORK
40 Wall Street (5)
Tel. Whitehall 4-4860
Bell System Teletype NY 1-490

BOSTON
75 Federal Street (10)
Tel. Hubbard 5500
Bell System Teletype BS 142

PHILADELPHIA
1528 Walnut Street (2)
Tel. Pennypacker 0100
Bell System Teletype PH 268-259

CHICAGO
135 South La Salle Street (3)
Tel. Central 7540
Bell System Teletype CG 530

SAN FRANCISCO
Russ Building (4)
Tel. Exbrook 7900
Bell System Teletype SF 370

Offices or Representatives in Other Principal Cities Throughout the Country

F. H. KOLLER & CO., INC.

Established 1925

Members New York Security Dealers Association

DEALERS — WHOLESALE — TRADERS

SITUATIONS SUITABLE FOR
RETAIL DISTRIBUTION

BUYERS OF BLOCKS OF SECURITIES

111 Broadway
BArcley 7-0570

New York 6, N. Y.
Teletype NY 1-1026

Attendance At The Convention

(Continued from page 926)

Walter D. Kingston	Lamar Kingston & La Bousse	New Orleans, La.
W. T. Kitchen	Kitchen & Co.	Chicago, Ill.
M. Koepfer	Chapman & Cutler	Chicago, Ill.
Star C. Koerner	Mitchell Hutchins & Co.	Chicago, Ill.
C. M. Kolkoski	Schouten White & Co.	Grand Rapids, Mich.
Harvey Koonz	Brown Bros. Harriman & Co.	Chicago, Ill.
John A. Kruse	Otis & Co.	Cleveland, Ohio
Chester Laing	John Nuveen & Co.	Chicago, Ill.
Frank J. Laird	Stroud Co.	Philadelphia, Pa.
Walter E. Lang	Harriman Ripley & Co.	Chicago, Ill.
John Latshaw	Harris Upham & Co.	Kansas City, Mo.
William E. Ledbetter	The Chicago Sun & The Branchham Co.	
A. D. Lee	Goldman Sachs & Co.	Chicago, Ill.
Evar L. Linder	Paine, Webber, Jackson & Curtis	Chicago, Ill.
Corwin L. Liston	Prescott & Co.	Cleveland, Ohio
Chas. R. Livingstone	Bankamerica Co.	Los Angeles, Cal.
Elmer G. Longwell	Boettcher & Co.	Denver, Colo.
Lloyd E. Lubetkin	Seligman, Lubetkin & Co.	New York, N. Y.
Chester A. Lucas	Stein Bros. & Boyce	Louisville, Ky.
Bert F. Ludington	Watling, Lerchen Co.	Detroit, Mich.
F. J. Lynch	Kline, Lynch & Co., Inc.	Cincinnati, Ohio
Geo. M. McCleary	Fla. Sec. Co.	St. Petersburg, Fla.
Francis McDonald	Lee Higginson Corp.	Chicago, Ill.
George A. McDowell	Mercier, McDowell & Dolphyn	Detroit, Mich.
John H. McGreevey	J. S. Bache & Co.	Chicago, Ill.
John B. McHugh	Metropolitan St. Louis Co.	St. Louis, Mo.
William P. McKay	Blue List Pub. Co.	New York, N. Y.
Stanley McKie	Weil, Roth & Irving	Cincinnati, Ohio
W. Perry McPherson	Walker Austin Waggoner	Dallas, Texas
A. M. MacLaughlin	Vieth Duncan & Wood	Davenport, Iowa
C. J. Maender	G. H. Walker & Co.	St. Louis, Mo.
C. D. Mahoney	C. D. Mahoney Co.	Minneapolis, Minn.
Charles Main	Ballman & Main	Chicago, Ill.
Waldo W. Mallory	Clement A. Evans & Co.	Atlanta, Ga.
Robert D. Mannix	Earl M. Scanlon & Co.	Denver, Colo.
A. W. Marshall	Wood, Gundy & Co., Inc.	New York, N. Y.
George Martin	Martin Burns & Corbett	Chicago, Ill.
Walter G. Mason	Scott, Horner & Mason, Inc.	Lynchburg, Va.
Paul E. Matsche	Paine, Webber, Jackson & Curtis	St. Paul, Minn.
Jos. A. Matter	Chapman & Cutler	Chicago, Ill.
Henry T. Matthews	Kneeland & Co.	Chicago, Ill.
Murray Matthews	Cruttenden & Co.	Chicago, Ill.
Paul C. Matthews	Welch Davis Co.	Chicago, Ill.
N. Irving Maxfield	Cohu & Torrey	New York, N. Y.
Ernest A. Mayer	Holley, Dayton Gernon	Chicago, Ill.
J. W. Means	Trust Co. of Georgia	Atlanta, Ga.
N. Sanderson Mearcy	M. L. P. F. & B.	Milwaukee, Wis.
Wm. J. Mericka	Wm. J. Mericka & Co.	Cleveland, Ohio
E. L. Meyer	Harris Upham & Co.	Kansas City, Mo.
Frank P. Meyer	First of Mich. Corp.	Detroit, Mich.
Don W. Miller	McDonald-Moore & Co.	Detroit, Mich.
Andrew S. Mills	Newhard, Cook & Co.	St. Louis, Mo.
Arch Montague	W. E. Hutton & Co.	Cincinnati, Ohio
Wm. J. Mooney	Stranahan Harris Co.	Chicago, Ill.
Paul I. Moreland	Allman Moreland & Co.	Detroit, Mich.
Fred G. Morton	The Milwaukee Co.	Milwaukee, Wis.
Road A. Morton	Blue List Pub. Co.	New York, N. Y.
Morris M. Moss	Friedman Brokaw & Samish	St. Louis, Mo.
Paul Mullaney	Mullaney Ross Co.	Chicago, Ill.
John J. Mullen	Garrett-Bromfield Co.	Denver, Colo.
George J. Muller	Janney & Co.	Philadelphia, Pa.
Cyril M. Murphy	Mackubin, Legg & Co.	New York, N. Y.
Dennis E. Murphy	The Ohio Company	Columbus, Ohio
James H. Murphy	Cruttenden & Co.	Chicago, Ill.
Harry L. Nelson	Blyth & Co.	Chicago, Ill.
W. A. Nelson	Bear Stearns Co.	Chicago, Ill.

(Continued on page 949)

Security Trading And Security Traders Of Bygone Days

(Continued from page 925)

indicating that these concerns, who handled securities as a side line, desired to establish a common market place under a joint arrangement.

Although security dealings were combined with other mercantile and banking transactions for several decades, the activities of the security trader and broker gradually became specialized and separate. The increase in the number of corporations, particularly the new banks and insurance companies, railroads and other transportation and utility projects, led to a large and constantly expanding variety of stock and bond issues. The States also issued large blocks of bonds, which required marketing facilities. Gradually there were established specialized firms to handle the business. Prominent among these were Prime, Ward and King and Jacob Little & Co. in New York City and A. W. Clark & Co. of Philadelphia.

There were also houses representing foreign concerns such as the Joseph Brothers representatives of the Rothschilds, and Le Roy & Bayard, who represented French and Dutch interests. The Josephs failed in 1837 and were succeeded by August Belmont and Co., as the Rothschild agents.

The firm of Prime, Ward and King is reputed to be the first genuine investment banking house in America. It was founded by Nathaniel Prime, who was a protege of Rufus King, a prominent capitalist, and, at one time, United States Minister to Great Britain. Prime began business in a small way with borrowed capital, but his firm prospered, and later he took in as a partner Edward G. King, a son of Rufus King. Prime retired from the firm after the panic of 1837, and died in 1843 by his own hand. He was considered a wealthy man in his day, but lived in constant dread of losing his fortune. His fine home at No. 1 Wall Street, facing the Battery, was a show place of the city. His son continued to reside there after the father's death, but the fortunes of the firm thereafter took a bad turn. In 1846 Prime, Ward and King was dissolved, and succeeded by Prime, Ward and Company, but in September of the

following year it went into bankruptcy.

However, during the period of its activity, the banking house of Prime, Ward and King was a prominent and important factor in the financial affairs of the nation. It was this concern, along with Nicholas Biddle's "Bank of the United States" in Philadelphia, that handled large blocks of State bond issues put out during the period from 1820 to 1840. The credit of the firm was so well established that during the panic of 1837, when New York State was about to default on its bonds, due to

lack of cash, it received a gold loan through Barings of London, from the Bank of England in order to relieve the State of its financial distress. The gold was shipped to New York, and helped considerably to relieve the banks of their need for specie.

The negotiation of this loan is ascribed by Julia Ward Howe, the authoress, to her father, Samuel Ward, who was a partner of the firm. "Of all her rich ancestral inheritance," states a biographer, "Julia valued most the fact that her father saved the State of New

(Continued on page 940)

Atlanta Bond Club



J. Robert Neal



Byron Brooke



J. Fleming Settle

President: J. R. Neal, Wyatt, Neal & Waggoner; Vice-President: Byron Brooke, Brooke, Tindall & Co.; Secretary-Treasurer: J. F. Settle, J. H. Hilsman & Co.

SOUTHERN
Dealers

State and Municipal
BONDS

Underwriters

Alabama, Florida, Georgia, Louisiana, Mississippi
North Carolina, South Carolina, Tennessee

ALL ISSUES OF U. S. GOVERNMENT SECURITIES

INVESTMENT DEPARTMENT

TRUST COMPANY of GEORGIA

BELL SYSTEM Teletype AT-263 Atlanta 2, Georgia TELEPHONE WAlant 1671

Established 1891

ALABAMA and LOUISIANA
SECURITIES

STEINER, ROUSE & CO.
Members New York Stock Exchange
25 BROAD STREET, NEW YORK 4, N. Y.
HANover 2-0700 NY 1-1557

New Orleans, La. Birmingham, Ala.
Maritime Bldg. Brown-Marx Bldg.

Direct wires to our branch offices

UNDERWRITERS - DISTRIBUTORS - DEALERS

U. S. GOVERNMENT
MUNICIPAL PUBLIC UTILITY
RAILROAD INDUSTRIAL
SECURITIES

Direct Private Wire Nashville to New York

EQUITABLE
Securities Corporation

NASHVILLE 322 UNION ST. TEL. 6-7171
NEW YORK TWO WALL ST. TEL. RECTOR 2-6565

HARTFORD NEW ORLEANS KNOXVILLE MEMPHIS GREENSBORO
BIRMINGHAM CHATTANOOGA

National Security Traders Association BOOSTERS

ADVERTISEMENT

Ann Arbor, Mich.

TITUS (DEAN W.) & COMPANY
State Savings Bank Bldg.
3777
Dean W. Titus

Atlanta, Ga.

HANCOCK, BLACKSTOCK & CO.

1st Nat'l Bank Bldg. (3)
Main 3425
Roy W. Hancock
G. Paul Wells

TRUST COMPANY OF GEORGIA

Trust Co. of Ga. Bldg. (2)
AT 283 Walnut 1671
J. W. Means
J. K. Beavers
R. C. Mathews, Jr.
Clovis Hunerkopf
Howard C. Traywick

WYATT, NEAL & WAGGONER

First Nat'l Bank Bldg. (3)
AT 489 Walnut 4700
J. Robert Neal
T. Reuben Waggoner
Henry Wyatt

Baltimore, Md.

BAKER, WATTS & CO.

Calvert & Redwood Sts. (3)
BA 395 Calvert 6200
J. Wilmer Butler
John G. Chenoweth
Charles H. Pinkerton
Herbert N. Strawbridge
Robert A. Warren

CAHN (FRANK B.) & CO.

Equitable Bldg. (3)
Mulberry 3200
George M. White

ADVERTISEMENT

MACKUBIN, LEGG & COMPANY

22 Light St. (3)
BA 238 Lexington 3400
Cyril M. Murphy
Milton Van Riper
Gerald F. Monahan
Peter R. Pielsticker (In service)
James Brewer, 3rd (In service)
R. Emmet Bradley
M. David Jones
Joseph G. Strohmer
Joseph W. Sener
C. Gerard Morgan
Gustav Klein
Edwin P. Sunderland

MEAD, IRVINE & CO.

First Nat'l Bank Bldg. (2)
Lexington 0210
Preston A. Taylor

SHEELY (HARRY M.) & CO.

Keyser Bldg. (2)
BA 497 Saratoga 8064
Harry M. Sheely
Charles Gross
William P. Coleman

STEIN BROS. & BOYCE

6 S. Calvert St. (2)
BA 393 Plaza 8400
William T. Childs
LeRoy A. Wilbur
E. E. McClure
John M. O'Neill
Robert List
David Kratzer (In service)
Chester A. Lucas (Louisville)
Samuel Bortner (Phila.)

WILLIAMS (C. T.) & COMPANY, INC.

Fidelity Bldg. (1)
BA 499 Plaza 2484
F. Osborne Wilhelm

ADVERTISEMENT

Boston, Mass.

ADAMS (FREDERICK C.) & CO.

24 Federal St. (10)
BS 22 Hancock 8715
Frederick C. Adams
Elmer J. Carr

CARR (RALPH F.) & CO.

10 Post Office Square (9)
BS 328 Hubbard 6442

Ralph F. Carr
William S. Thompson

CONNOLLY (WALTER J.) & CO., INC.

24 Federal St. (10)
BS 128 Hubbard 3790
Walter J. Connolly

DAY (CHAS. A.) & CO., INC.

Sears Bldg. (8)
Lafayette 0695
William M. Ferris, Jr.
Leon E. Day, Jr.
Richard Copeland
Wilfred N. Day

DRAPER, SEARS & CO.

53 State St. (2)
BS 537 Lafayette 4832
Harold G. Meadows
Leaman F. Hallett
George E. Moore

du PONT, HOMSEY CO.

Shawmut Bank Bldg. (9)
BS 424 Capitol 4330
Frank E. Collins
Neil H. Colwell
Anton E. Homsey

ADVERTISEMENT

HAGNEY (DAYTON) & CO.

75 Federal St. (10)
BS 596 Liberty 6190
Dayton Hagney
Benjamin A. Bailey

HORNBLLOWER & WEEKS

60 Congress St.
Liberty 7500
Herbert E. Hurley

PUTNAM (F. L.) & CO., INC.

77 Franklin St. (10)
BS 497 Liberty 2340
John E. Sullivan, Jr.
James J. Galvin

RAYMOND & CO.

148 State St. (9)
BS 259 Capitol 0425
Malcolm L. Saunders

SHEA & COMPANY

31 State St. (9)
BS 355 Lafayette 4480
James J. Lynch

TOWNSEND, DABNEY & TYSON

30 State St. (5)
Lafayette 7010

Clement Diamond

Henry Tabb
Geo. T. Curley
Irving H. Gunn
Wesley P. Patnode

Buffalo, N. Y.

DOOLITTLE, SCHOELLKOPF & CO.

Liberty Bank Bldg. (2)
BU 46 Washington 4970

ADVERTISEMENT

TRUBEE, COLLINS & CO.

M. & T. Bldg. (2)
BU 104 Madison 1400

WALLACE, D. W.

Marine Trust Bldg. (3)
BU 180 Cleveland 2911

Chicago, Ill.

ADAMS & CO.

231 S. La Salle St. (4)
CG 361 State 0101
Jefferson K. Hoshier

ALLYN (A. C.) AND COMPANY, INC.

100 W. Monroe St. (3)
CG 940 Franklin 8400
Thompson M. Wakeley
Dominic C. Cronin

ANDERSON, PLOTZ & COMPANY, INC.

39 S. La Salle St. (3)
Franklin 8467
John A. Anderson

BEAR, STEARNS & CO.

135 S. La Salle St. (3)
CG 1279 State 0933
Patrick J. Cummings
John P. Grimes
William A. Nelson

BENNETT (A. A.) & CO.

105 S. La Salle St. (3)
CG 1040 Central 4274
William A. Spanier
(Continued on page 929)

UNLISTED SECURITIES

Primary Markets in Bank & Insurance Stocks

Specialists in

RUSSELL MANUFACTURING CO.

AMERICAN HARDWARE **LANDERS, FRARY & CLARK**
BRISTOL BRASS **STANDARD SCREW**
STOCKS OF ALL HARTFORD INSURANCE COMPANIES

A. M. Kidder & Co.
ESTABLISHED 1865

Members New York Stock Exchange
and other leading exchanges

1 Wall Street, New York 5 Telephone Digby 4-2525

Burlington Rutland Detroit Montreal Bridgeport

Cable Address: AMKO New York

Private telephone to: Conning & Company and Ballard, Hartford, Conn.

BOND BROKERAGE SERVICE

for Banks, Brokers and Dealers

HARDY & Co.

Members New York Stock Exchange
Members New York Curb Exchange

30 Broad St.
Telephone Digby 4-7800

New York 4
Teletype NY 1-733

REORGANIZATION SECURITIES

CALLED SECURITIES

RIGHTS & SCRIP

Brokers and dealers in general
unlisted bonds and stocks and
in particular specializing in
"WHEN-ISSUED" securities.

ALLEN & Co.

Established 1922

30 BROAD STREET

Telephone:
HANover 2-2600

NEW YORK 4, N. Y.

Bell Teletypes:
NY 1-1017-18 & 1-573

Direct Wire to Los Angeles

Mitchell & Company

Members Baltimore Stock Exchange

120 BROADWAY • NEW YORK 5, N. Y.

Tel. WOrth 2-4230 • Bell Teletype N. Y. 1-1227

OVER-THE-COUNTER SECURITIES

Josephthal & Co.

MEMBERS

New York Stock Exchange
New York Curb Exchange
Chicago Board of Trade
Commodity Exchange, Inc.

120 Broadway

New York 5, N. Y.

REctor 2-5000

Bell System Teletype NY 1-319

19 Congress St. Boston 9, Mass.

Tel. Lafayette 4620

Bell System Teletype BS 360

Direct Telephone New York to
Boston and Private Wire System to
Correspondents in Principal Cities

National Security Traders Association BOOSTERS

ADVERTISEMENT

(Continued from page 928)

BRILSFORD & CO.208 S. La Salle St. (4)
CG 95 State 9868E. M. Burke
C. O. Condit
Martin Lazar**BYLLESBY (H. M.) AND COMPANY, INCORPORATED**135 S. La Salle St. (3)
CG 273 State 8711
Arthur E. Farrell
Martin L. Magee
Lancelot Howard (N. Y. C.)
Frank H. Hand (N. Y. C.)
Al Willis (Phila.)
J. Gentry Daggy (Phila.)**CASE (G. J.) & CO.**208 S. La Salle St. (4)
CG 589 Central 4569**CASWELL & CO.**120 S. La Salle St. (3)
CG 1122 Central 5690
Harold Barclay
Elmer W. Hammell**CENTRAL REPUBLIC COMPANY**209 S. La Salle St. (90)
CG 43 Franklin 5610
Edde K. Hays**CLEMENT, CURTIS & CO.**134 S. La Salle St. (3)
CG 214 Randolph 6800
Paul Yarrow
William J. Sennott, Jr.
Frederick J. Cook**COMSTOCK & CO.**231 S. La Salle St. (4)
Dearborn 1501
Erling J. Hansen
Edward P. Renier
Daniel F. Comstock**CORBREY (CARTER H.) & CO.**135 S. La Salle St. (3)
CG 362 Randolph 3002**CRUTTENDEN & CO.**209 S. La Salle St. (4)
CG 35 Dearborn 0500
Walter W. Cruttenden
Fred R. Tuerk
John B. Dunbar
James H. Murphy
James E. Hitchcock
John W. Eustice
Murray C. Mathews
John F. Eagan**DAVIS (PAUL H.) & CO.**10 S. La Salle St. (3)
CG 405 Franklin 8622
T. Leo Reynolds**DEMPSEY-DETMER & CO.**135 S. La Salle St. (3)
CG 1166 Randolph 2100
Jack R. Dempsey**DOYLE, O'CONNOR & CO., INC.**135 S. La Salle St. (3)
CG 1200 Dearborn 9600
Leo J. Doyle
James J. O'Connor
Fred J. Casey
Thomas D. Casserly, Jr.**ENYART, VAN CAMP & CO., INC.**100 W. Monroe St. (3)
CG 965 Andover 2424
Charles E. Enyart
Jean A. Horacek**ERNST & CO.**231 S. La Salle St. (4)
Franklin 7667
Ray Hofer**FAIRMAN (FRED W.) & CO.**208 S. La Salle St. (4)
CG 537 Randolph 4068
Thomas S. Koehler**FAROLL & COMPANY**208 S. La Salle St. (4)
CG 156 Andover 1430
Paul W. Spink**FIELD BLDG.**135 S. La Salle St. (3)
Randolph 3941

ADVERTISEMENT

FIRST SECURITIES COMPANY OF CHICAGO105 S. La Salle St. (3)
CG 1399 Andover 1520Donald B. Stephens
Arthur C. Sacco
George F. Hummel
George W. Smith
Arthur H. Bothen**FULLER (WILLIAM A.) & CO.**209 S. La Salle St. (4)
CG 146 Dearborn 9200William A. Fuller
Wallace T. Combiths
Jerome F. Marquardt
Audran J. Cavanaugh
Joseph T. Fuller**GIBSON (W. C.) & CO.**231 S. La Salle St. (4)
State 1790
Edgar A. Peck**GLORE, FORGAN & CO.**135 S. La Salle St. (3)
CG 115 Andover 3000
Thomas R. Montgomery
Harold C. Nelson
L. J. Thorsen
Milton R. Blohm
William J. Becker**GOODBODY & CO.**105 W. Adams St. (3)
CG 321 Central 8900
Henri P. Pulver**GREENEBAUM INVESTMENT CO.**39 S. La Salle St. (3)
CG 1368 Randolph 5360
Herbert H. Kant**HARMET (A. A.) & CO.**208 S. La Salle St. (4)
Central 9744
Alfred A. Harmet
John J. Colnitis**HICKEY & CO., INC.**135 S. La Salle St. (3)
CG 1234 Randolph 8800
Mathew J. Hickey, Jr.
William J. Lawlor, Jr.
(In service)
John C. Rogers
Bernard R. Keegan
Wm. A. Anderson
Raymond J. Friss**HORNBLOWER & WEEKS**39 S. La Salle St. (3)
Franklin 7500
Peter J. Conlan
Dennis Vogel**HUMMER (WAYNE) & CO.**105 W. Adams St. (3)
CG 1251 Andover 1700
F. Girard Schoettler**KITCHEN & CO.**135 S. La Salle St. (3)
CG 105 State 4950
W. T. Kitchen
R. K. Belt
Lydia Fischer

ADVERTISEMENT

LAMSON BROS. & CO.141 W. Jackson Blvd. (4)
Wabash 2400

Lawrence La Rocco

LIZARS (RAWSON) & CO.135 S. La Salle St. (3)
CG 245 Andover 1343**MARKS (CARL) & CO., INC.**208 S. La Salle St. (4)
CG 1124 State 6693

William P. Springer

MITCHELL, HUTCHINS & CO.231 S. La Salle St. (4)
CG 1094 State 1700Star C. Koerner
Ralph M. Bloom**NORTHERN (THE) TRUST CO.**50 S. La Salle St. (90)
CG 368 Franklin 7070M. C. Ruggles
George J. Vojta**NOYES (DAVID A.) & CO.**208 S. La Salle St. (4)
State 0400Elmer J. Giesen
John Arthur
Walter Alm**PAINE, WEBBER, JACKSON & CURTIS**209 S. La Salle St. (4)
CG 1247 State 0860

Evar L. Linder

ROGERS & TRACY, INC.120 S. La Salle St. (3)
CG 917 State 4151Ralph S. Longstaff
Herbert J. Burke
Paul J. Skepnek, Jr.
Fred E. Ungeher
Andrew R. Williams
William C. Kegley**SALOMON BROS. & HUTZLER**231 S. La Salle St. (4)
CG 840 Central 9020

Edward Roob

(Continued on page 930)

Baltimore Security Traders Association



Preston A. Taylor R. Emmet Bradley J. G. Chenoweth, Jr. Leo Kriegel

President: Preston A. Taylor, Mead, Irvine & Co.; Vice-President: R. Emmet Bradley, Mackubin, Legg & Co.; Secretary: John G. Chenoweth, Jr., Baker, Watts & Co.; Treasurer: Leo Kriegel, H. L. Davies; National Committeemen: Harry M. Sheely, Harry M. Sheely & Co.; Alexander S. Porter, C. T. Williams & Co.

HARRY M. SHEELY & Co.

Members Baltimore Stock Exchange

KEYSER BUILDING

BALTIMORE 2, MD.

DEALERS AND BROKERS

Commission Orders Executed On
Baltimore Stock Exchange

Telephones

New York—REctor 2-8194 Philadelphia—Pennypacker 2800
Baltimore—Saratoga 8064
Bell System Teletype BA 497

MACKUBIN, LEGG & COMPANY

ESTABLISHED 1899

INSURANCE STOCKS

MEMBERS

NEW YORK STOCK EXCHANGE

NEW YORK CURB EXCHANGE (ASSOC.)

DIRECT WIRES TO—

CRUTTENDEN & CO.
CHICAGO
CONRAD, BRUCE & CO.
SAN FRANCISCO—LOS ANGELES

We maintain active Trading Departments
in our

BALTIMORE and LOUISVILLE OFFICES

Maryland and Kentucky Municipals

F. H. A. Insured Mortgages

Commission orders executed on the
Baltimore Stock Exchange

STEIN BROS. & BOYCE

Established 1853

6 S. CALVERT ST., BALTIMORE 2, MD.

Telephone: PLaza 8400

New York Telephone: REctor 2-3327

STARKS BLDG. ARCADE, LOUISVILLE 2, KY.

Telephone: LD 180

PHILADELPHIA

NEW YORK

York, Pa. Hagerstown, Md. Cumberland, Md. Washington, D. C.

MEMBERS OF NEW YORK STOCK EXCHANGE
and other leading exchanges

BAKER, WATTS & Co.

Established 1900

Members New York Stock Exchange
Members Baltimore Stock Exchange
Associate Members New York Curb Exchange

Government and Federal Land Bank Bonds
Maryland County and Municipal Bonds

Listed and Unlisted Stocks and Bonds

Active Market In Local Securities

CALVERT AND REDWOOD STREETS
BALTIMORE 3

West Virginia Representative, Union National Bank Bldg.
Clarksburg, W. Va.

Baltimore Telephone:
Calvert 6200

New York Telephone:
Canal 6-7162
Teletype BA 395

National Security Traders Association BOOSTERS

ADVERTISEMENT

(Continued from page 929)
SCHMIDT (C. L.) & CO., INC.
 120 S. La Salle St. (3)
 CG 878 Randolph 6960
 Vincent T. Kane

SHILLINGLAW, CROWDER & CO., INC.
 120 S. LaSalle St. (3)
 CG 1070 State 5850
 Pete Dunne

SHOWERS, ROBERT
 10 S. La Salle St. (3)
 Franklin 2083

SINCERE AND COMPANY
 231 S. La Salle St. (4)
 CG 252 State 2400
 Edward H. Welch
 Edwin P. O'Brien
 Albert Leritz
 Thomas J. Purell

SMITH, BURRIS & CO.
 120 S. La Salle St. (3)
 CG 878 Andover 1200
 Elmer W. Erzberger

STIFEL, NICOLAUS & CO., INC.
 105 W. Adams St. (3)
 CG 697 State 5770
 Donald B. Sherwood

STRAUS SECURITIES COMPANY
 135 S. La Salle St. (3)
 CG 650 Andover 5700
 M. J. Isaacs
 E. J. Bourbeau
 M. D. Sachnoff
 James Cunningham
 S. E. Dawson-Smith

THOMAS (E. W.) AND COMPANY
 135 S. La Salle St. (3)
 CG 1795 Franklin 2434

ADVERTISEMENT

THOMSON & MCKINNON
 231 S. La Salle St. (4)
 CG 1660 Central 5775
 Earl C. Glosser

UNION SECURITY CO.
 29 S. La Salle St. (3)
 Randolph 2977
 Arthur A. Green

WEBBER-SIMPSON & CO.
 208 S. La Salle St. (4)
 CG 1268 Andover 1811
 O. D. Landis

WELSH, DAVIS & CO.
 135 S. La Salle St. (3)
 CG 225 Franklin 3161
 John F. Partridge

ZIPPIN & COMPANY, INC.
 208 S. La Salle St. (4)
 Randolph 4696
 Israel Zippen
 Howard L. Davidson

Cincinnati, O.

BROCKHAUS (EDWARD) & CO.

Union Trust Bldg. (2)
 CI 385 Main 1300
 Edward Brockhaus
 Jack C. Siegman
 C. H. Ollier
 Clifford H. Grischy
 Ray J. Horan
 Thomas J. Hughes

EINHORN & CO.
 Dixie Terminal Bldg. (2)
 CI 563 Main 1757
 William Einhorn

FIELD, RICHARDS & CO.
 Union Central Bldg. (2)
 CI 150 Main 3776
 Chester T. Terrell
 C. A. Richards
 Franklin O. Loveland, Jr.

ADVERTISEMENT

FOX (W. E.) & CO., INC.
 18 E. 4th St. (2)
 CI 494 Main 1627

James E. Madigan
 Leo J. Nussloch
 Edward W. Back

GRADISON (W. D.) & CO.
 Dixie Terminal Bldg. (2)
 CI 68 Main 4884
 George H. Phillips

HUTTON (W. E.) & CO.
 First Nat'l Bank Bldg. (2)
 CI 586 Main 2560
 James M. Hutton, Jr.
 Arch F. Montague
 George C. Riley
 C. Kenneth Smith
 W. Maxwell Fuller

KATZ AND O'BRIEN
 Carew Tower (2)
 CI 489 Main 0138
 Arthur V. Katz
 Harry C. O'Brien

KUEMMERLING, DON D.
 Union Trust Bldg. (2)
 CI 66 Cherry 4122

NELSON, BROWNING & CO.
 Carew Tower (2)
 CI 366 Cherry 6422
 Roy C. Nelson
 Albert J. Stenger

POHL & COMPANY, INC.
 Dixie Terminal Bldg. (2)
 CI 381 Main 6515
 Edward F. O'Connor
 William L. Pohl
 Robert A. Jameson

ADVERTISEMENT

REITER (C. H.) & CO.
 Union Trust Bldg. (2)
 CI 485 Main 1341

Clifford H. Reiter
 George R. Hapley
 Arthur W. Korte
 Percy W. Yowler

SEUFFERLE (WM. C.) & CO.
 Carew Tower (2)
 CI 263 Parkway 4664
 Wm. C. Seufferle
 Morris W. Berman

TAYLOR (EDW. G.) & CO.
 111 E. 4th St. (2)
 Cherry 0450
 Edward G. Taylor

THORNBURGH (THE W. C.) CO.
 18 East 4th St. (2)
 CI 260 Parkway 6820
 Wesley C. Thornburgh
 Robert W. Thornburgh

WHITE (J. A.) AND COMPANY
 Union Central Bldg. (2)
 CI 163 Parkway 7340
 J. Austin White

Cleveland, O.

BALL, BURGE & KRAUS
 Union Commerce Bldg. (14)
 CV 584 Cherry 6025
 Paul S. Bowden

CURTISS, HOUSE & CO.
 Union Commerce Bldg. (14)
 Main 7071
 Edward B. Geggus

FIELD, RICHARDS & CO.
 Union Commerce Bldg. (14)
 CV 174 Prospect 2770
 Arthur H. Richards
 Russell J. Olderman

ADVERTISEMENT

FINLEY AND COMPANY
 Union Commerce Bldg. (14)
 Main 0430

Richard N. Cone

FIRST (THE) CLEVELAND CORP.

Nat'l City Bank Bldg. (14)
 CV 443 Prospect 1571

Frank C. Gee
 Emile A. Legros
 Clarence F. Davis
 E. F. Ehrhardt

GILLIS, RUSSELL & CO.
 Union Commerce Bldg. (14)
 CV 565 Cherry 5050

Roderick A. Gillis
 James N. Russell
 Richard A. Gottron
 Charles S. Nadeau
 Paul I. Gaither

GOODBODY & CO.
 Nat'l City Bank Bldg. (14)
 Prospect 6677
 George Huberty, Jr.

GREANY (L. M.) & CO.
 Fidelity Bldg. (14)
 Main 1488

GREEN, WOLFE & CO., INC.
 N. B. C. Bldg. (14)
 Cherry 6035
 Albert B. Green
 Robert L. Erb

HORNBLOWER & WEEKS
 Union Commerce Bldg. (14)
 Prospect 2700
 Laurence L. Longdon
 Donald Plasterer

LEDOGAR-HORNER COMPANY
 Union Commerce Bldg. (14)
 CV 383 Cherry 3800
 Norman V. Cole
 William A. Koeth
 Frank J. Schulte, Jr.
 George F. Opdyke

MCDONALD & COMPANY
 Union Commerce Bldg. (14)
 CV 490 Maine 6400
 Benjamin J. McPolin
 Robert H. Diehl

MERICKA (WM. J.) & CO., INC.
 Union Commerce Bldg. (14)
 CV 594 Main 8500
 William J. Mericka
 C. H. Doerge
 R. E. Borton
 Thomas G. Horsfield (N. Y. C.)
 Edward E. Parsons, Jr.

MERRILL, TURBEN & CO.
 Union Commerce Bldg. (14)
 CV 67 Main 6800
 Harry Gawne

OTIS & CO.
 Terminal Tower (13)
 CV 496 Cherry 0260
 John A. Kruse
 Daniel M. Hawkins
 Robert W. Janshoff (Chicago)
 (Continued on page 931)

American Mfg. Co.	American Wringer
Art Metal Const.	Auto Car Co.
Bird & Son	Blair & Co.
Cliffs Corp.	Elastic Stop Nut
Hearst Cons. Pub. Pfd.	Lawrence Portland Cement
United Elastic Corp.	United Stockyards Pfd.
Valley Mould & Iron	Warner & Swasey

du PONT, HOMSEY COMPANY

SHAWMUT BANK BLDG.
 BOSTON 9, MASS.

Capitol 4330

Bell Teletype BS 424



Listed and Unlisted

New England Securities

Industrial

Textile

Public Utility
 Bank

Insurance

Our Sales Organization Serves Most of
 NEW ENGLAND

CHAS. A. DAY & CO.
 INCORPORATED

Sears Building

Boston 8

Member Boston Stock Exchange

Specialists in New England Unlisted Securities

FREDERICK C. ADAMS & CO.

ESTABLISHED 1922

24 FEDERAL STREET, BOSTON 10

Telephone HANcock 8715

Teletype BOSTon 22

National Security Traders Association BOOSTERS

ADVERTISEMENT

(Continued from page 930)

PERKO & ZINK

Union Commerce Bldg. (14)
CV 91 Cherry 0911
John F. Perko
Wilbur H. Zink

PRESCOTT & CO.

Guardian Bldg. (14)
CV 97 Prospect 6300
Corwin L. Liston

QUINN (W. P.) & COMPANY

Union Commerce Bldg. (14)
Cherry 6000
George E. Jaffe

ROBBINS, GUNN & CO.

Union Commerce Bldg. (14)
Cherry 4978
William T. Robbins
Clemens E. Gunn
Walter J. Carey

SAUNDERS, STIVER & CO.

Terminal Tower Bldg. (13)
CV 283 Prospect 4500

SCHULTZ (L. J.) & CO.

Union Commerce Bldg. (14)
CV 255 Main 6865
Leo J. Schultz
George Placky

Columbus, O.**VERCOE & COMPANY**

Huntington Bank Bldg. (16)
CL 281 Adams 7131
James F. Crum
William D. McCabe

Dallas, Texas**RUPE (DALLAS) & SON**

Kirby Bldg. (1)
DL 395 Central 9127
Jim Jacques
Rex Cromwell
Harold Pearson

Denver, Colo.**McCABE, HANIFEN AND COMPANY**

Security Bldg. (2)
DN 360 Cherry 4509
Edward A. Hanifen, Jr.
William E. McCabe

OTIS & CO.

1st Nat'l Bank Bldg. (2)
DN 280 Main 0251
John T. Webb

PETERS, WRITER & CHRISTENSEN, INC.

U. S. National Bank Bldg. (2)
DN 290 Main 6281
Emil W. Christensen
Gerald P. Peters
Jerry B. Ryan
Harold D. Writer

SCANLAN (EARL M.) & CO.

Colorado Nat'l Bank Bldg. (2)
DN 90 Main 3211
Earl M. Scanlan
C. A. Pettibone, Jr.
Robert D. Mannix
Ralph E. Smith
W. I. Tucker
Paul W. Gorham

STONE, MOORE & COMPANY

U. S. Nat'l Bank Bldg. (2)
DN 580 Keystone 2395
Ernest E. Stone
William J. May

SUDLER (AMOS C.) & CO.

First Nat'l Bank Bldg. (2)
DN 490 Keystone 0101
Paul Hardey
Don F. Doolittle
Amos C. Sudler
Phillip J. Clark

Detroit, Mich.**ALLMAN, MORELAND & CO.**

Penobscot Bldg. (26)
DE 75 Randolph 3855
Paul I. Moreland

BAKER, SIMONDS & CO.

Buhl Bldg. (26)
DE 189 Cadillac 3670
Ralph W. Simonds
Pierce A. Hastings
Claude G. Porter

ADVERTISEMENT

Richard W. Pender
Edwin A. Everham
Edward L. Welch
Herbert Waller
Wynne Wakeman
Marion J. Stanko

CAMPBELL, McCARTY & CO., INC.

Buhl Bldg. (26)
DE 366 Randolph 8400
William A. McCarty
Philip Watson

CRAY, McFAWN & CO.

Ford Bldg. (26)
DE 540 Cherry 6828
Cloud L. Cray
Joseph J. McFawn
Ray P. Bernardi
George C. Marxer
Henry VanderVoort

CROUSE, Bennett, Smith & Co.

Penobscot Bldg. (26)
DE 465 Cherry 5525
Harold R. Chapel
J. Albert Mahoney

FIRST OF MICHIGAN CORPORATION

Buhl Bldg. (26)
DE 292 Randolph 2055
Douglas H. Campbell
W. S. Gilbreath, Jr.
Clarence A. Horn
Frank P. Meyer

HASTINGS, H. RUSSELL

National Bank Bldg. (26)
Cadillac 2815

HOOD (L. T.) & CO.

Buhl Bldg. (26)
Randolph 5242
LeRoy T. Hood
Jesse V. Worboys

HORNBLOWER & WEEKS

Penobscot Bldg. (26)
Cherry 8410
Alice Farr

KIDDER (A. M.) & CO.

Penobscot Bldg. (26)
Cherry 4320
Myron D. Stein
Byron L. Powell

ADVERTISEMENT

MANLEY (M. A.) & CO.

Buhl Bldg. (26)
DE 92 Randolph 1890
Milton A. Manley
Edward T. Bennett, Jr.
Howard L. Parker
Victor P. Dhooze
A. Buel Quirk

MCDONALD-MOORE & CO.

Penobscot Bldg. (26)
DE 478 Cherry 9565
Harry A. McDonald
William Moore
Gilbert S. Currie
Don W. Miller
Joseph F. Gatz

MERCIER, McDOWELL & DOLPHYN

Buhl Bldg. (26)
Cadillac 5752
George A. McDowell
George J. Elder

MILLER, KENOWER & COMPANY

Penobscot Bldg. (26)
DE 475 Randolph 3262
John L. Kenower
Jones B. Shannon
Reginald MacArthur

O'DONNELL (R. C.) & COMPANY

Penobscot Bldg. (26)
DE 443 Cherry 7040
Ray C. O'Donnell
Larry H. Dilworth
Frank H. Kemp
Bill J. Axtell

PARCELLS (CHARLES A.) & CO.

Penobscot Bldg. (26)
DE 206 Randolph 5625
John A. Daniels
Bertrand Leppel

RONEY (WM. C.) & CO.

Buhl Bldg. (26)
DE 167 Cherry 6700
William C. Roney
John K. Roney
Harold G. Montgomery
Melvin G. Kingstrom
Warren T. Olson
Robert Wallace

ADVERTISEMENT

SATTLEY (H. V.) & CO., INC.

Hammond Bldg. (26)
DE 141 Cherry 6363
Hale V. Sattley
Murel J. Sancerant

ADVERTISEMENT

SHADER-WINCKLER CO.

Penobscot Bldg. (26)
Cadillac 7680
William H. Gordon
L. G. Luchtman
(Continued on page 932)

Boston Securities Traders Association



James B. Maguire



Howard S. Harris



W. S. Dunklee

President: James B. Maguire, E. H. Rollins & Sons, Inc.; Vice-President: Paul Monroe, Hunnewell & Co.; Treasurer: Howard Harris, Baldwin & Co.; Recording Secretary: William Dunklee, Brown Bros. & Harriman; Corresponding Secretary: James Duffy, Paine, Webber, Jackson & Curtis.

We have Trading Markets in

**BOSTON EDISON
NEW ENGLAND LIME CO.
SUBMARINE SIGNAL**

DAYTON HAIGNEY & COMPANY

75 FEDERAL STREET, BOSTON 10
Private New York Telephone—Rector 2-5035

**NEW ENGLAND
SECURITIES**

RALPH F. CARR & CO.

BOSTON 9, MASS.

Boston
Hubbard 6442

New York
HAnover 2-7913
Bell Teletype — Boston 328

GENERAL MARKET ISSUES

TRADING MARKETS

Raymond & Co.

148 STATE STREET, BOSTON 9, MASS.

Telephone
CAPitol 0425

N. Y. Telephone
HAnover 2-7914

Bell System Teletype—BS 259

**NEW ENGLAND
TEXTILE
AND
LOCAL SECURITIES**

WALTER J. GONNOLLY & CO.

INCORPORATED 1923

24 FEDERAL STREET, BOSTON 10, MASS.
TELEPHONE HUBBARD 3790 TELETYPE BS 128

NEW ENGLAND MARKETS

Retail N. E. Coverage

Secondary Distributions

Banks-Ins.-Ind.-Utilities

Inactive N. E. Securities

F. L. PUTNAM & CO., INC.

77 Franklin Street, Boston 10, Mass.

Telephone—Liberty 2340

Teletype—BS 497

PORTLAND, ME.

PROVIDENCE, R. I.

SPRINGFIELD, MASS.

National Security Traders Association BOOSTERS

ADVERTISEMENT

(Continued from page 931)

Frank Temple
Harry L. Schafer
F. W. Ulrich

SMITH, HAGUE & CO.

Penobscot Bldg. (26)
DE 427 Cherry 5535
Hal H. Smith, Jr.
Larry Gareau
N. D. "Hump" Humphries

ADVERTISEMENT

WATLING, LERCHEN & CO.

Ford Bldg. (26)
DE 105 Randolph 5525
Bert F. Ludington

Grand Rapids, Mich.

DE YOUNG, LARSON & TORNGA

G. R. Nat'l Bank Bldg. (2)
GR 84 98261
Neil De Young
Herman Tornga

ADVERTISEMENT

Hartford, Conn.

BRAINARD, JUDD & CO.

75 Pearl St. (1)
HF 197 7-5291
Ernest T. Brainard

COBURN & MIDDLEBROOK

49 Pearl St. (1)
HF 464 7-3261
George F. Eisele
Albert J. Middlebrook, Jr.

Indianapolis, Ind.

BREED, ELLIOTT & HARRISON

Circle Tower (4)
Market 2561
George B. Elliott

CITY SECURITIES CORPORATION

Circle Tower (4)
IP 489 Lincoln 5535
Cecil W. Weathers

INDIANAPOLIS BOND AND SHARE CORPORATION

129 E. Market St. (6)
IP 298 Market 4321
Frank L. Reissner, Jr.

KISER, COHN & SHUMAKER, INC.

Circle Tower (4)
IP 494 Market 2481
Julian J. Kiser
Melville S. Cohn
Fred I. Shumaker

Jacksonville, Fla.

BUTTERFIELD (H. H.) & CO.

Jackson City Bank & Trust Co.
Bldg.
8191

R. H. Goodrich

ADVERTISEMENT

Jackson, Mich.

PIERCE (CLYDE C.) CORPORATION

Barnett Nat'l Bank Bldg. (1)
JK 181 5-3680
Clyde C. Pierce
Thomas S. Pierce

H. George Carrison (On leave)

Kalamazoo, Mich.

OLMSTED & MULHALL, INC.

Commerce Bldg. (12)
2-0111
L. A. Swiat

Kansas City, Mo.

CHRISTOPHER (B. C.) & CO.

Board of Trade Bldg. (6)
Victor 4900
Edward Mader

COMMERCE TRUST COMPANY

(Bond Dept.)
10th & Walnut Sts. (6)
Victor 7500
Miss Emma M. Hall

PRESCOTT, WRIGHT, SNIDER CO.

916 Baltimore Ave. (6)
KC 262 Victor 3143

PRICE (E. W.) & CO., INC.

1004 Baltimore Ave. (6)
KC 375 Victor 2195
Earl W. Price
William J. Dyer
Arthur I. Webster
Frank J. Edmonston

Security Traders Association Of Connecticut



John E. Graham Frank J. Murray

President: Frank J. Murray, Day, Stoddard & Williams, New Haven, Conn.; First Vice-President: Richard W. Wilde, Conning Co. and Ballard, Hartford; Second Vice-President: James W. English, Cooley & Co., Hartford; Secretary-Treasurer: John E. Graham, Brainard, Judd & Co., Hartford; National Committeemen: Frank J. Murray and Richard W. Wilde.

WAHLER, WHITE & COMPANY

Dwight Bldg. (6)
Victor 1421
Leonard A. White

Los Angeles, Calif.

AKIN-LAMBERT CO.

639 S. Spring St. (14)
LA 23 Vandike 1071
Thomas A. Akin
Jack H. Alexander

CORBREY (CARTER H.) & CO.

650 S. Spring St. (14)
Trinity 3908

TURNER-POINDEXTER & CO.

639 S. Spring St. (14)
LA 35 Madison 2266
Stephen C. Turner
Clifford E. Poindexter

WYETH & CO.

647 S. Spring St. (14)
LA 201 Trinity 4911
Oliver B. Scott
William P. Bunyan

Louisville, Ky.

BANKERS (THE) BOND CO., INC.

Kentucky Home Life Bldg. (2)
LS 186 Jackson 0226

Thomas Graham
Wood Hannah
Willard P. McNair
H. W. Bohnert
John D. Faison
Howard D. Loudon

HILLIARD (J. J. B.) & SON

419 W. Jefferson St. (2)
LS 284 Jackson 0181

Andrew P. Gies
Marion H. Cardwell
Albert C. Brocar, Jr.
(In service)
John M. Burge
J. Hugh Miller

LYONS (W. L.) & CO.

235 S. 5th St. (2)
LS 96 Jackson 1101
H. Allan Watts

O'NEAL-ALDEN & CO., INC.

429 W. Market St. (2)
Jackson 0171
Wm. O. Alden
Clem P. Theisen

SMART & WAGNER

415 W. Jefferson St. (2)
LS 292 Wabash 4191
John W. Smart
William Wagner
Russell Ebinger
Dunlap Wakefield

(Continued on page 933)

BONDS

Public Utility
Industrial
Railroad
Municipal

A.C. ALLYN AND COMPANY

Incorporated

CHICAGO

NEW YORK BOSTON MILWAUKEE MINNEAPOLIS

Founded 1902

H. M. BYLLESBY AND COMPANY

Incorporated

Underwriters and Distributors

Public Utility—Industrial—Railroad

BONDS and STOCKS

Municipal Bonds

Specialists Guaranteed Railroad Stocks

Active Trading Markets Maintained in Over-the-Counter Securities

135 South La Salle Street, Chicago 3

Telephone State 8711

Teletype CG 273

New York • Philadelphia • Pittsburgh • Minneapolis

We maintain markets in the following
unlisted stocks and bonds

Bliss & Laughlin, Inc. Pfd.	Gisholt Machine Co. Com.
Central Steel & Wire Co. Com.	Lincoln Ptg. Co. 6-1963
Central Steel & Wire Co. Pfd.	Northern Ill. Corp. Pfd.
Chicago Times, Inc.	Parker Appliance Co. Com.
Colorado Mill & El. Co. Pfd.	Snap-On Tools Corp. Com.
Galvin Mfg. Corp. Com.	Woodward Governor Co. Com.

Paul H. Davis & Co.

Established 1916

Members Principal Stock Exchanges

Chicago Board of Trade

10 South La Salle Street
CHICAGO 3

Indianapolis

Rockford

Trading Dept. Teletype CG-405

We Specialize In

Connecticut Securities

Particularly Those of

New Britain Industrial Companies

BRAINARD, JUDD & CO.

75 PEARL ST., HARTFORD 1, CONN.

Tel.—Hartford 7-5291

Tel.—New York REctor 2-0044

Bell Teletype—Hartford 197

Branch Offices—NEW BRITAIN and NEW LONDON

Primary CONNECTICUT MARKETS for Dealers everywhere

Industrial-Utility
Insurance - Bank
State & Municipal
Securities

We particularly invite
your inquiries in:

AETNA LIFE
BILLINGS & SPENCER
AM. HARDWARE
LANDERS F. & C.
CONN. LT. & POW.
NEW BRITAIN MACH.
RUSSELL MFG. CO.
SCOVILL MFG.
TORRINGTON CO.

COBURN & MIDDLEBROOK

49 Pearl St., Hartford 1

Hartford Tel. 7-3261

N. Y. Tel. HANover 2-5537*

Teletype HF 464

One Wall St., New York 5

N. Y. Tel. WHitehall 3-4794

Hartford Tel. HANover 2-5537*

New Haven

New London

Norwich

Portland, Me.

*Direct Hartford-New York Phone

National Security Traders Association BOOSTERS

ADVERTISEMENT

(Continued from page 932)

Lynchburg, Va.

SCOTT, HORNER & MASON, INC.

Law Bldg.
LY 82 3075
Edwin B. Horner
Walter G. Mason
Oscar B. Drinkard
Clarence E. Taylor

Memphis, Tenn.

FIRST (THE) NATIONAL BANK

Madison at Second (1)
ME 283 5-3637
Joe H. Davis

MEERS (GORDON) & CO.

First Nat'l Bank Bldg. (3)
ME 292 5-8550
G. Gordon Meers
Edward F. Goldsmith

UNION PLANTERS NATIONAL BANK & TRUST CO.

(Bond Dept.)
69 Madison Ave. (1)
ME 99 8-7744
James G. Lancaster

Miami, Fla.

CORRIGAN & COMPANY, INC.

Security Bldg. (32)
MM-80 3-2137
George M. Corrigan
Edward L. English
Vincent L. Doherty

Milwaukee, Wis.

LOEWI & CO.

225 E. Mason St. (2)
MI 488 Daly 5392

RILEY & COMPANY

First Wisconsin Nat'l Bank Bldg. (2)
MI 260 Daly 6500
W. Thurman Riley
Charles F. Jacobson

WISCONSIN (THE) COMPANY

110 East Wisconsin Ave. (1)
MI 291 Daly 0525

Minneapolis, Minn.

ALLISON-WILLIAMS COMPANY

Northwestern Bank Bldg. (2)
MP 163 Atlantic 3475
Oscar M. Bergman
Kermit B. Sorum

WOODARD-ELWOOD & CO.

Rand Tower (2)
MP 52 Bridgeport 3283
Walter P. Space

Nashville, Tenn.

EQUITABLE SECURITIES CORPORATION

322 Union St. (3)
NV 190 6-7171

H. F. Burkholder
(New Orleans)
Herbert Pettey

ADVERTISEMENT

Newark, N. J.

HANAUER (J. B.) & CO.

1180 Raymond Blvd. (2)
NK 370 Mitchell 2-4995
Jack B. Hanauer

PARKER & WEISSENBOERN, INC.

24 Commerce St. (2)
NK 379 Market 2-3606
Stanton M. Weissenborn

New Orleans, La.

D'ANTONI & CO.

American Bank Bldg. (12)
NO 165 Raymond 9977
Anthony Ciaccio

KINGSBURY & ALVIS

Hibernia Bldg. (12)
NO 382 Canal 1655
A. Lester Alvis
J. Wallace Kingsbury

NEWMAN, BROWN & CO., INC.

326 Hibernia Bank Bldg. (12)
NO 189 Magnolia 7211
Wm. Perry Brown
Jack Kerrigan
J. Charles Breaud, Jr.
Capt. Morris W. Newman
(On war duty)

SCHARFF & JONES, INC.

Whitney Bldg. (12)
NO 180 Magnolia 1271
James E. Roddy

WEIL & ARNOLD

Canal Bldg. (12)
NO 175 Raymond 0711
Joseph H. Weil
H. Wilson Arnold

New York, N. Y.

ACKER (JAMES H.) & CO.

25 Broad St. (4)
Hanover 2-5872

ADLER, COLEMAN & CO.

15 Broad St. (5)
Hanover 2-9780

AIGELTINGER & CO.

76 William St. (5)
Bowling Green 9-3530
Frank W. Aigeltinger

ALBERTS (C. A.) & CO.

70 Wall St. (5)
NY 1-2310 Hanover 2-7025
Chester A. Alberts

ALLEN & CO.

30 Broad St. (4)
NY 1-1017 Hanover 2-2600

Larry Wren
Harry A. Michels
Frank H. Blair
Irving Koerner
Herbert Allen
F. William Harder
C. Merritt Coleman

AMES (A. E.) & CO., INC.

Two Wall St. (5)
NY 1-1045 Rector 2-7231
William S. Ridley

ADVERTISEMENT

AMOTT, BAKER & CO., INC.

150 Broadway (7)
NY 1-588 Barclay 7-2360
John T. Cusack
John Miller

ARNHOLD & S. BLEICHROEDER, INC.

30 Broad St. (4)
NY 1-515 Whitehall 3-9200
Arthur Hatz

ASHPLANT (F. B.) & CO.

2 Wall St. (5)
NY 1-69 Rector 2-1545
Charles W. Goodeve
Edwin F. Peet

BACHE (J. S.) & CO.

36 Wall St. (5)
NY 1-167 Digby 4-3600
Alfred B. Averell
Arthur E. Schwartz

BEAR, STEARNS & CO.

1 Wall St. (5)
NY 1-633 Digby 4-8500

BENDIX, LUITWEILER & CO.

52 Wall St. (5)
NY 1-501 Hanover 2-8820
Stanley C. Eaton
Joseph Hecht
Cornelius Lipsky
Frank McGivney
Edward Plotkin

BIRNBAUM & CO.

60 Broad St. (4)
NY 1-2230 Hanover 2-6790
Gustave L. Birnbaum
Nahum Birnbaum
Lester F. Gannon

BOND & GOODWIN INCORPORATED

63 Wall St. (5)
NY 1-360 Whitehall 4-8060
Andrew R. Steven, Jr.

BONN (W. T.) & CO.

120 Broadway (5)
NY 1-886 Costlandt 7-0744
Wesley T. Bonn

BONNER & GREGORY

30 Pine St. (5)
NY 1-865 Whitehall 3-9030
William H. Gregory, Jr.
E. Michael Growney
(Continued on page 934)

Bond Traders Club Of Chicago, Inc.



Harry L. Nelson Star C. Koerner Peter J. Conlan Samuel Sachnoff

President: Harry L. Nelson, Blyth & Co., Inc.; Vice-President: Star C. Koerner, Mitchell, Hutchins & Co.; Secretary: Peter J. Conlan, Hornblower & Weeks; Treasurer: Samuel Sachnoff, First National Bank of Chicago; National Committeemen: Thompson Wakeley, A. C. Allyn & Co.; R. W. Simmons, Lee Higginson Corp.; Henri P. Pulver, Goodbody & Co.; Harry Nelson; Star C. Koerner.

Fifty-Four Years of INVESTMENT BANKING

1890 ~ 1944

Stifel, Nicolaus & Company

INCORPORATED

ST. LOUIS

CHICAGO

Statistical Information

Individual analyses, memoranda, studies, surveys and statistical reports, all prepared by our Statistical Department in 1944, are now available on the following issues:

Industrial Common Stocks

American Barge Line
Clearing Machine
Detroit Harvester
Foote Bros. Gear & Machine
General Bottlers
General Industries
James Manufacturing
Lipe-Rollway
Marmion-Herrington
Mastic Asphalt
Mid-States Shoe
Roper (George D.)
Shatterproof Glass
Snap-On Tools
Sport Products
Steel Products Engineering
Superior Tool & Die

Railroad Bonds

Birmingham Terminal 4/1957
Boston & Albany 4 1/4/1978
Boston Rys. of Cent. Am. 5/1972
Intrnatl. Rys. of Cent. Am. 5/1972
Intrnatl. Rys. of Cent. Am. 4/1961
Macon, Dublin & Savannah 5/1947
Maryland & Pennsylvania 4/1951
Washington County 3 1/2/1954
W. Virginia & Pittsburgh 4/1990

Traction Bonds

Conestoga Traction
Des Moines Railway
International Railway
Lehigh Valley Transit
Scranton Transit

Public Utility Preferred Stocks

American States Utilities

Public Utility Bonds

American Gas and Power
American Railways
Cities Service
Citizens Utilities
Crescent Public Service
East Coast Public Service
Investors Telephone
Northern Utilities
Republic Service
Southern Cities Utilities
Telephone Bond & Share

Industrial Bonds

California Consumers
Consumers
Crescent Petroleum
Crowley, Milner
Gair (Robert)
Minnesota & Ontario Paper
Old Ben Coal
Southern United Ice
United States Radiator

Industrial Preferred Stocks

Foote Bros. Gear & Machine
General Bottlers
Goldblatt Bros.
Hearst Consolidated Publications
Lipe-Rollway
Poor & Company
United Printers and Publishers
United Stockyards

Public Utility Common Stocks

American States Utilities
Black Hills Power and Light
Public Service of Indiana

Copies of any and all of this material are available upon request. Our Trading Department is prepared to furnish quotations on these and other issues.
Your inquiries are invited

STRAUS SECURITIES COMPANY

135 SOUTH LA SALLE STREET, CHICAGO 3

Telephone Andover 5700

Teletypewriter CGO 650-651

MILWAUKEE — DETROIT — INDIANAPOLIS

Direct Private Wires from Coast to Coast

BEAR, STEARNS & CO.

Members

New York Stock Exchange Chicago Stock Exchange
New York Curb Exchange Chicago Board of Trade
New York Cotton Exchange Commodity Exchange, Inc.

National Association of Securities Dealers, Inc.
Investment Bankers Association of America

CHICAGO 3, ILL.
135 SO. LA SALLE STREET
Telephone CG 0933
Teletype CG 1279

NEW YORK 5, N. Y.
ONE WALL STREET
Telephone Digby 4-8500
Teletype NY 1-633

National Security Traders Association BOOSTERS

ADVERTISEMENT

(Continued from page 933)
BYLLESBY (H. M.) AND COMPANY, INCORPORATED
 111 Broadway (6)
 NY 1-1926 Rector 2-5843
 Frank Hand
 Lane Howard

CLELAND (JAMES D.) COMPANY
 65 Broadway (6)
 NY 1-115 Whitehall 3-9895
 James D. Cleland (In service)
 Walter C. Krue

COLLIN, NORTON & CO.
 30 Pine St. (5)
 Bowling Green 9-2432
 Harold B. Smith

ADVERTISEMENT

D'ASSERN & CO.
 49 Wall St. (5)
 NY 1-983 Hanover 2-4562
 H. Walter Mewing

de WILLERS (C. E.) & COMPANY
 120 Broadway (5)
 NY 1-2361 Rector 2-7634
 Chester E. de Willers
 Samuel Weinberg

DICKSON (R. S.) & CO., INC.
 30 Broad St. (4)
 NY 1-266 Hanover 2-6213

DISTRIBUTORS GROUP, INCORPORATED
 63 Wall St. (5)
 NY 1-815 Bowling Green 9-1420

ADVERTISEMENT

DOMINION (THE) SECURITIES CORPORATION
 40 Exchange Place (5)
 NY 1-702 Whitehall 4-8161
 Walter F. Saunders
 A. E. Oxley
 Norman C. Single
 John M. Macdonald
 John C. Calef

du PONT (FRANCIS I.) & CO.
 1 Wall St. (5)
 NY 1-1181
 Bowling Green 9-6000
 Clifton B. Smith

EASTMAN, DILLON & CO.
 15 Broad St. (5)
 NY 1-752 Bowling Green 9-3100
 D. Fred Barton
 Charles F. Preller
 Fred W. Preller

ADVERTISEMENT

ERNST & CO.
 120 Broadway (5)
 NY 1-1137 Cortlandt 7-5600
 Max Barysh
 Murray L. Barysh
 Ray Hoffer (Chicago)

FILER, SCHMIDT & CO.
 30 Pine St. (5)
 Whitehall 3-9177

FITZGERALD & COMPANY
 40 Wall St. (5)
 NY 1-2073 Whitehall 3-9060

J. George Frings
Wm. D. O'Connor
Alfred F. Tisch

FOX (P. F.) & CO.
 120 Broadway (5)
 NY 1-944 Rector 2-7760
 P. Fred Fox

FREEMAN & COMPANY
 61 Broadway (6)
 NY 1-2288 Whitehall 4-3344
 Joseph S. Nye

ADVERTISEMENT

Philip H. Ackert
James F. Colthup
Joseph Janarelli
Howard G. Patterson
Frederick R. Eisele

GERTLER, STEARNS & COMPANY
 49 Wall St. (5)
 NY 1-926 Hanover 2-8333
 John H. Gertler

GOLDWATER (L. J.) & CO.
 39 Broadway (6)
 NY 1-1203 Hanover 2-8970
 Leo J. Goldwater
 I. Frank
 A. J. Wechsler

GOODBODY & CO.
 115 Broadway (6)
 NY 1-672 Barclay 7-0100
 James Cleaver
 Thomas A. Larkin
 John J. O'Mara
 Frank J. Orlando

GRACE NATIONAL BANK OF N. Y.
 7 Hanover Square (5)
 Whitehall 4-5420

GREENE AND COMPANY
 37 Wall St. (5)
 NY 1-1126 Hanover 2-4850
 Irving A. Greene
 R. Sims Reeves
 William F. Thompson

HARDY & CO.
 30 Broad St. (4)
 NY 1-733 Digby 4-7900
 Kenneth Roome
 Hugh Kilmer
 W. F. Webster
 Rene J. Cooke
 Lester T. Doyle

HATCH (FREDERIC H.) & CO., INC.
 63 Wall St. (5)
 NY 1-897 Whitehall 4-2400

HAUPT (IRA) & CO.
 111 Broadway (6)
 NY 1-1920 Rector 2-3100
 Harry J. Feiser
 Milton F. Lewis
 William G. Carrington, Jr.

HAY, FALES & CO.
 71 Broadway (6)
 NY 1-61 Bowling Green 9-7027
 Theodore Wechsler

HENTZ (H.) & CO.
 60 Beaver St. (4)
 NY 1-999 Bowling Green 9-8420
 T. Moore

HERZFELD & STERN
 30 Broad St. (4)
 NY 1-1059 Hanover 2-8646
 Emanuel Koerner

HIRSCH, LILIENTHAL & CO.
 25 Broad St. (4)
 NY 1-210 Hanover 2-0600

HOIT, ROSE & TROSTER
 74 Trinity Place (6)
 NY 1-375 Bowling Green 9-7400
 Howard S. Hoit

HOLSAPPLE & CO.
 30 Pine St. (5)
 NY 1-221 Digby 4-4960
 John F. Gahan
 Charles E. Klein
 John W. Flanigan

HORNBLOWER & WEEKS
 40 Wall St. (5)
 NY 1-1393 Digby 4-6600
 William F. Chave
 James F. Gilbert
 James T. McGivney

HUFF, GEYER & HECHT
 67 Wall St. (5)
 NY 1-2875 Whitehall 3-0782
 George L. Collins
 Wilbur Krisam
 John Butler

HUNTER & CO.
 42 Broadway (4)
 NY 1-110 Whitehall 4-2968
 Wellington Hunter

HUTTON (E. F.) & COMPANY
 61 Broadway (6)
 NY 1-1675 Whitehall 4-2100
 (Continued on page 935)

William A. Fuller & Co.

Members of Chicago Stock Exchange

209 S. LA SALLE STREET • CHICAGO 4
 Tel. Dearborn 9200 Teletype CG 146

SMITH, BURRIS & CO.

OVER-THE-COUNTER MARKETS

INVESTMENT TRUST SHARES
 STOCKS and BONDS

120 SO. LA SALLE ST.
 CHICAGO 3

Teletype CG 878

Telephone ANDOVER 1200

A. A. HARMET & COMPANY

NOT INC.

Investment Securities

208-SOUTH LA SALLE STREET
 CHICAGO 4, ILLINOIS

ALFRED A. HARMET
 REAL ESTATE ISSUES

JOHN J. COLNITIS
 INDUSTRIAL & PUBLIC UTILITIES

ENYART, VAN CAMP & Co., INC.

100 WEST MONROE STREET

CHICAGO 3

Telephone—ANDover 2424

Teletype—CG 965

BROKERS AND DEALERS IN
 OVER-THE-COUNTER SECURITIES
 SINCE 1932

MIDDLE WESTERN SECURITIES

C. L. SCHMIDT & CO., INC.

120 South La Salle Street, Chicago 3

Teletype CG 878

Tel. Randolph 6960

SINCERE AND COMPANY

MEMBERS OF

New York Stock Exchange
 and all Principal Stock and
 Commodity Exchanges

CHICAGO

ADAMS & CO.

231 So. La Salle Street
 CHICAGO 4

Specialists In

OVER-THE-COUNTER SECURITIES

TELEPHONE
 STATE 6101

BELL TELETYPE
 CG 361 — CG 362

Telephone STATE 6693

Teletype CG 1124

Specialists in

FOREIGN SECURITIES

CARL MARKS & CO. INC.

208 South La Salle Street
 CHICAGO 4

Affiliated With CARL MARKS & CO., INC.
 50 BROAD STREET N. Y.

National Security Traders Association BOOSTERS

ADVERTISEMENT

(Continued from page 934)

INGALLS & SNYDER
100 Broadway (5)
Cortlandt 7-6800
John E. Kassebaum
D. Howard Brown

JOHNSON (R. H.) & CO.
64 Wall St. (5)
NY 1-1262 Hanover 2-0800

JOSEPHTHAL & CO.
120 Broadway (5)
NY 1-319 Rector 2-5000
Lewis H. Serlen
Benjamin Grody

JUNGER (S. H.) CO.
40 Exchange Place (5)
NY 1-1779 Digby 4-4832
Samuel H. Junger

KEIPER AND ZIMM
30 Broad St. (5)
Whitehall 4-4950
Henry J. Keiper
Rudolph W. Zimm

KIDDER (A. M.) & CO.
1 Wall St. (5)
NY 1-1310 Digby 4-2525
Richard M. Barnes
William C. Mueller, Jr.
Nelson A. Strothmann
John H. Reeves
Walter V. Kennedy

KIDDER, PEABODY & CO.
17 Wall St. (5)
NY 1-193 Hanover 2-8900
James F. Kelly

KING (CHARLES) & CO.
61 Broadway (6)
NY 1-142 Whitehall 4-8980
Charles King
Louis Winston

KING & KING
40 Exchange Place (5)
NY 1-423 Hanover 2-2772
Martin I. King
Samuel H. King
Casper Rogers

KNOX (H. D.) & CO.
11 Broadway (4)
NY 1-86 Digby 4-1389
Herbert D. Knox

KOBBE, GEARHART & COMPANY, INC.
45 Nassau St. (5)
NY 1-576 Rector 2-3600
Frederick D. Gearhart, Jr.

KOLLER (F. H.) & CO., INC.
111 Broadway (6)
NY 1-1026 Barclay 7-0570
Frank H. Koller, Jr.
William G. Riley

LAIRD, BISSELL & MEEDS
120 Broadway (5)
NY 1-1248 Barclay 7-3500
L. A. Gibbs
W. T. Schmidt
C. W. Williams

LEBENTHAL & CO.
135 Broadway (6)
NY 1-2272 Rector 2-1737
Louis S. Lebenthal
Leroy Klein

LUCKHURST & CO.
60 Broad St. (4)
NY 1-1825 Hanover 3-0280
Herbert Singer
Bob Mackie
Herbert Lax
Irving Wasserman
Gerald F. Kane

MARKS (LAURENCE M.) & CO.
49 Wall St. (5)
NY 1-344 Hanover 2-9500
Charles M. Zingraf

MASTERTON (FRANK C.) & CO.
64 Wall St. (5)
NY 1-1140 Hanover 2-9470
Frank C. Masterton
Joseph C. Eagan
Benj. H. VanKeegan
George Leone
Harry Pollack

McLAUGHLIN, BAIRD & REUSS
One Wall St. (5)
NY 1-1310 Hanover 2-1355
John F. McLaughlin
Frank J. Brady
Alvin J. Delaire

ADVERTISEMENT

McMANUS (JOSEPH) & CO.
39 Broadway (6)
NY 1-1610 Digby 4-2290
Joseph V. McManus
Michael J. Heaney
Waiter V. Kane

MITCHELL & COMPANY
120 Broadway (5)
NY 1-1227 Worth 2-4230
Irving L. Feltman
Cornelius B. Sheridan
Alfred I. Abelow
C. Benjamin Mitchell, Jr.
Kenneth V. Leibert

ADVERTISEMENT

MOORE (FRANK C.) CO.
42 Broadway (4)
NY 1-110 Whitehall 3-9784

MOORE (WILLIAM F.) & CO.
2 Rector St. (6)
Whitehall 4-0238
William F. Moore

**NATIONAL QUOTATION
BUREAU INCORPORATED**
46 Front St. (4)
NY 1-1900 Whitehall 3-4200
Louis E. Walker
Charles Fisher (Western Mgr.)

ADVERTISEMENT

NEWBURGER, LOEB & CO.
40 Wall St. (5)
NY 1-2033 Whitehall 4-6300
David Goldstein
Harold F. Rees

ADVERTISEMENT

**PAINE, WEBBER, JACKSON &
CURTIS**
25 Broad St. (4)
NY 1-1600 Hanover 2-5540
(Continued on page 936)

MUNICIPAL BONDS

WELSH, DAVIS AND COMPANY
135 SOUTH LA SALLE STREET
CHICAGO 3

UNDERWRITERS AND DISTRIBUTORS OF CORPORATION SECURITIES

UNLISTED TRADING DEPARTMENT

Brailsford & Co.

MEMBERS — CHICAGO STOCK EXCHANGE

WALTER R. BRAILSFORD
ROY IVERSON
HUBERT S. CONOVER
EDWARD M. BURKE

Telephones State-9468
Bell-Teletype-CG 95
208 SOUTH LA SALLE STREET
CHICAGO 4, ILLINOIS



United States Government State and Municipal Bonds

BOND DEPARTMENT

THE NORTHERN TRUST COMPANY

50 South LaSalle Street • Chicago 90

Franklin 7070

Bell System Teletype—CG. 368

HICKEY & CO.

135 SOUTH LASALLE STREET

CHICAGO

Telephone—Randolph 8800

Teletypes—CG 1234-1235

Brokers and Dealers in

Over the Counter Securities Since 1924

ROGERS & TRACY

120 So. La Salle Street, Chicago 3, Illinois
Telephone State 4151

Direct wires to our Correspondents

EASTMAN, DILLON & CO.
Members New York Stock Exchange

BAKER, SIMONDS & CO.
Members Detroit Stock Exchange

The merchandising of —

SECURITIES

is our business

UNDERWRITING DISTRIBUTING TRADING

CRUTTENDEN & CO.

MEMBERS NEW YORK AND CHICAGO STOCK EXCHANGES

634 South Spring St. CHICAGO 4, ILLINOIS First National Bk. Bldg.
LOS ANGELES 14, CALIF. Dearborn 0500—CG 35 LINCOLN 8, NEBRASKA

COMSTOCK & CO.

Erling J. Hansen
Edward P. Renier
Daniel F. Comstock

231 So. La Salle St.
CHICAGO 4, ILL.
Dearborn 1501

National Security Traders Association BOOSTERS

Cincinnati Stock & Bond Club



J. G. Heimerdinger



Clair S. Hall



Jos. H. Vasey



Lloyd W. Shepler



Fred H. Becker

President: John G. Heimerdinger, Walter, Woody & Heimerdinger; First Vice-President: Clair S. Hall Jr., Clair S. Hall & Co.; Second Vice-President: Joseph H. Vasey, H. B. Cohle & Co.; Secretary: Lloyd W. Shepler, Merrill Lynch, Pierce, Fenner & Beane; Treasurer: Fred H. Becker, Field Richards & Co.; National Committeemen: Clair S. Hall; John G. Heimerdinger; Stanley G. McKie, The Weil, Roth & Irving Co.

ADVERTISEMENT

(Continued from page 935)

Harry L. Arnold
Ernest A. Dahlgren
Ernest N. Robb
Gustav J. Grindel

PFLUGFELDER, BAMPTON & RUST

61 Broadway (6)
NY 1-310 Digby 4-4933
Wm. H. Pflugfelder
John G. Preller (In service)

PHILLIPS & WELLINGTON

25 Broad St. (4)
Hanover 2-8483
John N. Manson

PITFIELD (W. C.) & CO., INC.

30 Broad St. (4)
NY 1-1979 Hanover 2-8770
Irving P. Grace

PIZZINI (B. W.) & CO., INC.

55 Broadway (6)
NY 1-1063
Bowling Green 9-6400
B. Winthrop Pizzini
W. Gurden Halsey
Wilfred G. Conary, Jr.

ADVERTISEMENT

QUINCEY (CHAS. E.) & CO.

25 Broad St. (4)
Hanover 2-4410
Frank A. Pavis

RANDOLPH & CO.

2 Rector St. (6)
NY 1-158 Digby 4-2960
Major Peyton Armistead
Randolph

REILLY (J. F.) & CO.

111 Broadway (6)
NY 1-2480 Rector 2-5283
John F. Reilly
S. Watson Maxwell, Jr.
Frank J. McCall

REYNOLDS & CO.

120 Broadway (5)
NY 1-635 Rector 2-7400
Joshua A. Davis
Edward I. Becker
James A. Donnelly, Jr.

RICE, JR. (J. K.) & CO.

120 Broadway (5)
NY 1-714 Rector 2-4500
Oliver A. Kimberly

ROGGENBURG & CO.

29 Broadway (6)
NY 1-1928 Whitehall 3-3840
Harry F. Roggenburg
Stanley L. Roggenburg

ROLLINS (E. H.) & SONS INCORPORATED

40 Wall St. (5)
NY 1-490 Whitehall 4-4860
G. W. Kirtland
Henry B. Warner (Phila.)
James B. Maguire (Boston)
Lawrence N. Marr (Chicago)
Thomas W. Price
(San Francisco)

SAXTON (G. A.) & CO., INC.

70 Pine St. (5)
NY 1-609 Whitehall 4-4970
Arthur W. Bertsch
Frank W. Warner
Walter R. Johnson
Leslie Barbier

SCHWABACHER & CO.

14 Wall St. (5)
NY 1-928 Cortlandt 7-4150
John D. Hines

SELIGMAN, LUBETKIN & CO., INC.

41 Broad St. (4)
NY 1-592 Hanover 2-2100
Adrian A. Frankel
Lloyd E. Lubetkin

SHEPARD, SCOTT & CO.

44 Wall St. (5)
NY 1-1862 Bowling Green 9-0040
Irving Gersten

SHERMAN (L. D.) & CO.

30 Pine St. (5)
NY 1-2218 Whitehall 4-7970
Irving Stein

SIEGEL & CO.

39 Broadway (6)
NY 1-1942 Digby 4-2370
Sidney A. Siegel
Nathan A. Krumholz
Bernard Weissman

SMITH (HART) & CO.

52 William St. (5)
NY 1-395 Hanover 2-0980
Wm. Hart Smith
William Eiger
Joseph P. Simmons

STEINER, ROUSE & CO.

25 Broad St. (4)
NY 1-804 Hanover 2-0700
Edward S. Ladin

STOLTZ (C. E.) CO.

25 Broad St. (4)
Hanover 2-1762
Charles E. Stoltz

STRAUSS BROS.

32 Broadway (4)
NY 1-832 Digby 4-8640

Abraham Strauss
Arthur V. Burian
Joseph F. Donadio (In service)
Robert Strauss
William V. Frankel (In service)

STRYKER & BROWN

50 Broad St. (4)
NY 1-1582 Hanover 2-3970
Elbridge H. Smith
(Continued on page 937)

OHIO SECURITIES

Corporate and Municipal

Field, Richards & Co.

CINCINNATI

CLEVELAND

W. D. GRADISON & CO.

Members: NEW YORK STOCK EXCHANGE
CINCINNATI STOCK EXCHANGE
NEW YORK CURB ASSOCIATE

INVESTMENT BROKERAGE SERVICE

for INDIVIDUALS • BANKS • INSTITUTIONS

DIXIE TERMINAL BUILDING

Suite 405-412 Tele. CI 68-CI 274 Tel. Main 4884
CINCINNATI (2), OHIO

W. E. HUTTON & CO.

ESTABLISHED 1886

Members New York Stock Exchange

CINCINNATI, OHIO

Municipal Bonds Corporation Bonds

Unlisted Stocks

NELSON, BROWNING & CO.

Investment Securities

CAREW TOWER
CINCINNATI 2, OHIO

Teletype CI 366 Telephone Ch 6422
Branch Offices: Cleveland—Akron

UNDERWRITERS, DEALERS DISTRIBUTORS

Corporation Bonds — Stocks

Equipment Trust Cfts.

Municipal Bonds

Canadian Bonds

THE FIRST CLEVELAND CORPORATION

700 National City Bank Building
Cleveland 14, Ohio

PRospect 1571

Bell Teletype—CV 443

MERRILL, TURBEN & CO.

Union Commerce Building

CLEVELAND 14

Telephone MA 6800

Teletype CV 67

Members

The Cleveland Stock Exchange

ORIGINAL MARKETS

Cleveland Trust Co.
M. A. Hanna Co.
Joseph & Feiss Co.
National City Bank of Cleveland
National Screw & Mfg. Co.
Perfection Stove Co.

National Security Traders Association BOOSTERS

ADVERTISEMENT

(Continued from page 936)

STUBNER & CO.
60 Wall St. (5)
NY 1-325 Hanover 2-8660
Harry S. Courtney

SUTRO BROS. & CO.
120 Broadway (5)
NY 1-67 Rector 2-7340
Charles A. Bezer

TRASK (SPENCER) & CO.
25 Broad St. (4)
NY 1-5 Hanover 2-4300
Charles F. Bryan
Edward L. Chapman
(In service)

TROSTER, CURRIE & SUMMERS
74 Trinity Place (6)
NY 1-376 Hanover 2-2400
Willis M. Summers
James Currie, Jr.
Milton Pinkus
James I. Brennan

TRUST COMPANY OF NORTH AMERICA
115 Broadway (15)
Barclay 7-1300

UNDERWRITERS TRUST CO.
50 Broadway (4)
Digby 4-3883

VAN TUYL & ABBE
72 Wall St. (5)
NY 1-1499 Hanover 2-6622
E. Everett Van Tuyl
Richard F. Abbe, Jr.

VILAS & HICKEY
49 Wall St. (5)
NY 1-911 Hanover 2-7900

WARD & COMPANY
120 Broadway (5)
NY 1-1288 Rector 2-8700
Bertram Seligman

WERTHEIM & CO.
120 Broadway (5)
NY 1-1693 Rector 2-2300
John D. Rocamora
Stanley M. Waldron

WIEN (M. S.) & CO.
25 Broad St. (4)
NY 1-1397 Hanover 2-8780
Melville S. Wien
Joseph J. Lann

WITKOWSKI (JOHN) & CO.
25 Broad St. (4)
NY 1-1211 Hanover 2-4994
John Witkowski

WOOD, GUNDY & CO., INC.
14 Wall St. (5)
NY 1-920 Cortlandt 7-6080
Allison W. Marsland

Orlando, Fla.

CRUMMER (THE) COMPANY, INC.
1st Nat'l Bank Bldg.
OR 81 2-3101

LEEDY, WHEELER & CO.
Florida Bank Bldg.
OR 10 5161
Loomis C. Leedy
F. Monroe Alleman

ADVERTISEMENT

Maj. Howard S. Wheeler
(In service)
Paul L. Pierce
F. Burton Smith

Philadelphia, Pa.

BARNES & LOFLAND
1420 Chestnut St. (2)
PH 347 Rittenhouse 0730
Walter K. Barnes

BATTLES & COMPANY, INC.
1528 Walnut St. (2)
PH 184 Pennypacker 9500
E. Arnold Service

BELL (W. H.) & CO., INC.
1500 Walnut St. (2)
PH 16 Pennypacker 8328
Benjamin A. Brooks
Edward J. Caughlin
Randolph C. Fernon
Joseph E. Morley

ADVERTISEMENT

BIOREN & CO.
1508 Walnut St. (2)
PH 574 Pennypacker 9400
Russell M. Dotts
Thomas B. Krug
Frank L. Whitley

BOENNING & CO.
1606 Walnut St. (3)
PH 30 Pennypacker 8200
Harold F. Scattergood
J. Fred Underwood

BUCKLEY BROTHERS
1529 Walnut St. (2)
PH 265 Rittenhouse 4488
Almon L. Hutchinson
Robert McCook
John F. Weller
Walter D. Fixter

BUTCHER & SHERRED
1500 Walnut St. (2)
PH 4 Pennypacker 2700
Edward W. Kling
(Continued on page 938)

Cleveland Security Traders Association



Corwin L. Liston R. A. Gottron Walter J. Carey Arthur V. Grace

President: Corwin L. Liston, Prescott & Co.; Vice-President: Richard A. Gottron, Gillis, Russell & Co.; Secretary: Walter J. Carey, Robbins, Gunn & Co.; Treasurer: Arthur V. Grace, A. V. Grace & Co.

OHIO MARKETS

Maintaining trading markets in most Ohio unlisted and fast accurate service in Cleveland Stock Exchange issues.

DIRECT PRIVATE WIRE
L. J. SCHULTZ & CO.

Member Cleveland Stock Exchange

New York - Cleveland - Cincinnati

INVESTMENT SECURITIES

MCDONALD & COMPANY

Members Cleveland Stock Exchange

1001 UNION COMMERCE BUILDING
CLEVELAND 14, OHIO

When you have an interest in

OHIO SECURITIES CLEVELAND BANK STOCKS

Securities Listed Cleveland Stock Exchange
call
CORB LISTON

PRESCOTT & CO.

Members New York, Cleveland and Other Principal Stock Exchanges

GUARDIAN BUILDING
CLEVELAND 14

PROspect 6300

Bell Teletype—CV 97



Ohio and Middle West Markets

CLEVELAND OFFICE

John A. Kruse
Daniel M. Hawkins
Telephone CHerry 0260
Teletype CV 496 & 497

CHICAGO OFFICE

Robert W. Janshoff
Telephone CENTral 7400
Teletype CG 417

OTIS & CO.

Established 1899

NEW YORK
CINCINNATI

CLEVELAND
DENVER

CHICAGO
TOLEDO

WM. J. MERICKA & CO., INC.

Members Cleveland Stock Exchange

Offering an experienced trading and distributing service in

OHIO

Corporation and General Market Municipal Bonds, Stocks and Land Trust Certificates

Union Commerce Bldg., Cleveland 14
Telephone MAin 8500

DIRECT PRIVATE WIRE TO NEW YORK

29 Broadway, New York 6
WHitehall 4-3640

National Security Traders Association BOOSTERS

Bond Club Of Denver



E. G. Longwell Ernest E. Stone Helen S. Cleland Phillip J. Clark

President: Elmer G. Longwell, Boettcher & Co.; Vice-President: Ernest Stone, Stone, Moore & Co.; Secretary: Helen Swearingen Cleland (Mrs. James S. Cleland); Treasurer: Phillip J. Clark, Amos Sudler & Co.

EARL M. SCANLAN & CO.

COLORADO SECURITIES

DENVER

We maintain active markets in the securities of:

Ideal Cement Company
Colorado Milling and Elevator Company
Potash Company of America
Denver Tramway Corporation
Mountain States Telephone and Telegraph Company
California Electric Power Company
Public Service Company of Colorado

AMOS C. SUDLER & Co.

INVESTMENT BANKERS

First National Bank Bldg., KEystone 0101

DENVER

Specialists Rocky Mountain Region Securities

DETROIT & MICHIGAN MARKETS

CHARLES A. PARCELLS & CO.

ESTABLISHED 1919

Members Detroit Stock Exchange

639 Penobscot Building, Detroit 26, Mich.

Telephone—Randolph 5625

Bell System Teletype—DE 206

SPECIALISTS:

MICHIGAN Real Estate Securities

DEAN W. TITUS & COMPANY

INVESTMENT SECURITIES

ANN ARBOR

204 State Savings Bank Bldg.
Phone 3777

DETROIT

2366 National Bank Bldg.
Phone CA 3095

ADVERTISEMENT

(Continued from page 937)

George Burgess
James J. McAtee
Wm. J. Nichols
Albert H. Fenstermacher
Robson L. Greer

BYLLESBY (H. M.) AND COMPANY, INCORPORATED
Stock Exchange Bldg (2)
PH 73 Rittenhouse 3717

J. Gentry Daggy
Al Willis

DAWKINS, WATERS & CO., INC.
Packard Bldg. (2)
Locust 1333

Charles J. Campbell

DeHAVEN & TOWNSEND, CROUTER & BODINE
Packard Bldg. (2)
Locust 6770

Joseph O. Barnes

DICK (LEWIS C.) CO.
1420 Walnut St. (2)
Pennypacker 1787

Hilda Williams

DOLPHIN & CO.
Fidelity-Phila. Tr. Bldg. (9)
PH 299 Pennypacker 4646

Leo M. Dolphin
Walter H. Schumann

DOUGHERTY (A. WEBSTER) & CO.
1421 Chestnut St. (2)
PH 70 Rittenhouse 2580

Elwood S. Robinson
George H. Wyckoff

FITCH (E. M.) & CO., INC.
S. E. Cor. 15th & Locust Sts. (2)
Pennypacker 8700

Francis M. Roberts, Jr.

FOGARTY, FRANK J.
Commercial Trust Bldg. (2)
PH 426 Rittenhouse 0172

GERSTLEY, SUNSTEIN & CO.
213 S. Broad St. (7)
PH 591 Pennypacker 0534

Bernard H. Tobias

ADVERTISEMENT

GRAHAM, PARSONS & CO.
1421 Chestnut St. (2)
PH 292 Locust 1100

Wallace H. Runyan
Wm. F. Mills

HALL, TATTERSALL & CO.
225 S. 15th St. (2)
PH 428 Pennypacker 5360

Frank A. Kates

HARPER & TURNER, INC.
1411 Walnut St. (2)
Rittenhouse 6200

M. Wm. Goodman

HECKER & CO.
Liberty Trust Bldg. (7)
Spruce 7200

Raymond T. Allen

HOPKINS (JOHN G.) & CO.
123 S. Broad St. (9)
PH 39 Pennypacker 3600

John G. Hopkins
Richard W. Heward

HOPPER, SOLIDAY & CO.
1420 Walnut St. (2)
PH 593 Pennypacker 4075

Alfred M. Dick
John Gibson, Jr.
William Raffel

HORNBLLOWER & WEEKS
1429 Walnut St. (2)
Locust 6800

Joseph A. McNamee
Robert M. Holdsworth

JANNEY & CO.
1529 Walnut St. (2)
PH 80 Rittenhouse 7700

George J. Muller
A. Grant Campbell

KENNEDY AND CO.
Land Title Bldg. (10)
PH 380 Rittenhouse 3940

Geo. H. Williams
C. Robert Lees
Harold B. Cunningham

LAIRD, BISSELL & MEEDS
1431 Chestnut St. (2)
Locust 6226

Norman A. Lafferty

LILLEY & CO.
Packard Bldg. (2)
PH 366 Rittenhouse 2324

William Lilley, Jr.

ADVERTISEMENT

MILLER (E. W. & R. C.) & CO.
123 S. Broad St. (9)
PH 84 Pennypacker 1570

R. Conover Miller
George S. Compton

MONTGOMERY, SCOTT & CO.
123 S. Broad St. (9)
Pennypacker 7400

Harry S. Maneely

MORRISSEY (F. J.) & CO.
1510 Chestnut St. (2)
PH 279 Rittenhouse 8500

Frank J. Morrissey
Wm. J. McCullen

NASH (H. N.) & CO.
1421 Chestnut St. (2)
PH 257 Locust 1477

Harold N. Nash
Frederick S. Fischer

NEWBOLD'S (W. H.) SON & CO.
1517 Locust St. (2)
PH 44 Pennypacker 1234

James H. Lescure
Alfred W. Tryder

PENNSYLVANIA COMPANY FOR INSURANCES ON LIVES & GRANTING ANNUITIES

15th & Chestnut Sts. (1)
PH 222 Spruce 7000

J. L. Keyser

PHILLIPS (SAMUEL K.) & CO.
Packard Bldg. (2)
PH 375 Rittenhouse 1700

Harry L. Heffelfinger
Samuel K. Phillips, Jr.

RAKESTRAW, BETZ & CO.
123 S. Broad St. (9)
Kingsley 3311

Fred C. Phillis

RAMBO, KEEN, CLOSE & KERNER, INC.
1518 Locust St. (2)
PH 63 Pennypacker 2800

Edmund J. Davis
Russell W. Schaffer

ROLLINS (E. H.) & SONS INCORPORATED
1528 Walnut St. (2)
PH 268 Pennypacker 0100

Henry B. Warner
Charles L. Wallingford
Clifford Keif
B. Newton Barber

SCHMIDT, POOLE & CO.
123 S. Broad St. (9)
PH 538 Kingsley 0650

John T. Pairman

SHERIDAN, BOGAN CO.
1616 Walnut St. (3)
Kingsley 4400

William Ward, 3rd

SMITH (E. W.) CO.
Lewis Tower (2)
PH 25 Pennypacker 8383

Joseph Markman

SNYDER (GEO. E.) & CO.
Stock Exchange Bldg. (2)
PH 220 Rittenhouse 0308

Thomas J. Love

STROUD & COMPANY, INCORPORATED
123 S. Broad St. (9)
PH 296 Pennypacker 7330

R. Victor Mosley
John K. Ruckdeschel
Thomas F. O'Rourke
Frank J. Laird
Michael J. Rudolph
Allen B. Foard
L. Wister Randolph
Edgar L. Hunter
John R. Hunt
William P. Congreve

SUPLEE, YEATMAN & COMPANY, INC.
220 S. 16th St. (2)
PH 242 Kingsley 1343

William Z. Suplee
Pope Yeatman
Ethan G. Zuber

TAGGART (CHARLES A.) & CO.
1500 Walnut St. (2)
Kingsley 1716

Charles A. Taggart
(Continued on page 939)

Miller, Kenower & Company

Municipal and Corporate Securities

Penobscot Building
DETROIT 26, MICH.

Telephone Randolph 3262

Bell Teletype DE 475

WATLING, LERCHEN & CO.

Investment Bankers

Members

New York Stock Exchange

New York Curb (Associate)

Detroit Stock Exchange

Chicago Stock Exchange

MUNICIPAL AND CORPORATE SECURITIES

Ford Building, Detroit 26

Ann Arbor Trust Bldg., Ann Arbor

120 W. Michigan Ave., Jackson, Michigan

National Security Traders Association BOOSTERS

ADVERTISEMENT

(Continued from page 938)

WAPLES (RUFUS) & CO.
1510 Chestnut St. (2)
PH 492 Locust 4110
Lawrence J. Colfer

WOOD, JR. (A. C.) & CO.
511 Chestnut St. (6)
Lombard 7600
Marguerite A. Campbell

YARNALL & CO.
1528 Walnut St. (2)
PH 22 Pennypacker 0300
Russell M. Ergood
Harry B. Snyder
Herbert V. B. Gallagher
Fred W. W. Graham, Jr.

YORK (WARREN W.) & CO.
Land Title Bldg. (10)
PH 556 Rittenhouse 9393
Paul C. Fredericks, Jr.

YOUNG (ALLAN N.) & CO.
225 S. 15th St. (2)
Pennypacker 1750
Arthur G. Hiscox

Pittsburgh, Pa.

REED, LEAR & CO.
Grant Bldg. (19)
PG 482 Atlantic 0881
William R. Foley
Dunbar B. Abell

YOUNG & CO., INC.
Peoples Bank Bldg. (22)
PG 488 Court 3100

St. Louis, Mo.

BRENNAN, KINSELLA & CO.
418 Olive St. (2)
Chestnut 6111
Emmet J. Brennan
J. Reid Kinsella

DEMPSEY-TEGELER & CO.
407 North 8th St. (1)
SL 144 Garfield 0727
Jerome F. Tegeler
Robert A. Walsh
R. Emmet Byrne
Herman J. Zinger
Clarence F. Blewer

ECKHARDT-PETERSEN & CO., INC.
1811 South Broadway (4)
Central 7250
Joseph G. Petersen

FRIEDMAN, BROKAW & SAMISH
711 St. Charles St. (1)
SL 387 Garfield 5258
Morris M. Moss
Edward H. Morfeld
Wm. Stix Friedman
Robert C. Lesser

FUSZ-SCHMELZLE & CO.
Boatmen's Bank Bldg. (2)
SL 591 Central 2614
Firman D. Fusz, Jr.
Albert M. Schmeltzle
Ralph R. Smith
William J. Blake
Raymond J. Denyven

HARVEY, KLEIN & CO. INC.
320 N. Fourth St. (2)
SL 67 Central 8116
Elmer B. Klein

JONES (EDWARD D.) & CO.
300 N. Fourth St. (2)
SL 593 Central 7600
Edward D. Jones

McCOURTNEY-BRECKENRIDGE & CO.
Boatmen's Bank Bldg. (2)
SL 469 Central 5730
Albert E. Beyer

METROPOLITAN ST. LOUIS CO.
718 Locust St. (1)
SL 499 Central 8250
John B. McHugh

NEWHARD, COOK & CO.
4th & Olive Sts. (2)
SL 152 Central 5585
Herbert D. Condie, Jr.
Henry M. Cook
Dumont G. Dempsey
Robert M. Guion
Andrew S. Mills
Chapin S. Newhard
B. L. Schluerter
Ed Senturia
Richard H. Walsh

ADVERTISEMENT

SCHERCK, RICHTER COMPANY
Landreth Bldg. (2)
SL 456 Garfield 0225

Gordon Scherck
Henry J. Richter
Charles W. Hahn
Irwin R. Harris

STIFEL, NICOLAUS & CO., INC.
314 N. Broadway (2)
SL 392 Garfield 1980

Louis J. Nicolaus
John J. Niemoeller
Bert H. Horning
E. Wm. Darmstatter
Herman Broeksmith
Fred S. Kelly

STIX & CO.
509 Olive St. (1)
SL 80 Garfield 0514
Edwin R. Waldemer

TAUSSIG, DAY & CO., INC.
506 Olive St. (1)
SL 62 Garfield 1721
Elmer F. Barkau
Herbert H. Frahm
Garfield J. Taussig

WALKER (G. H.) & CO.
Broadway & Locust (1)
SL 84 Central 0838

Robert H. Matthews
Rudolph Graf
Joseph F. Hahn
James B. Patke
E. K. Hagemann
Clarence J. Maender
Edward Holstein (In service)
Edward Haverstick (In service)

WHITE & COMPANY
Mississippi Valley Tr. Bldg. (1)
SL 477 Central 0282
Julian M. White
George M. White
Theodore C. Honig
Max Kaplan
Hiram Neuwoehner

ADVERTISEMENT

San Francisco, Cal.

BANKAMERICA COMPANY
300 Montgomery St. (20)
SF 431 Yukon 1551

John F. Sullivan
Charles R. Livingstone (Los Angeles)

BRUSH, SLOCUMB & CO.
1 Montgomery St. (4)
SF 70 Garfield 4511

Ernest E. Blum
Elmer L. Weir

Seattle, Wash.

DRUMHELLER, EHRLICHMAN COMPANY
Exchange Bldg. (14)
SE 187 Elliott 2600

Josef C. Phillips
E. D. Peterson

FOSTER & MARSHALL
1411 Fourth Ave. Bldg. (1)
SE 145 Seneca 0680

Albert O. Foster
Sidney J. Sanders

GRANDE & CO., INC.
Hoge Bldg. (4)
SE 196 Main 6832

Harry S. Grande
Walter B. Van Dusen
Glen H. Southwick

HARRIS, LAMOREUX & NORRIS, INC.
1411 4th Ave (1)
SE 205 Main 1383

Howard W. Jones

HARTLEY ROGERS & COMPANY
1411 Fourth Avenue Bldg. (1)
SE 168 Seneca 2000

Jack E. Jones

(Continued on page 940)

Securities Traders Association Of Detroit & Michigan



Ray P. Bernardi



Don W. Miller



Harold R. Chapel

President: Ray P. Bernardi, Cray, McFawn & Co.; Vice-President: Don W. Miller, McDonald Moore & Co.; Secretary: Ray E. Davis, E. H. Rollins & Sons, Inc.; Treasurer: Harold R. Chapel, Crouse, Bennett, Smith & Co.; National Committeemen: Paul I. Moreland, Allman, Moreland & Co.; Hale V. Sattley, H. V. Sattley & Co., Inc.; Herman Tornga, De Young, Larson & Tornga.

R. C. O'DONNELL & COMPANY

Members Detroit Stock Exchange

DETROIT



Ray O'Donnell

Larry Dilworth

Frank Kemp

AM

Allman, Moreland & Co.

Member Detroit Stock Exchange

DE 75

A Good Number To Call For
Markets On Michigan Issues

Ask The Traders Who Do It

1051 Penobscot Bldg.

Tel. Randolph 3855

DETROIT 26

Bell System Teletype—DE 75

Branch Offices: Battle Creek - Lansing
Representative, Muskegon

AM

AM

AM

MERCIER, McDOWELL & DOLPHYN

Members of Detroit Stock Exchange

BUHL BUILDING

DETROIT 26

Michigan and General Market Municipals

DOUGLAS H. CAMPBELL • FRANK P. MEYER

Corporate Bonds and Bank Stocks

CLARENCE A. HORN

FIRST OF MICHIGAN CORPORATION

Member Detroit Stock Exchange

DETROIT 26
1500 Buhl Bldg.
Randolph 2055

NEW YORK 6
65 Broadway
DIgby 4-8101

INTERNATIONAL DETROLA CORP.

Manufacturers of radios and
electronic devices for war and peace

WM. C. RONEY & CO.

MEMBERS NEW YORK STOCK EXCHANGE
NEW YORK CURB (ASSOCIATE)
DETROIT STOCK EXCHANGE
CHICAGO BOARD OF TRADE

CHerry 6700

Buhl Bldg., Detroit 26

Bell System Teletype—DE 167

Grand Rapids

Saginaw

Wire System—Carl M. Loeb, Rhoades & Co.

National Security Traders Association BOOSTERS

Florida Bond Traders Club, Inc.



E. W. Jackson



Robert H. Cook



George U. Robson

President: E. W. Jackson, T. M. Cook & Co., West Palm Beach; Vice-President: Robert H. Cook, B. J. Van Ingen & Co., Miami; Secretary-Treasurer: George U. Robson, Cohu & Torrey, Miami.

FLORIDA BONDS

— all issues —
BOUGHT — SOLD — TRADED

Have your holdings appraised and analyzed by our experts. Send your list to us for a detailed report.

Thomas M. Cook & Company

20 Years Experience Handling
SOUTHERN MUNICIPALS

14th Floor Harvey Bldg., West Palm Beach, Fla.

Telephones
8188 - 8189

Bell System Teletype
W. P. B. 82

Specialists in

LOUISIANA and MISSISSIPPI MUNICIPALS

AND

U. S. Housing Authority Bonds

KINGSBURY & ALVIS

Hibernia Bldg.
NEW ORLEANS 12, LA.
Bell Teletype NO 382

Lamar Life Bldg.
JACKSON 112, MISS.
Bell Teletype JN 84

Specializing in the Origination,
Distribution and Servicing of

FLORIDA TEXAS · KANSAS · OKLAHOMA Municipal Bonds

THE CRUMMER COMPANY
1ST. NAT. BANK BLDG. ORLANDO, FLORIDA

Teletype—OR 81

Chicago

Wichita

Kansas City

ADVERTISEMENT

(Continued from page 939)

Spartansburg, S. C.

LAW (A. M.) & CO.
Andrews Bldg.
SPBG 17 152

Andrew M. Law
S. F. Cannon
H. J. Blackford

Syracuse, N. Y.

CLAYBAUGH (BLAIR F.) & CO.

Loew Bldg. (2)
SS 471 2-8251

Edwin Jacobs (N. Y. C.)
David R. Mitchell (N. Y. C.)

Toledo, O.

COLLIN, NORTON & CO.

508 Madison Ave. (4)
TO 190 Adams 6131

Oliver Goshia

ADVERTISEMENT

SNYDER, WILSON & CO.

410 Madison Ave. (4)
Adams 4151

Oscar R. Foster
Herbert E. Young
Robert A. Foster
Edward G. Wagner

STRUBLE (C. Guy) & CO.

Edison Bldg. (4)
Adams 9413

C. Guy Struble

Toronto, Ont., Canada

McLEOD, YOUNG, WEIR &
COMPANY, LIMITED

Metropolitan Bldg.
Elgin 0161

MILNER, ROSS & CO.

330 Bay St.
Waverly 1701

ADVERTISEMENT

West Palm Beach, Fla.

COOK (THOMAS M.) &
COMPANY

Harvey Bldg.
WP 82 8188

J. Leo Gleason
Thomas M. Cook
Edgar W. Jackson

Security Trading And Security Traders Of Bygone Days

(Continued from page 927)
York the disgrace of repudiating its bonds."

Perhaps the most outstanding and interesting character among those who engaged in security trading in the early Eighteen Hundreds was the bold and erratic Jacob Barker. He was a New England Quaker, born in Maine in 1779, who, before he was 21 years of age, already had become a leading New York shipowner and merchant. At one time, he controlled more ocean sailing vessels than any other American capitalist. But a succession of mishaps and the seizure by the British of his ships during the War of 1812 compelled Barker to turn to banking and security trading as an avocation. He bought an issue of \$5,000,000 bonds from the Federal Government, but lost heavily on the deal, because, as he claimed, the Secretary the Treasury soon thereafter put out another issue at a higher rate of interest. He ran a bank on his own personal credit, and issued notes, which, for a time, served as the "shin-plasters" which furnished New York City with a large part of its circulating medium. In addition, he organized and dealt in the securities of insurance companies and banks. His bank failed in 1819, but he continued his financial operations. Later, however, he was involved in other financial mishaps and was brought to trial for conspiracy. After two trials, the indictment against him was finally quashed. He then sought a new field of operations, taking up residence in New Orleans in 1834, where he became the President of one of the leading banks, and again accumulated a large fortune. This, however, was largely swept away during the Civil War. His last years were passed in retirement with his son, Wharton Barker, a prominent citizen of Philadelphia. He died in 1871.

Jacob Barker was succeeded in his security business by his protégé and former employee, Jacob Little. Although Little gained fame as a speculator in securities, and a manipulator of "corners," he operated a securities firm in partnership with his brother under the name of Jacob Little & Co., and did a large business with the public. He was known as a hard worker, attending personally to all his manifold duties and, although curt and cold in his manner, he was generous, particularly in his treatment of those who suffered losses from his stock market operations. His fortune fluctuated from time to time, and at his death his estate was extremely moderate, considering that he had the reputation of "digesting more stock in one day than the weight and bulk of his whole body in certificates."

Barker and Little were products of the chaotic conditions in the securities markets of the pre-Civil War days, when security speculation and security marketing were combined, and those engaged in the business generally indulged in both avocations. Following the Civil War, however, security speculation and security marketing developed along separate paths.

(Continued on page 943)

MUNICIPALS

Tennessee, Mississippi & Arkansas

FIRM BIDS — FIRM OFFERINGS — QUOTATIONS

Detailed information on request

BOND DEPARTMENT

THE FIRST NATIONAL BANK

OF

MEMPHIS 1, TENNESSEE

Telephone LD 311 — Teletype ME 283-4

FLORIDA BONDS

MUNICIPAL COUNTY DISTRICTS

ALL ISSUES

Firm Bids — Firm Offerings — Quotations

Inquiries Invited On Local Securities

Clyde C. Pierce Corporation

Long Distance 47; 5-3680 — Bell Teletype JK 181

JACKSONVILLE

Branch Office: ST. PETERSBURG

FLORIDA MUNICIPAL BONDS

Brokers and Dealers in General
Unlisted Securities

CORRIGAN & COMPANY

Incorporated

SECURITY BLDG., MIAMI 32, FLA.

Bell Teletype MM-80

Telephone 3-2137—L. D. 52

Post-War Export Prospects

(Continued from page 917)

if offered as presents. Besides, the vastly increased productive capacity of farm and plantation in the food-exporting countries — Iowa corn yield per acre, as an example, has risen in the last decade by almost 50% — is such as to assure return to "normal" competitive conditions as soon as the first full post-war crop has been brought in. For the high cost agriculture of the U. S., this leaves meager chances for maintaining food exports on any major scale.

International demand for industrial raw materials is likely to be far more voluminous and persistent, especially so again immediately after the war, while inventories have to be replenished. Reconstruction and new industrialization will greatly enhance it, possibly for several years to come. However, several factors operate against directing this demand to any major extent towards the United States (unless artificially financed by us).

In the first place, large reserves of diverse raw materials, including scrap, are piled up in all belligerent countries, and also in neutrals. What is more, the capacity of producing them has been greatly expanded. Aluminum is a case to the point, with the world-wide capacity of the plants expanded probably 7 or 8-fold during the war. Even where no such over-expansion took place, the mere release of mining capacity, earmarked in war-time for military purposes, and the re-opening of the normal channels of transportation will bring out supplies from sources outside the United States. And these sources are able to offer the product in many cases at a cost far below the American level. American copper, e. g., can scarcely compete on the world markets (without export premiums) with the Rhodesian.

Regional Multilateralism

Then, too, self-sufficiency policies in the consuming countries are bound to affect minerals as well as farm and plantation products. It is important, in this context, to face squarely the fundamentals of post-war commercial policy in the British and Russian "spheres of influence."

In the case of Soviet Russia — including most of Central Europe that will constitute her economic domain — the ideological desire to make collectivism stick will be a major reason to strive for autarchy in the future, as it was in the past, even if military considerations shall have lost some of their urgency. (Will they?) At any rate, the Russian intention to develop their rich natural resources, and to create a self-sufficient raw material basis for reconstruction and further industrialization, is beyond doubt. Nor is there much doubt that the shortage of foreign exchange will be another factor inducing the Soviets to self-reliance wherever possible.*

The last-mentioned factor will be decisive for British commercial policy after the war, the contours of which have been clearly outlined by numerous authoritative statements. The prospect of a billion dollar annual deficit in Britain's post-war balance of payments is so well-known as to need no elaboration. It is generally assumed that she will have to raise her exports by at least 50% over the pre-war level so as to compensate for the loss of income from foreign investments, shipping services, etc. But it is very questionable whether British exports can be raised that much, in view of the reconstruction needs on the one hand and the

pressure to improve living standards on the other. Given this strained position of Britain, and given the policy of "full employment", the result must be a drastic reduction of such imports which have to be paid for in "cash."

That brings up the system of so-called *multilateral clearings* within a Sterling Bloc, a trading area comprising all countries which will lean on Britain (and on one another): the Empire, except Canada; the minor western Europeans from Norway to Greece, and their colonies; the Arab countries; possibly also France. What will wield them into a currency system is partly political but largely economic reasons, such as the importance of the British market, or credits from London, or the worry over their short-term assets frozen in London, which are expected to total some \$12 billions. In practice, the trading area will not be a free one by any means, but will operate with a minimum of currency regulations of the members against each other, while a maximum of such regulations will be applied against imports from countries outside the Bloc. In other words, individual clearing relationships of the German type will control transactions between the Bloc and other coun-

tries — so as to balance imports and exports — while a regime of a generalized type will be permitted within the Bloc. This is what the British call *multilateral clearings* so as to distinguish it (in name) from the present German system of governmental trade management.

The upshot of all this is that the Russian Bloc as well as the British Bloc will tend to be self-sufficient and to reduce their imports from the United States as much as possible, using substitutes in their place. And substituting goes a long way, as we have learned, in the case of foodstuffs and raw materials, and also of semi-durable manufactured products. Possibly, a third and minor trading bloc might arise around the La Plata: a customs' union or similar organization of a number of Latin American countries, with the same objective of limiting imports from the United States.

The Piece de Resistance of American Exports

All this would bode ill for American export chances, were it not for one category which will be in overwhelming demand all over the world. *Durable goods* proper, including means of production as well as consumers'

New Orleans Security Traders Association



Joseph H. Weil



Jac. P. Ducournau



F. P. Breckinridge

President: Joseph H. Weil, Weil & Arnold; Vice-President: Jac. P. Ducournau; Secretary-Treasurer: F. P. Breckinridge, Whitney National Bank; National Committeeman: J. W. Kingsbury, Kingsbury & Alvis.

durables, will be in extremely urgent demand far beyond the first one or two years of peace. Reconstruction of devastated areas is only one source of this demand. Far more important is the world-

wide industrialization trend referred to above. Locomotives and agricultural implements, specialized heavy machinery, mining and refinery equipment, automobiles (Continued on page 944)

Southern Municipals Local Corporate Securities

GORDON MEEKS & COMPANY
FIRST NATIONAL BANK BUILDING
MEMPHIS, TENNESSEE
TELETYPE ME 292

SOUTHERN TEXTILE SECURITIES

A. M. LAW & COMPANY
(Established 1892)
SPARTANBURG, S. C.

BUSINESS ESTABLISHED 1924

FLORIDA MUNICIPAL BONDS

LEEDY, WHEELER & CO.
Florida Bank Building
ORLANDO, FLA.

Bell Teletype—OR 10

Long Distance 27

LOUISIANA and MISSISSIPPI MUNICIPALS

IMMEDIATE FIRM BIDS

Scharff & Jones

TELETYPE
NO 180 & 181INCORPORATED
New Orleans
12Telephone
MAGNOLIA 1271

Branch Offices—Jackson, Miss. and Shreveport, La.

Dealers in

LOUISIANA, MISSISSIPPI and
OTHER SOUTHERN MUNICIPALS

NEWMAN, BROWN & CO.

INC.

326 Hibernia Bank Building
NEW ORLEANS, 12

Long Distance 101

Teletypes NO 189 & NO 190

Louisiana and Mississippi Municipals

CORPORATE ISSUES

LOCAL STOCKS

MORTGAGE LOANS

WEIL & ARNOLD

CANAL BUILDING

NEW ORLEANS 12, LA.

Phone Raymond 0711

Bell Teletype—NO 175

D'ANTONI & CO.

Investment Securities

AMERICAN BANK BLDG.

Members

New Orleans Stock Exchange

NEW ORLEANS 12, LA.

Telephone: RAYMOND 9977

Teletype NO 165

Specialists in State of Louisiana
and City of New Orleans Municipals

Trading markets in
JEFFERSON LAKE SULPHUR COMPANY
STANDARD FRUIT & SS CORPORATION
and other local securities.

NEW ORLEANS BANK STOCKS

Bought Sold Quoted

Blaise S. D'Antoni

Anthony Ciaccio

Erwin R. Schweickhardt

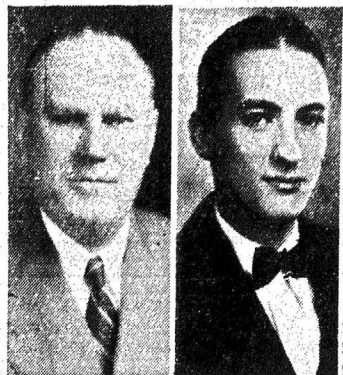
*A recent article in the Soviet magazine "Under the Banner of Marxism" has restated with all possible emphasis the collectivist nature of Russian economy and its implications for the planning and direction of Russia's foreign trade.

How Cheap Is Cheap Money?

(Continued from page 915)

anything but circulate. It took between four and five billion to carry us through the business and market boom of 1929. Suppose we need twice as much to pay our soldiers or for any other reason.

Bond Club Of Louisville



J. R. Burkholder H. W. Bohnert

President: Otto C. Ruth, James C. Willson & Co.; Vice-President: J. R. Burkholder, Almstedt Bros.; Treasurer: Joseph Parks, Berwyn T. Moore & Co.; Secretary: Hector W. Bohnert, Bankers Bond Co.; National Committeeman: Thomas Graham, Bankers Bond Co.

Suppose we also assume that two billion is hoarded abroad. Add another billion to be on the safe side. We have left almost as much circulating currency as all the deposits in all the savings banks in the United States. And nothing can be done to bring it back into the banking system that would not scare our citizens within an inch of their lives. Nothing, that is, except to offer it enough in the way of wages (or interest) to get it out from under the mattress and at work.

We all know that War Bonds should have done the trick but they didn't. We made two mistakes there. First they were hard to cash and second they paid almost nothing unless they were held for a long time. Cheap money again! Billions of them have been bought for purely patriotic reasons. The chances are that they would have been bought if there were no interest at all. What will happen when the war is over? No one knows, but it isn't hard to guess.

And it isn't enough that every dollar of circulating currency is a potential inflationary menace of the first order, whenever it decides to move somewhere—anywhere! No "controls" in the world could keep that much free money tied down if it decided to move. Right now it's a good thing for everybody that people want to save. It's a very bad thing that

they want to save currency. The reason for that is also simple.

Every dollar of circulating currency either had to come out of "till cash" or out of some bank's reserves. That's what happened to the "excess reserves" that so many worried about so needlessly. Cheap money took care of that! We said before that hoarding currency was the exact but less potent opposite of monetizing gold. Gold is really high-powered money. Every gold dollar is able to support two and a half dollars of Federal Reserve Notes, or nearly three dollars of Federal Reserve deposits. But every reserve dollar of the commercial banks secures about five or six deposit dollars, the dollars we use when we pay our bills by check. If the constant drain of reserve dollars by currency withdrawals keeps on much longer, we will really begin to run out of "ice."

To date the Federal Reserve has bought over fifteen billion dollars of Government securities to keep money cheap and keep the banks' reserve position good. Since October, 1942, when it was decided to "freeze" money rates, the increase in securities has been over thirteen billion dollars. We can keep that up for some time, thanks to our gold. But that brings up another and still more serious point.

All this came about and was made possible by our gold holdings. Today we own probably two-thirds of all the gold ever mined in the history of the world. Nearly all of it is in our banking system. Fort Knox is merely an inland storage vault. It may be too much gold in one nation's hands for the good of the world as a whole. No one doubts that eventually some of it may have to

be loaned or given away to help other nations stabilize their currencies. But how much can we spare?

To read the plans from such conferences as that at Bretton Woods, one would think that gold was a minor item of importance and we could afford to dispose of a substantial part of what we have. And those who now plan how to get rid of gold and keep the cheap money it created do come up with some ideas that are amazing. It was even suggested that, since Federal Reserve notes are lawful money, they could be used "under the law" to secure Federal Reserve deposits. Lawful or not, the idea that any bank could use part of its liabilities to secure the rest of its liabilities was a pretty fantastic example of advanced economic thinking.

This brings us to another of our earlier questions. Where is this leading us? Well, the piling up of circulating currency leads straight down the primrose path to inflation. If that money were invested, or even deposited in some bank, it would not be a constant temptation to spend. So far, our people have saved and, as we said, it has been a good thing. With literally billions of money in their pockets there is almost nothing anyone could do if they ever changed their minds about saving. Another path we have taken, and a path we may find it very hard to retrace, is the path leading to outright Government control of our banking system. It was all done in a good cause. That we admit. But history shows that no government ever has been overthrown or changed permanently unless and until the banking system has been taken over. It isn't a pleasant thought, but it calls for some serious thinking.

Our last question is what, if anything, can be done about it?

Perhaps nothing should be done about it today or tomorrow, but if nothing is done at all, or ever, and these trends are allowed to develop much further, the situation will adjust itself—probably at a very high cost. Situations which finally adjust themselves are pretty ruthless about it.

There are only two valid reasons why cheap money is so earnestly advocated by so many. One is the cost of servicing the debt, and the other is the effect on our institutions, especially our commercial banks, of the drop in bond prices if interest rates should rise. No one wants to pay any more interest than is necessary, but it is of paramount importance that our bonds remain sold and that means, very simply, that investors must remain satisfied to hold them. If it took an extra 1% on every obligation we will have outstanding at the end of the war, the added cost would be small by comparison with our planned expenditures for social security, economic rehabilitation, unemployment, insurance, public works, or many other projects which will develop after this war, to say nothing of pensions. And if such an added charge would avert the possibility that some day the people who hold so many of our demand liabilities might decide that they would prefer things to money, it would be a very sound investment and a small price to pay.

As for the banks, it should be possible to evolve and present offerings to others which would not affect the market price of their holdings and, if not, it should be possible to stabilize price by other means. The suggestion has been made that issues might be provided in which the coupon would change as the basic rate changed, so that the price would remain practically a constant. There is no good reason why that could not be done. And it might very well be tried first with an offering to private investors, savings banks and insurance companies of a perpetual obligation, similar to the British consols, payable to bearer, with coupons which would change each six months with changes in the current return on the basis of open market quotations, coupon changes to be figured to the nearest 1/8%. Such a bond could be offered as a 3% issue in the beginning, which is only a slight fraction above the return on war bonds if held to maturity.

It would be practically impossible to make that bond sell more than five points above or below par, and whenever it did so the coupon would change by only a small fraction. Outstanding bonds could be made convertible into such an issue, and at least one problem would be materially reduced. That is the refunding problem.

With such a bond available at the minimum of both credit and price hazard, savings banks could pay more interest to depositors and might easily absorb a large part of today's hoarded currency. Insurance companies would not feel so concerned about the return on their investments that they would revise their calculations, as one large company did not long ago, and raise premium rates.

The commercial banks, which can create money, and have created much of the money we now have, would require special study and quite possibly a special type of issue which could carry a lower but still fluctuating rate based on the consol rate, but that is a problem which need not come up at once. A 3% perpetual would not be far enough above the current rate on long Governments to cause any serious market disturbance at once, and most commercial bank portfolios are short-term obligations which, as we have noted, will find their own level in any event as they approach maturity and are refunded. It might be worth considering to

(Continued on page 945)

St. Louis Markets Local Bank Stocks

Members
St. Louis Stock Exchange

STIX & Co.

INVESTMENT SECURITIES

509 OLIVE STREET

ST. LOUIS 1, Mo.

UNDERWRITERS • DISTRIBUTORS • DEALERS

UNITED STATES GOVERNMENT
STATE and MUNICIPAL SECURITIES
INDUSTRIAL, PUBLIC UTILITY, RAILROAD
REAL ESTATE, BANK and INSURANCE SECURITIES
LISTED and UNLISTED BONDS & STOCKS

Stifel, Nicolaus & Company INCORPORATED

ST. LOUIS

CHICAGO

Fifty Four Years of Investment Banking

Investment Securities

ECKHARDT-PETERSEN & Co., Inc.

1811 South Broadway

St. Louis 4, Mo.

Central 7250

J. J. B. HILLIARD & SON

Founded 1872

Members New York Stock Exchange

Members Chicago Stock Exchange

Associate Members New York Curb Exchange

419 W. Jefferson St.

Hilliard Bldg.

Louisville 2, Ky.

Bell System Teletype—LS 284

Long Distance 197 & Western Union Phone

Active Markets In

ALL LOCAL SECURITIES
KENTUCKY MUNICIPALS &
BRIDGE REVENUE BONDS

Private wire to Wood, Walker & Co., N. Y.
Telephone, Telegraph or Write us

THE BANKERS BOND CO.

Incorporated

LOUISVILLE 2, KENTUCKY

INVESTMENT DEPARTMENT

Thomas Graham, Mgr.

Wood Hannah, Asst. Mgr.

*Charles C. King

*P. M. Conway

J. D. Faison

Howard D. Loudon

J. M. Fetter

Willard P. McNair

H. W. Bohnert

E. C. Lewis

*On Leave — U. S. Army

BROKERS - UNDERWRITERS - DEALERS

KENTUCKY MUNICIPALS • LOCAL ISSUES
COMPLETE TRADING FACILITIES

Direct Private Wire to

Carl M. Loeb, Rhoades & Co., New York

Established 1878

W. L. LYONS & CO.

Members: New York Stock Exchange and Other Leading Exchanges

235 South 5th Street, Louisville 2, Ky.

Bell Teletype LS 96

Jackson 1101

Bretton Woods In Review

(Continued from page 926)
overvaluation or undervaluation of the currency under consideration. In either case there would be exchange instability. If, say, the franc would be overvalued, France should have to depreciate in the end, assuming that recourse to deflationary methods would be out of the question. If undervalued, most likely France's competitors would depreciate in order to keep their exports from falling before the onslaught of a cheap franc.

Purposes V and VI read: "To give confidence to members by making the Fund's resources available to them under adequate safeguards, thus providing them with opportunity to correct maladjustments in their balance of payments without resorting to measures destructive of national or international prosperity." "In accordance with the above, to shorten the duration and lessen the degree of disequilibrium in the international balances of payments of members."

To one criticism particularly that has been made of the Fund, I cannot accede, namely, that the Fund is too large for genuine stabilization purposes and thus invites misuse. On the contrary, the Fund is too small to provide members with short-term funds to correct temporarily adverse balances. During 1919-20, continental Europe alone imported foodstuffs to the value of \$6.3 billion, raw materials valued at \$7.2 billion, and finished goods worth \$3.9 billion—a total of \$17.4 billion. The Foreign Policy Association shows in its excellent study (just released), entitled *U. S. Foreign Trade and World Economy* (by H. P. Whidden, Jr.), how it was paid. "Merchandise exports, gold transfers and 'invisible' exports supplied payments of \$5.1 billion and \$5.6 billion, respectively, while it is estimated that the balance of \$6.7 billion was financed by \$4 billion in long-term loans and \$2.7 billion in short-term credits." Out of the Fund's \$8.8 billion, only \$2.2 could be loaned in one year to all members. So either the Fund is too small if immediate post-war needs are considered or else it is far too big if normal balances are considered.

This, of course, gets back to such criticism of the Fund as that of Dr. John H. Williams, Vice-President of the Federal Reserve Bank of New York, who has insisted right along that no plans for currency stabilization should be made until and unless all questions of relief and reconstruction, war balances, and all other requirements of the transition from war to peace have been made. The very fact that Article XIV refers to a five-year transition period during which members may retain diverse exchange controls would indicate a definite awareness on the part of the Fund's fathers to such problems. But the present proposal has nothing to say on that score.

Bretton Woods, regardless of what happens to its twins, made a noteworthy contribution to the field of international consultation. Mr. Lippman is unquestionably right; we need such meetings to understand each other better. The pity of it is that the public has heard too little of the real underlying differences between the important nations, the great differences which unless settled will prevent any attempt at currency stabilization and expansion of trade.

The Bretton Woods Conference brought forth a shiny, brand-new and expensive whistle. But it won't be much good without the machinery on top of which it is supposed to go. Let us not repeat the 1920's with their least line of resistance approach and let us bring the differences which block

Security Trading And Security Traders Of Bygone Days

(Continued from page 940)
arate lines. Daniel Drew, Jay Gould, James Fisk, Jesse Hoyt and a host of other Wall Street speculators were not concerned directly with security marketing. But there were such men, some truly great, who performed yeoman's service in distributing among the growing investment public and investment institutions the ever increasing mass of securities, which have resulted from the economic upbuilding of the nation and the exploitation of its vast resources. Among these were

the restoration of multilateral trade out into the open. There must be the necessary economic concessions and agreements to ensure any workable international world order. But that means that nations must agree on some rules of the game and, above all, must not insist that when the rules work against them they must be permitted to change the rules.

Jay Cooke, the financier of the Civil War, whose patriotic services in marketing Government bonds should never be forgotten; Henry Higginson, founder of Lee, Higginson and Company of Boston, who upheld the highest standards of trading, and J. Pierpont Morgan, the elder, who maintained the high business traditions he inherited throughout his career, both as a promoter, as a distributor, and as an upbuilder of American industry. Many others could be named who also helped to lay the foundations for the finer traditions of equitable principles of trade, which have become firmly established as the necessary process of broad security marketing, but space does not permit giving more details. Suffice to say that in this age of so-called "finance-capitalism," despite public prejudice and unwarranted restrictions, the function of the security dealer and security broker deserves as great honor and prestige as those of any other profession or avocation, whatever it may be.

Security Traders Club Of St. Louis



Emmet J. Brennan Joseph G. Petersen Raymond C. Bond R. J. Graf

President: Emmet J. Brennan, Brennan, Kinsella & Co.; First Vice-President: Joseph G. Petersen, Eckhardt-Petersen & Co.; Second Vice-President: Raymond Bond, Bankers Bond & Securities Co.; Third Vice-President: James Canavan, Smith, Moore & Co.; Secretary: Elmer Barkau, Taussig, Day & Co.; Treasurer: R. J. Graf, G. H. Walker & Co.; National Committeemen: Bert H. Horning, Stifel, Nicolaus & Co.; Irwin Harris, Scherck, Richter Co.; Jerome Tegeler, Dempsey-Tegeler & Co.

ST. LOUIS MARKETS

Our Trading Department Is Active In All
Local Listed And Unlisted Securities

We Specialize In Orders For Banks and Dealers

EDWARD D. JONES & CO.

MEMBERS
New York Stock Exchange
St. Louis Stock Exchange Chicago Stock Exchange
Chicago Board of Trade Chicago Mercantile Exchange, Associate
New York Curb Exchange, Associate
300 North Fourth St. Saint Louis 2, Mo.
Central 7600 Bell Teletype SL 593
Direct Private Wire Connections with James E. Bennett & Co. and Josephthal & Co.

OUR TRADING DEPARTMENT SOLICITS YOUR INQUIRIES ON ALL ST. LOUIS ISSUES

JERRY TEGELER
EMMET BYRNE

BOB WALSH
HERMIE ZINZER

DEMPSEY-TEGELER & CO.

Members:
New York Stock Exchange St. Louis Stock Exchange
New York Curb Exchange (Associate) Chicago Stock Exchange
Teletype—SL 144 Garfield 0727

Active Markets in ST. LOUIS AND MIDDLE WESTERN SECURITIES

Municipal Bonds — Corporate Securities — Bank Stocks
St. Louis Stock Exchange Issues

NEWHARD, COOK & CO. UNDERWRITERS and DISTRIBUTORS

Members
New York Stock Exchange New York Curb Exchange (Associate)
St. Louis Stock Exchange
FOURTH & OLIVE STREETS ST. LOUIS 2, MO.
Bell Teletype—SL 152 L. D. St. Louis 340, 341, 342
New York Correspondent, Clark, Dodge & Co., 61 Wall Street

Brennan, Kinsella & Co.

418 OLIVE STREET
ST. LOUIS 2, MISSOURI

EMMET J. BRENNAN

J. R. KINSELLA

WHITE & COMPANY

PRIMARY MARKETS IN
BANK & INSURANCE STOCKS
OF THE NATION
ALL MIDWESTERN AND LOCAL ISSUES

MISSISSIPPI VALLEY TRUST BLDG.
CENTRAL 0282

SAINT LOUIS 1, MO.
TELETYPE SL 477

Complete Statistical & Advisory Service

UNDERWRITERS

New York

St. Louis

Providence

Complete Investment & Trading Departments

Active Retail Outlets

G. H. WALKER & CO.

MEMBERS
PRINCIPAL EXCHANGES

FAST DIRECT PRIVATE WIRE

DISTRIBUTORS

BROKERS

TRADERS

Post-War Export Prospects

(Continued from page 941)

biles and railroad rolling stock, public utility and communication equipment, electric appliances, etc., will be urgently needed by virtually every country. Even nations like China and India, Argentina and Brazil, to say nothing of Russia, have embarked on forced industrial development, or intend to do so on a grand scale, at almost any sacrifice. Agrarian reform in the one country, the pressure of labor to maintain employment at war-time wages in

another, and the desire to produce armaments everywhere, are as many further inducements or compulsions to proceed with public works, housing and the expansion of industrial establishments.

With German and Japanese industries paralyzed for some time, the Belgian in an even worse shape, and the British under reconversion strains, the only country to supply the bulk of capital goods is the United States. Our

peace-time exports of \$2 to \$4 billions in the 1930's might be easily duplicated, even at pre-war prices, for years to come in view of this intensive world-wide demand for the products of equipment industries. Per se, this will be merely a continuation and accentuation of the long-run trend of U. S. exports, in which the share of foodstuffs and "crude" materials has fallen from 83.7% in the late 1850's to 28.3% in the late 1930's. It is safe to predict that this

trend is bound to continue on an accelerated scale, given the urge for mechanization abroad and given the position of this country as the global focus of large-scale "heavy" industries—provided the extraordinary foreign demand for their output can be implemented by dollars and cents.

Foreign Purchasing Power

The prevalent conception that the outer-world will not be able to pay for our exports, unless we finance their purchases by long-term credits, lend-lease, or outright presents, is entirely erroneous. It has become a sort of axiom that everybody has been impoverished, and Uncle Sam, the only rich guy left, can't find regular buyers any more. The truth is that a tremendous volume of pent-up international purchasing power will be ready to finance rehabilitation and re-equipment abroad. To point out briefly the main elements:

a) Our "normal" imports vary between \$2 and \$3 billions per annum. Our inventories of foreign goods being depleted, a substantially larger than the "normal" dollar volume of peace-time imports may be expected for at least three or four years. That much will be available to pay currently for our exports.

b) The same holds for the balance of American tourist traffic, which netted the outer-world more than \$500 millions in 1929, and might provide in future an even greater amount of dollar exchange. Another \$100 to \$200 millions a year might grow out of private charity contributions abroad, and immigrants' remittances.

c) Gold reserves outside the

U. S. (including gold earmarked in New York) will amount probably to \$14 billions—four times our average annual exports. Add to it the yearly output of gold in foreign countries, about \$1.2 billions in 1939, to complete the assessment of foreign gold able to balance our export surplus.

d) On top of it all, an estimated amount of well over \$10 billions worth of dollar balances have accumulated abroad, including dollar notes held by foreigners. Much of it will be "begging" for goods in this country.

To be sure, the "impoverished" outer-world can scrape together and produce enough purchasing power to be on a pay-as-you-go basis in relation to the U. S. If it organizes itself in large economic spheres, as it plans to, roughly balancing mutual claims and dues within each of them, it can use its gold and dollar reserves to pay for all reasonably urgent American exports. They can do so even under the unrealistic assumption that the U. S. should be unwilling to provide as much as a moderate amount of credits.

True, the total of this foreign liquid wealth, or of its sources, is not evenly distributed. The actual and potential owners may be divided in three classes. One will consist of countries in an extremely favorable position: the neutrals, most of the Latin Americans, the gold producers (South Africa) and the gold hoarders, such as India and Egypt. They certainly need no financial assistance, but should rather be "educated" to accept the creditor role, new as it may be to them.

The second group of nations will face difficulties, but not of an unsurmountable nature, provided they don't try to live far beyond (Continued on page 945)

Security Traders Association Of New York



Willis M. Summers



Richard F. Abbe



C. E. de Willers



John S. French



George V. Leone

President: Willis M. Summers, Troster, Currie & Summers; First Vice-President: Richard F. Abbe, Var Tuyl & Abbe; Second Vice-President: Chester E. de Willers, C. E. de Willers & Co.; Secretary: John S. French, A. C. Allyn & Co., Inc.; Treasurer: George V. Leone, Frank C. Masterson & Co.; National Committee: Robert A. Torpie, Merrill Lynch, Pierce Fenner & Beane; Roger S. Phelps, Campbell, Phelps & Co.; John J. O'Kane Jr., John J. O'Kane Jr. & Co.

GRACE NATIONAL BANK OF NEW YORK

COMPLETE CLEARANCE FACILITIES

FOR

LOCAL AND OUT-OF-TOWN

Brokers and Dealers

Write for details to

Security Clearance Department
HANOVER SQUARE, NEW YORK 5, N. Y.

Member Federal Deposit Insurance Corporation

Active Trading Markets in

Federal Water & Gas, Com.

General Gas & Elec., 5% Prior Pfd.

Hearst Consol. Pub., A Pfd.

P. R. Mallory & Co., Com.

Northern States Pr. (Del.), 6 & 7% Pfd.

Shamrock Oil & Gas, Com.

LAURENCE M. MARKS & CO.

Members New York Stock Exchange

49 Wall Street, New York 5, New York

Telephone HANover 2-9500

Teletype N.Y. 1-344



CANADIAN
BONDS—STOCKS

A. E. AMES & CO.

INCORPORATED

TWO WALL STREET, NEW YORK

TORONTO MONTREAL LONDON, ENG. WINNIPEG VANCOUVER VICTORIA

Christiana Securities Company

Common and Preferred

Analysis upon request

FRANCIS I. DUPONT & CO.

MEMBERS NEW YORK STOCK EXCHANGE

ONE WALL STREET • NEW YORK 5, N. Y.

BOWLING GREEN 9-6000

H. D.
KNOX
& CO.

MEMBERS
New York Security Dealers Ass'n
Security Dealers Ass'n of New England

OVER-THE-
COUNTER
SECURITIES

11 Broadway
NEW YORK 4
Telephone DIghy 4-1389
Bell System Teletype NY 1-86

27 State Street
BOSTON 9
Telephone CApital 8950
Bell System Teletype BS 169

Post-War Export Prospects

(Continued from page 944)

their means, so to speak. France, Holland and Belgium have sufficient gold reserves to get started, and substantial resources to get soon on an export base. France and Italy may be the chief beneficiaries of the flood of tourist dollars. Britain still can draw on "hidden" national reserves in her large capacity to produce finished consumers' goods, and on some \$6 billions of foreign investments still "left over." But, of course, this group of countries will have to tighten the belt—in one form or another.

Lastly, there will be distressed countries, distressed temporarily or "for good." Presumably, the defeated nations will be in the most desperate condition (and least likely to be refinanced). Occupied countries like Poland and Greece, will be in dire need of support. So will be, to a lesser

extent, China and Russia. But the amounts needed will be determined by their own policies, and no law of reason or of ethics obligates a nation to support the unduly rapid industrialization of the others.

We can have all the exports (of durable goods) after the war which a balanced American economy can stand. It doesn't take world-wide projects of unsound financing to accomplish that. It takes initial credits of a limited volume and a reasonable volume of long-term investments of a profitable nature. Our ability to export will be limited by our own internal situation, which is threatened by a post-war inflation. We may be compelled to reduce our exports, so as to keep prices from rising at home, or may be actually compelled to put them under embargo.

Easing Collateral Loan Restrictions On Inactive Securities As An Aid To Small Business

(Continued from page 919)

liquidating loans—and the trend is likely to continue in that direction.

Following along the lines of Prof. Anderson, Prof. Fritz Machlup, an Austrian economist who has taken up residence in this country, also indirectly questions the validity of the dependence of banks for liquidity and solvency on commercial loans. In his excellent study of "The Stock Market and Credit and Capital Formation" (p. 205), he states: "In the last analysis a loan for financing working capital in a stage of production that is remote from the finished consumers' goods end has to be regarded as a long-term investment. From the standpoint of the system as a whole (not, of course, from the standpoint of the individual firm), the possibility of liquidating in the short run the working capital of producers' goods industries simply does not exist. . . . The only appropriate use, then, for money capital which is lent only temporarily would be investment in strictly working capital in a production process which produces goods of the first order by as direct a method of production as possible; that is to say, investment in consumers' goods industries which have a ready market and which can be expanded without any increase in the use of producers' goods. . . . Theoretical analysis seems, then, to furnish the rule that temporary savings [e.g., bank deposits] should not be used in any branch of production other than consum-

ers' goods industries which are fairly independent of the output of earlier production stages."

If the steady growth of marketable securities as a form of bank assets is to be maintained and continued as in the past, there should be no legislation which would restrict banks from making sound and reasonable collat-

eral loans. What constitutes "sound collateral" is a matter to be largely determined by the trained judgment of individual bankers. It cannot be left entirely to the definition given in a general law or to a bureaucratic organization. What is sound collateral in one location may be just

(Continued on page 958)

How Cheap Is Cheap Money?

(Continued from page 942)

let them buy consols as well. There should be very little price hazard involved.

But whatever is done, it is imperative that someone start thinking about something beside freezing interest rates indefinitely. It is becoming increasingly difficult,

it is producing unfortunate and perhaps disastrous repercussions, and in very plain and simple English we are tying down the safety valve on a very big boiler. If it bursts, the consequences will be tragic.

We have just prepared
a pamphlet showing

ELEVEN WAYS

to use

PUT & CALL OPTIONS

which should be
particularly interesting to

CUSTOMER'S BROKERS,

BROKERAGE FIRMS,

and BANK OFFICIALS

Copies may be had on request

FILER, SCHMIDT & CO.

Members
Put & Call Brokers & Dealers Assn. Inc.

30 PINE ST., N. Y. 5, N. Y.

WH 3-9177

We extend the
complete facilities of our
**OVER-THE-COUNTER
TRADING
DEPARTMENT**

to
Banks, Brokers and Dealers

Orders executed
on a commission basis.

Greene and Company

Members New York Security Dealers Association

37 Wall St., New York 5, N. Y. Tel. HANover 2-4850

Teletype Bids & Offerings at our expense

BELL SYSTEM TELETYPE—NY 1-1126 & 1127

Our
"Special Situations"

Department

is maintained for the accumulation or placement of large blocks of Over-the-Counter Stocks and Bonds.

Dealers in Special Situations

Railroad - Public Utility
and
Industrial Securities

VAN TUYL & ABBE

72 WALL STREET
NEW YORK 5

We Offer a
**COMPREHENSIVE INVESTMENT
AND
DEALER SERVICE**

in
ALL CLASSES OF BONDS AND STOCKS
including
**PUBLIC UTILITY—RAILROAD—INDUSTRIAL
FOREIGN—MUNICIPAL**

We Are Particularly Adapted to Service Firms
With Retail Distribution

Your Inquiries Solicited

P. F. FOX & CO.

120 BROADWAY, NEW YORK 5, N. Y.

Telephone
REctor 2-7760

Teletypes
NY 1-944 & NY 1-945

1894

1944

Our 50th Anniversary

BOND & GOODWIN

INCORPORATED

Established 1894

BOSTON 6
30 Federal Street

NEW YORK 5
63 Wall Street

PORTLAND 6, ME.
120 Exchange Street

"Wake Up America!"

(Continued from page 918)

Congress." Eleven representatives of various Slav groups, particularly in the Balkans, were invited to attend that Congress. From that Congress there was developed in this country the Kosciusko League and the All-American Slav Congress, under the leadership of Leo Riziski and Mr. Louis Adamic. The foundations for these two organizations among the Slav people is the Communist left-wing radical element and their fellow travelers of this country.

This is part of the same group that until July 21, 1941, when Hitler marched against Russia, was doing everything they possibly could to sabotage our defense program and wreck our form of government.

It is the same group under the Communist supervision that organized the Peace Mobilization Association, that had pickets walking up and down in front of the White House prior to Hitler's attack on Russia, carrying banners

with inscriptions such as this: "The President is leading us down the path to war"; "The Yanks are not coming," and many other slogans of that type. But the day following Hitler's attack on Russia, these same pickets were carrying banners, but with a different slogan on them, thus calling for "a second front now."

What is a Communist? Let me give you the definition recognized by Attorney General Biddle and the Civil Service Commission of the United States.

Some people seem to think in order to be a Communist they must carry red cards and belong to the Communist Party. No such statement could be further from

the truth, because there are ten times as many Communists out of the party as there are in the party. The test of whether a person is a Communist is whether he follows the Communist Party line.

To illustrate: If the Communist Party takes a stand on a certain question on one side today, and this individual takes the same stand, and next week the Communist Party takes an opposite side, which they do in many cases, and this individual flops and takes the same stand, and you see this individual doing this time after time, you can be assured that he subscribes to the ideologies and principles of Communism.

The name Kosciusko League is a very clever one. Kosciusko is one of the great Polish leaders, as well as one of our great heroes. Using the name of a patriot to camouflage their real purpose is an old trick of the Communists. Likewise when the Communists formed their schools around the country—they used to call them the Workers' Schools. Now they are named for one of our great patriotic Presidents. For instance, here in Chicago they changed the name from the Workers' School to the Abraham Lincoln School. In New York they changed the name from the Workers' School to the Thomas Jefferson School in order to smokescreen the real purpose of the school.

In regard to our duty on the home front, I want to speak just a moment of the political situation as it is threatened by the CIO Political Action Committee under the direction of Sidney Hillman.

Mr. Boren last night touched upon that, and I am glad he did, because this is not a partisan issue. This is a time when country must be put ahead of any political party. Congressman Boren is one of those patriotic Americans who is doing all he can from the Democratic side of the House to save our representative form of government.

What about this CIO Political Action Committee?

The facts are, when John L. Lewis was given the opportunity to form the CIO, he had just two places he might go for qualified experienced labor organizers: the American Federation of Labor and the Communist Party.

He couldn't go to the American Federation of Labor, so he turned to the Communist Party for his organizers. In the back of his mind was this thought: I will use these men to organize this CIO. In the meantime I will start training my own labor organizers, and after I get them trained I will kick the Communists out of the union.

John L. Lewis had previously eliminated the United Mine Workers Union of all Communists. But this time he ran against a different proposition. The Communists organized against him, and then instead of Lewis kicking the Communists out of the CIO, the Communists kicked John L. Lewis out.

They use the same methods today against men who are elected to office in their local unions who will not take dictatorship from the Communist element in control.

This CIO dictatorship has fastened itself like a giant octopus on the shoulders of the rank and file members of our labor unions all over the country. These millions of loyal, patriotic working men need help in combating this un-American domination of their affairs.

I shall continue to be a friend of the working men in behalf of their efforts to throw of this Communist octopus, and restore control of their unions to the kind of people the rank and file membership want to represent them.

The technique of the Communist-controlled organizations is to threaten the future in politics of anyone in public office who is not willing to follow their dictates.

Their methods are vicious, and they hesitate at nothing in their lying, smearing campaigns to defeat those who will not do their bidding. The smear sheets carry the most outrageous untruths; and I regret to say it was this sort of campaign which defeated two outstanding members of the Dies Committee, Joe Starnes of Alabama, and John Costello of California.

They attempt to keep patriotic citizens away from the poll by distributing smear sheets to the homes, in the hope the people will become so disgusted with politics in general, time will not be used to vote on election day.

They attempt to elect the men they want to see in office, by keeping those people who would otherwise vote for the one they

(Continued on page 949)

JOSEPH McMANUS & CO.

Members
New York Curb Exchange
Chicago Stock Exchange

39 BROADWAY

Telephone
DIgby 4-2290

NEW YORK 6

Teletype
NY 1-1610

REAL ESTATE SECURITIES

Seligman, Lubetkin & Co.

Incorporated

41 BROAD STREET, NEW YORK 4

Trading Market in

UTILITY

RAILROAD

INDUSTRIAL

WATER

STOCKS and BONDS

ASSOCIATED GAS and ELECTRIC ISSUES

G. A. SAXTON & CO., INC.

70 PINE ST. - NEW YORK 5

Whitehall 4-4970 Teletypes 1-609 & 1-610

KING & KING

Established 1920

Members New York Security Dealers Association
Foreign Exchange Brokers Association of N. Y.

Actual Trading Markets in Active Over-the-Counter Securities

- Unlisted Industrial & Public Utility Common & Preferred Stocks—Bonds & Reorganization Securities.
- Real Estate & Railroad Bonds—Reorganization Issues.
- Foreign Internal & External Bonds & Stocks—Foreign Exchange—Foreign Currency.
- New York City Bank Stocks—Insurance & Title Company Stocks.

40 EXCHANGE PLACE

NEW YORK 5, N. Y.

Telephone: HANover 2-2772

Bell Teletype: NY 1-423

We Invite Out-of-Town Dealer and Distributor Inquiries
on any Unlisted Security

ENTERPRISE WIRES:

BUFFALO
Enterprise 6109ROCHESTER
Enterprise 6170SYRACUSE
Enterprise 6170CINCINNATI
Enterprise 4000DETROIT
Enterprise 6089PITTSBURGH
WZ 10808ST. LOUIS
Enterprise 8800

Frank C. Masterson & Co.

Members New York Curb Exchange

64 Wall Street

New York 5, N. Y.

R. H. Johnson & Co.

Established 1927

INVESTMENT SECURITIES

64 WALL STREET

NEW YORK

Boston

Albany

Syracuse

Dallas, Texas

Troy

Wilkes Barre

Philadelphia

Buffalo

Pittsburgh

Williamsport, Pa.

We are specialists in the retail investment field. Our retail salesmen in eight states enable us to distribute, among real investors, large blocks of attractively situated bonds and stocks.

Is The Coming Boom In The Home Washing Machine Industry Already Discounted?

(Continued from page 920)

certain that Bendix, the pioneer in fully automatics, will lead the field. Westinghouse is advertising its "Laundrymat" (made under Bendix patents). Recently, General Electric began advertising its "all-electric laundry" and it is quite possible that one or two other, fully automatic washers will appear on the market in the year or two following the war's end. Perhaps Aviation Corporation will market one.

Automatics to Be in Greatest Demand

It appears that makers who are ready to deliver automatics with the least delay have the best profit prospects. Indications are that Bendix will be the first company able to supply a substantial volume of fully automatic washers. Primarily this appears to explain the boom in the stock. If only from 10 to 20% of the total demand, as indicated above, is supplied with automatics, it will mean a tremendous increase and Bendix should receive a substantial share of the orders.

Bendix—the Market Leader—Is Traded Over-the-Counter

It is of more than passing interest to note the difference in the price pattern of Bendix, the only over-the-counter stock in the "Big Seven," as compared with the six other large producers, one of which is listed on the Big Board, four on the Curb, and one in Chicago (see table below).

The accompanying ratio chart, which shows the exact relationship of the stock price trends of the "Big Seven" suggests that Apex Electric and Bendix have had pretty thin markets since early 1943. Actually, the graph on Bendix reflects only the monthly closing bid and asked prices which were conveniently available. If a detailed record of every day's trading had been considered, the Bendix graph would have the

solid pattern and appear more like the Maytag picture.

It is probable that during the last six months the most active market in the group has been Bendix, with Maytag next and then Easy. Trading in the others has been light and spotty.

Price-Earnings Ratios

The five years 1937-1941 are certainly a good period for observing the earning power of the washing machine industry. During this period there were both depression and prosperity years.

Price Earnings Ratios of Washing Machine Stocks

Name of Company	No. of Shares Outstanding	Recent Price	5 Year Aver. 1937-1941	Price Earnings Ratio
Apex Electric	90,000	18 1/4	\$1.28	14.7
Barlow & Seelig	120,000	13 1/4	0.97	14.2
Bendix Home Appliances	966,715	9 1/4	10.07	139.3
*Easy Washing Machine	443,225	8	0.37	21.6
Electric Household Utilities	386,992	13 1/4	0.51	26.7
Maytag Co.	1,617,921	10	0.31	32.3
Nineteen-Hundred Corp.	1330,331	10 1/4	1.40	7.8

*B stock—This has no voting power, but is the active market issue. †4 years 1938-1941. ‡B stock.

As shown by the table above, Apex Electric and Barlow and Seelig have relatively few shares outstanding. Thus their per-share earnings are correspondingly high, while at the same time trading in

these two issues is very inactive. Maytag, the only one of the group listed on the Big Board had a turnover of 231,900 shares (14.3% of the total shares outstanding) (Continued on page 948)

Bank and Insurance Stocks

Inquiries invited in all Unlisted Issues

Trading Department, L. A. GIBBS, Manager

LAIRD, BISSELL & MEEDS

MEMBERS NEW YORK STOCK EXCHANGE
120 BROADWAY, NEW YORK 5, N. Y.

Telephone Barclay 7-3500

DU PONT BUILDING
WILMINGTON, DEL.

Bell Teletype
NY 1-1248-49

1431 CHESTNUT STREET
PHILADELPHIA, PA.

DIRECT WIRE from COAST TO COAST

LUCKHURST & Co.

Members N. Y. Security Dealers' Assn.

60 Broad Street

New York 4, N. Y.

Traders

To market, to market,
To buy a few shares.
How busy the traders
Gath'ring their wares.
Now speed is their motto,
And none could be quicker,
With clusters of phones
And teletype tickers!
With stocks and with bonds
And with private wires—
Three cheers for the traders,
They're men we admire!

—E. Roberts Langenau.

PRIMARY MARKETS IN BANK and INSURANCE STOCKS

HUFF, GEYER & HECHT

New York 5
67 Wall Street
Whitehall 3-0782
NY 1-2875

Boston 9
10 Post Office Square
HUBbard 0650

Chicago 3
135 S. La Salle Street
FRanklin 7535
CG-105

PRIVATE WIRE SYSTEM CONNECTING: NEW YORK, BOSTON, CHICAGO
PHILADELPHIA, ST. LOUIS, LOS ANGELES, SAN FRANCISCO AND SEATTLE

TELEPHONES TO

HARTFORD, Enterprise 6011

PORTLAND, Enterprise 7008

PROVIDENCE, Enterprise 7008

The Dallas Bond Club



J. F. Jacques G. T. Hemmingson J. S. James, Jr. Rogers Ray

Directors: James F. Jacques, Dallas Rupe & Son; George T. Hemmingson, Crummer & Co. of Texas.; Joe M. Callihan; Judson S. James, James, Stayart & Davis; Secretary-Treasurer: Rogers Ray, Rauscher, Pierce & Co.

Specialists in Railroad Securities

- Guaranteed Railroad Stocks
 - Lease Line Railroad Securities
 - Underlying Mtge. Railroad Bonds
 - Minority Railway Stocks
 - Reorganization Railway Bonds
- Selected Situations at all Times

B. W. Pizzini & Co.

GUARANTEED RAILROAD STOCKS-BONDS

INCORPORATED
55 Broadway New York 6, N. Y.

ROGGENBURG & Co.

29 BROADWAY
Whitehall 3-3840

NEW YORK 6
Teletype: NY 1-1928

We are pleased to announce
the opening of a direct private wire
between our offices.

ZIPPIN & COMPANY

INCORPORATED

208 SO. LA SALLE ST.

CHICAGO 4

Randolph 4696

Dealers In

Over-The-Counter Securities

Servicing
Dealers
from
Coast
to
Coast

BLAIR F. CLAYBAUGH & CO.

Member Philadelphia Stock Exchange
Member New York Security Dealers Ass'n

72 WALL STREET, NEW YORK 5, N. Y.
Tel. Whitehall 3-0550 Tele. NY 1-2172
Syracuse Harrisburg Pittsburgh
Miami Beach

Own Private Wire System

Bond Traders Club Of Seattle



Sidney J. Sanders Jack E. Jones W. L. Stein E. D. Peterson

President: Sidney J. Sanders, Foster & Marshall; Vice-President: Jack E. Jones, Hartley Rogers & Co.; Treasurer: W. L. Stein, Bramhall & Stein; Secretary: E. D. Peterson, Drumheller, Ehrlichman Co.; National Committeeman: J. C. Phillips, Drumheller, Ehrlichman Co.

Trading Markets In
RAILROADS
PUBLIC UTILITIES
INDUSTRIALS

Fitzgerald & Company

40 Wall Street, New York 5

Bell Teletype—NY 1-2073

Telephone—Whitehall 3-9050

Direct Wire to DRAPER SEARS & CO., BOSTON

McLAUGHLIN, BAIRD & REUSS

Members New York Stock Exchange

BOND BROKERAGE SERVICE

Specializing in Railroad Securities

ONE WALL STREET

NEW YORK 5

Telephone HAnover 2-1355

Teletype—NY 1-1310

"INVEST IN THE WEST"

TRADING MARKETS



**PACIFIC COAST
SECURITIES**

MAXWELL, MARSHALL & CO.

Members Los Angeles Stock Exchange

647 S. SPRING ST.
LOS ANGELES 14

Direct Private Wire

40 WALL ST.
NEW YORK 5

PASADENA

BEVERLY HILLS

LONG BEACH

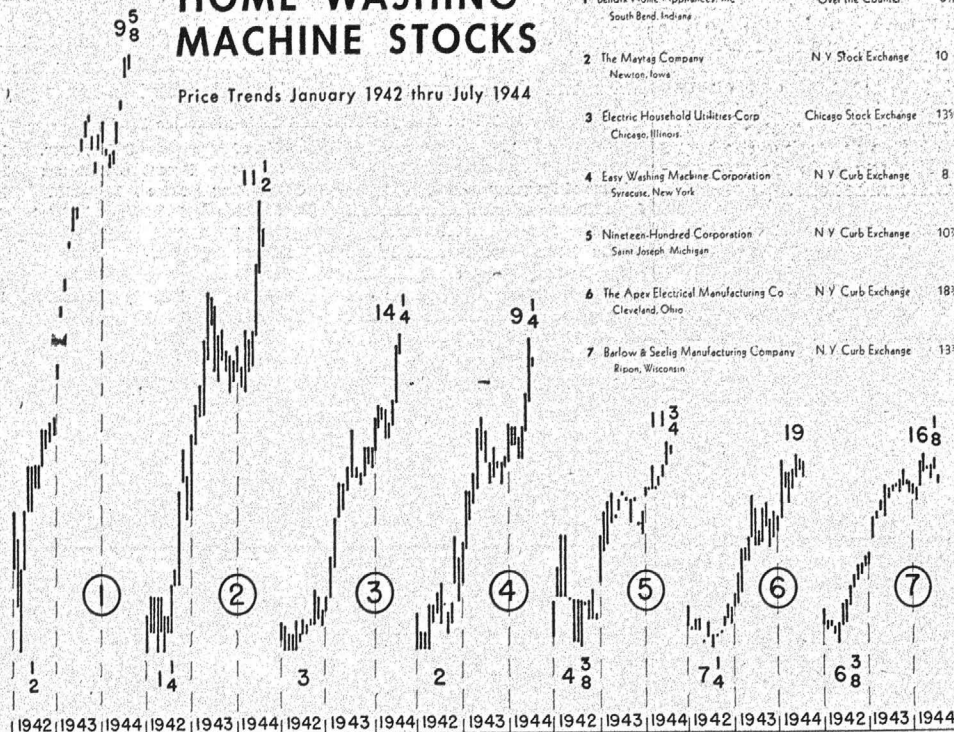
SAN DIEGO

Is The Coming Boom In The Home Washing Machine Industry Already Discounted?

(Continued from page 947)

HOME WASHING MACHINE STOCKS

Price Trends January 1942 thru July 1944



standing) in the first seven months of 1944. This compares with total volume of only 149,200 shares, or 9.2% of outstanding shares, in the whole year 1943. Although figures are not available, it is probable that all of the other stocks had good-sized volume increases during 1944, notably Bendix Home Appliances, which is the only over-the-counter stock in the group. One unlisted dealer is quote as believing that the activity in Bendix has exceeded that of Maytag thus far in 1944.

Certainly the outstanding stock, based on the ratio of the recent price to the five-year average earnings, is the Nineteen Hundred Corp. B stock, which now sells around 11 and averaged \$140 in annual earnings for the five-year period. This means that it is now available around 7.8 times its pre-war peacetime earnings. This is the company which supplies Sears, Roebuck with conventional-type washers.

The extraordinary high price-earnings ratio of 139.3 times the average earnings of the four years 1938-1941, shown for Bendix, is easily explainable by the fact that these were the initial four years in the company's history. During this time, a marketing organization was being forged, and all the difficulties of new production were being surmounted. Actually, Bendix's margin of profit per unit before marketing costs and taxes was far greater than any of the other companies during the year 1941, and it is likely to be substantially higher in postwar years. This should cause a large increase in the net when greatly increased volume is produced.

On past earnings, the Nineteen Hundred Corp. Class B stock appears to be the cheapest at current levels, while Bendix Home Appliances appears to have the most romance and future prospects.



LEBENTHAL & CO.

135 BROADWAY, NEW YORK 6, N.Y. • RECTOR 2-1737

Oldest House in America Specializing in
[ODD LOT MUNICIPAL BONDS]

Bell System Teletype NY 1-2272



**OVER - THE - COUNTER
SECURITIES**



FRANK C. MOORE CO.

42 Broadway, New York 4, N. Y.

Telephone WHITEHALL 3-9784-5-6

Teletype NY 1-110

MINING
OIL
INDUSTRIAL
PUBLIC UTILITY
OBSOLETE RAILROAD

ALL PENNY SHARES

L. D. SHERMAN & CO.

113 HUDSON ST., JERSEY CITY 2, N. J.

Whitehall 4-7970

Teletype—NY 1-2218

STOCKS

Attendance At The Convention

(Continued from page 927)

Chris. J. Newport
W. R. Newsom, Jr.
Harry Nicholson
Robert H. Nichols
Lowell Niebuhr
Richard Nongard
L. F. North
Larry Norton
Edwin P. O'Brien
H. C. O'Brien
J. J. O'Connor
Henry Oetjen
W. O. Olsen
Ray Olson
John M. O'Neill
Lt. Col. Owens
Lester Parker
E. E. Parsons, Jr.
John F. Partridge
Carr Payne
J. Lee Peeler
T. W. Pelton
Joseph G. Petersen
Herbert Pettey
Josef C. Phillips
Glen L. Pierce
B. Winthrop Pizzini
D. W. Plasterer
Claude G. Porter
Henri P. Pulver
T. J. Purcell
A. Buel Quirk
Ralph Randall
Glenn Ravenscroft
W. Guy Redman
John F. Reilly

Merrill Lynch, Pierce, Fenner & Beane
Sanders & Newsom
Kenneth Van Sickle Inc.
Barcus Kindred
Lowell Niebuhr & Co.
Stifel Nicolaus & Co.
The Wisconsin Co.
Remer Mitchell & Reitzel
Sincere & Co.
Katz & O'Brien
Doyle-O'Connor & Co.
Pflugfelder Bampton Rust
Kneeland & Co.
Stranahan Harris Co.
Stein Bros. & Boyce
Merrill Lynch, Pierce, Fenner & Beane
Wm. J. Mericka & Co.
Welsh Davis & Co.
Cumberland Securities
First Securities Corp.
Northwestern National Bank
Eckhardt-Petersen & Co.
Equitable Sec. Corp.
Drumheller Ehrlichman Co.
Western Union Tel. Co.
B. W. Pizzini & Co.
Hornblower & Weeks
Baker, Simonds & Co.
Goodbody & Co.
Sincere & Co.
M. A. Manley & Co.
Mason Moran
Ravenscroft & Co.
A. G. Edwards & Sons
J. F. Reilly & Co.

Chicago, Ill.
Dallas, Texas
Emporia, Kansas
Chicago, Ill.
Chicago, Ill.
Chicago, Ill.
Milwaukee, Wis.
Chicago, Ill.
Chicago, Ill.
Cincinnati, Ohio
Chicago, Ill.
New York, N. Y.
Chicago, Ill.
Chicago, Ill.
Baltimore, Md.
Chicago, Ill.
Cleveland, Ohio
Chicago, Ill.
Nashville, Tenn.
Durham, N. C.
Minneapolis, Minn.
St. Louis, Mo.
Nashville, Tenn.
Seattle, Wash.
Chicago, Ill.
New York, N. Y.
Cleveland, Ohio
Detroit, Mich.
Chicago, Ill.
Chicago, Ill.
Detroit, Mich.
Chicago, Ill.
Cedar Rapids, Ia.
St. Louis, Mo.
New York, N. Y.

Martin Remer
E. P. Renier
Carl H. Reusch
Al Reynolds
T. Leo Reynolds
Henry J. Richter
C. J. Robertson
E. S. Robinson
John C. Rogers
Stanley Roggenburg
John K. Roney
Frank Roos
M. C. Ruggles
J. N. Russell
Gerald Ryan
John J. Ryan
Joe L. Ryans
Arthur C. Sacco
M. A. Saunders
Walter F. Saunders
Francis D. Schas
Chas. G. Scheuer
Samuel Schnoff
J. W. Sener
Wm. J. Sennett, Jr.
D. B. Sherwood
R. E. Siefert
Harold Sinbac
John W. Smart
Dudley Smith
George W. Smith
Harold B. Smith
Kermit B. Sorum
Walter P. Space
William P. Springer
Lee R. Staib
J. R. Stamps
Paul Stephens
Remer Mitchell & Reitzel
Comstock & Co.
Fox Reusch & Co.
Commercial & Financial Chronicle
Paul H. Davis & Co.
Scherck, Richter Co.
Sills Minton & Co.
A. Webster Dougherty
Hickey & Co.
Roggenburg & Co.
Wm. C. Roney & Co.
Minneapolis, Minn.
Northern Trust Co.
Gillis, Russell & Co.
Peters Writer Christensen
J. B. Hanauer & Co.
Pacific Co. of Calif.
First Sec. Co. of Chicago
M. A. Saunders & Co.
Dominion Securities Corp.
Bullington-Schas & Co.
Valiquet & Co.
First National Bank
Mackubin, Legg & Co.
Clement Curtin & Co.
Stifel, Nicolaus & Co.
Stern Bros. & Co.
Remer Mitchell & Reitzel
Smart & Wagner
Investment Bankers
First Sec. Co. of Chicago
Collin Norton & Co.
Allison Williams Co.
Woodard-Elwood & Co.
Carl Marks & Co.
Geo. Eustis & Co.
Commerce Union Bank
Paine, Webber, Jackson & Curtis
(Continued on page 950)

Chicago, Ill.
Chicago, Ill.
Cincinnati, Ohio
Chicago, Ill.
Chicago, Ill.
St. Louis, Mo.
Chicago, Ill.
Philadelphia, Pa.
Chicago, Ill.
New York, N. Y.
Detroit, Mich.
Chicago, Ill.
Cleveland, Ohio
Denver, Colo.
Newark, N. J.
Los Angeles, Cal.
Chicago, Ill.
Memphis, Tenn.
New York, N. Y.
Memphis, Tenn.
Chicago, Ill.
Chicago, Ill.
Baltimore, Md.
Chicago, Ill.
Chicago, Ill.
Kansas City, Mo.
Chicago, Ill.
Louisville, Ky.
Chicago, Ill.
Chicago, Ill.
New York, N. Y.
Minneapolis, Minn.
Minneapolis, Minn.
Chicago, Ill.
Cincinnati, Ohio
Nashville, Tenn.
Chicago, Ill.

Bond Traders Club Of Kansas City, Mo.



Manuel R. Moubert Kneeland Jones

President: Manuel R. Moubert, Stern Bros. & Co.; Vice-President: Kneeland Jones, A. E. Weltner & Co.; Secretary-Treasurer: William B. Prugh, Prugh, Combest & Land.

Bond Club Of Houston

President: Edward Rotan, Geo. V. Rotan Co.

"Wake Up America!"

(Continued from page 946)
desire to defeat, away from the polls.

Two words often used in their publications are: they say one who will do their bidding is a "constructionist." One who will not follow their dictates is an "obstructionist."

They label anyone who has the courage to stand up and fight for our Constitution and Old Glory, and fight Communism in this country, as a Fascist. What they really mean is anti-Communist.

In conclusion, the program of the CIO Political Action Committee in this country today is by far the cleverest and most dangerous revolution that has ever hit this world. It is the program of Sidney Hillman and Earl Browder to take over our government.

They have found it expedient to work through the Democratic party, to take control of that party. And I say to you in all sincerity, my Democratic friends, that if you really love your party, and really want to save the party from ruin, you Jeffersonian Democrats will have to vote Republican this fall, to save the party of your political faith. Because, if the election is won by the Hillman and Browder forces, you will not have any party left.

If you are loyal, patriotic, red-blooded Americans, and believe in our free enterprise system of government, you will give in this campaign, be you Democrats or Republicans, far more than lip service.

We are all busy. But, gentlemen, if you do not wake up and take an interest in politics, you may not have any business to go to, after these enemies of our representative form of government take over.

Two years ago, I determined it to be my public duty to run for public office, and try in my small way to contribute something to getting rid of this bureaucracy, and dictatorial control that has been set up in this country under the present administration, which is so heavily infiltrated with these enemies of our Constitution.

The issue is very plain. This is your country. Do you want Sidney Hillman and Earl Browder to run it?

Dealers In Over-The-Counter Securities

C. E. STOLTZ CO.

25 Broad Street, New York 4, N. Y.

Telephone: HANover 2-1762

Specializing in Western New York Securities for 21 Years

Inquiries Invited

D. W. WALLACE

Marine Trust Bldg.

Buffalo 3, N. Y.

Bell System Teletype BU 180

POST-WAR EQUITIES

CANADIAN GOLD SHARES

Send for list of dividend payers and prospects in promising areas.

Orders executed on the Montreal and Toronto Stock Exchanges at regular commission rates, or bought and sold in New York at net American funds.

Direct Wire Facilities to Canada

CHARLES KING & CO.

Members Toronto Stock Exchange

61 Broadway, New York 6, N. Y.

BUFFALO BOLT

Prospectus Available on Request

DUREZ PLASTICS & CHEMICALS HOTELS STATLER

Descriptive Circulars on Request

DOOLITTLE, SCHOELLKOPF & CO.

Members New York Stock Exchange

Liberty Bank Bldg. Buffalo 2, New York

Bell System Teletype BU 46

Private Wires to Tucker, Anthony & Co., & Wertheim & Co., N. Y. C.

New Jersey Securities

Bank & Insurance Stocks

Corporate Securities

Real Estate Issues

PARKER & WEISENBORN, INC.

24 COMMERCE ST., NEWARK 2, N. J.

REctor 2-5211

Bell Teletype - NK 379

Market 2-3606

Essential Facts

on New Jersey Municipals included in our monthly publication

"The New Jersey Municipal Bond Market"

A copy will be mailed regularly upon request

J. B. HANAUER & CO.

1180 Raymond Blvd., Newark 2, N. J.

Telephone Mitchell 2-4995

New York Phone REctor 2-0150

Bell TWX - NK 370

Chicago Correspondents:
STRAUSS BROTHERS
Board of Trade Bldg.



Attendance At The Convention

(Continued from page 949)

Louis J. Sterling	Hirsch, Lillenthal & Co.	Chicago, Ill.
Orville H. Strong	First National Bank of Chi-	Chicago, Ill.
	cago	
Abraham Strauss	Strauss Bros.	New York, N. Y.
Robert Strauss	Strauss Bros.	Chicago, Ill.
A. A. Sullivan	Equitable Sec. Corp.	New York, N. Y.
Willis M. Summers	Troster, Currie & Summers	New York, N. Y.

Investment Traders Association Of Philadelphia



George J. Muller



Russell M. Dotts



John M. Hudson

President: George J. Muller, Janney & Co.; First Vice-President: Russell M. Dotts, Bioren & Co.; Second Vice-President: Edmund J. Davis, Rambo, Keen, Close & Kerner; Treasurer: John M. Hudson, Thayer, Baker & Co.; Secretary: Frederick S. Fischer, H. N. Nash & Co.

TRADING MARKETS

We maintain a continuing interest in:

Am. La France Foamite Corp.	Common
American States Utilities	Preferred
Autocar Company	Common
Bartgis Bros.	Common
E. & G. Brooke Iron	Common
Central Illinois Elec. & Gas	Common
Central Vermont Pub. Svc.	Common
Colorado Milling & Elevator	Preferred
Cinn. Ind. & Western	3-5/1965
Derby Gas & Electric	Common
Dodge Cork	Common
Federal Machine & Welder	Common
Eastern Corp.	Common
Eastern Corp.	5/1953
Foundation Company	Common
General Water, G. & E.	Pfd. & Com.
Hajoca Corp.	Common
Kansas Oklahoma & Gulf	5/1978
Lehigh Valley Transit	5/1960
Liberty Aircraft Products	Common
Long Bell Lumber	Common
Lukens Steel Co.	Common
Majestic Radio & Television	Common
Merchants Distilling Corp.	Common
Metal & Thermit	Common
Muskogee Co.	Com. & Pfd.
Penn Valley Crude Oil	"A" & "B"
Peoples Light & Power	Com. & Pfd.
Phila. Transportation Co.	Com. & Pfd.
Phila. Transportation Co.	3-6/2039
H. H. Robertson	Common
Safety Car Htg. & Ltg.	Common
Southwestern Pub. Serv.	Common
Timm Aircraft	
United Light & Rwy. W.I.	Common
U. S. Truck Lines	
Warner Company	Com. & Pfd.

BUCKLEY BROTHERS

Members New York Stock Exchange
Members Philadelphia Stock Exchange

1529 Walnut Street, Philadelphia 2
Bell System Teletype PH 265
Private Wire System to New York & Los Angeles

NEW YORK LOS ANGELES PITTSBURGH HAGERSTOWN, MD.

Jack Talbot

Clarence E. Taylor
Jerome F. Tegeler
Harry Tenenbaum

W. C. Thornburgh
A. B. Tilgham
Robert A. Torpie

Herman Tornga

Arthur Tresch
Raymond Trigger
Alfred W. Tryder
James C. Tucker
Fred R. Tuerk

Fred Ungeher

Edward V. Vallye
P. K. Van Winkle

George J. Vojta
Kenneth Van Sickle
Rus Vinnedge

Louis E. Walker
Robert C. Wallace
R. A. Walsh
Clarence J. Wass

C. W. Weathers
Arthur I. Webster
John H. Weedon
Joseph H. Weil
Edward H. Welch
George M. White
Andy Williams
Buford G. Wilson
Harry J. Wilson
Larry Wingader
Leo Wolf
Francis C. Woolard
Robert M. Woolfolk

Warren W. York
Ray Young

W. J. Zimmerman
Chas. M. Zingraf
Israel Zippin

Northwestern National Bank Minneapolis, Minn.
Lynchburg, Va.
St. Louis, Mo.
St. Louis, Mo.

Scott Horner & Mason
Dempsey-Tegeler & Co.
Peltason-Tenenbaum

W. C. Thornburgh Co.
A. G. Edwards & Sons
Merrill Lynch, Pierce Fen-
ner & Beane
DeYoung, Larson & Tornga

Braun, Bosworth & Co.
Investment Dealers Digest
W. H. Newbolds Son & Co.
Barcus Kindred
Cruttenden & Co.

Rogers & Tracy
Barcus, Kindred & Co.
Paine, Webber, Jackson &
Curtis

Northern Trust Co.
Kenneth Van Sickle, Inc.
Halsey, Stuart & Co.

National Quotation Bureau
Wm. C. Roney & Co.
Dempsey Tegeler & Co.
Mercier, McDowell &
Dolphyn

City Securities Corp.
E. W. Price & Co.
First National Bank
Weil & Arnold
Sincere & Co.
White & Company
Rogers & Tracy
Jack M. Bass & Co.
Barcus, Kindred & Co.
John Nuveen & Co.
A. G. Becker & Co.
Kneeland & Co.
Woolfolk Huggins & Shober

Warren W. York & Co.
Remer Mitchell & Reitzel
Bingham, Walker & Hurry
Lawrence M. Marks & Co.
Zippin & Co.

Cincinnati, Ohio
St. Louis, Mo.
New York, N. Y.

Grand Rapids, Mich.
Chicago, Ill.
New York, N. Y.
Philadelphia, Pa.
Chicago, Ill.
Chicago, Ill.

Chicago, Ill.

Chicago, Ill.
Chicago, Ill.

Chicago, Ill.
Emporia, Kansas
Chicago, Ill.

New York, N. Y.
Detroit, Mich.
St. Louis, Mo.
Detroit, Mich.

Indianapolis, Ind.
Kansas City, Mo.
Chicago, Ill.
New Orleans, La.
Chicago, Ill.
St. Louis, Mo.
Chicago, Ill.

Nashville, Tenn.
Chicago, Ill.
Chicago, Ill.
Chicago, Ill.
Chicago, Ill.

New Orleans, La.
Allentown, Pa.
Chicago, Ill.

Los Angeles, Cal.
New York, N. Y.
Chicago, Ill.

Capital Needs And Other Problems Of Small Business

(Continued from page 913)

mentation the figures would be astounding. And herein would be found one of the most harassing burdens and costs discouraging small business enterprisers.

The State and local legal barriers to doing business transcend all other trade barriers in business. The compliance with different local laws and tax and license requirements in every county, State and municipality, often drives small enterprises into bankruptcy, and new enterprises are sometimes overcome by these handicaps before they can get started.

In the past two years more than one million small businesses have ceased to exist, and only about one-half million new enterprises have been created. With the end of the war the great need for jobs brings to light the need for more employers. This loss of small business enterprises and the prohibitive restraints in starting new enterprises cannot be assigned to a shortage of capital.

Available Capital for Small Business

The Survey of Current Business of the United States Department of Commerce, the Security and Exchange Commission, and the Federal Reserve Bulletin have all pointed out the adequacy of capital for post-war conversion to the level of peace-time business before the war and with adequate capital for some expansion. These agencies are referring to the capital accumulated by business enterprises during the war.

In addition to the capital accumulations of business for post-war conversion and expansion there seems to be ample resources in banks and other financial agencies. The total deposits of all banks at the end of 1940 were 78 billions of dollars. These deposits had increased to 117 billions at the end of 1943, and are expected to reach approximately 150 billions in 1945. The loans of all banks have declined from 25 billions in 1940 to 19 billions at the end of 1943, and these loans can be expected to decline several billions more as the war financing passes.

The Federal Reserve banks have authority to make direct loans to business, and these loans have been increasing during the war period.

Consumer credit outstanding has declined from 8.7 billions at the end of 1940 to 4.8 (preliminary) May 31, 1944.

The sale of new securities in the capital markets declined to a little more than one billion in 1943, and the volume has remained low throughout 1944 to date. In 1936 the new securities marketed exceeded 4.5 billions.

All this evidence would indicate that there is no shortage of credit and capital for reconversion and post-war expansion.

But there are other restraints on both small and large business, which if removed would facilitate reconversion and expansion far more than riding the over-worked horse of cheap credit. Bankers have long known that they can hold down loans during boom periods when it seems that everyone wants to borrow. But they have never found the stimulant to encourage enterprisers to borrow just because money is cheap, unless the environment for economic progress and opportunities to make profits are encouraging.

The removal of unnecessary red tape and bureaucratic restrictions upon business enterprise and a tax system which will encourage men to try to make profits and build will do more to stimulate small business than more credit.

JANNEY & CO.

1529 Walnut Street, Philadelphia 2, Pa.

UNDERWRITERS & DISTRIBUTORS

Established 1907

Specializing in

PENNSYLVANIA TAX EXEMPT SECURITIES
PHILADELPHIA BANK and INSURANCE STOCKS
GUARANTEED RAILROAD STOCKS

Rittenhouse 7700 Bell System Teletype New York Telephone
Race 6726 PH 80 Rector 2-1282

STATE & MUNICIPAL BONDS

Specializing in

PENNSYLVANIA AND GENERAL
MARKET ISSUES

W. H. NEWBOLD'S SON & Co.

Members New York Stock Exchange
Philadelphia Stock Exchange
New York Curb Exchange (Assoc.)

1517 Locust Street

Philadelphia 2, Pa.

Philadelphia Telephone
Pennypacker 1234

New York Telephone
Bowling Green 9-2210

Bell System Teletype—PH 44

NSTA Municipal Committee Report

Thomas M. Graham, Chairman of the Municipal Committee of the National Security Traders Association, which in addition to Mr. Graham consists of J. Wallace Kingsbury, (Vice-Chairman, Kingsbury & Alvis, New Orleans), Joe H. Davis (First National Bank, Memphis, Tenn.), Raymond V. Condon (B. J. Van Ingen & Co., Chicago, Illinois), and Thomas Kemp (Thomas Kemp & Company, Los Angeles), made the following report to the Association at its annual meeting last Friday:

This past year, with the additional affiliates, the municipal membership of this organization is the largest in its 11 year history. Our Association has the broadest municipal membership of any organization in the securities industry with over 700 members who are officers or principals in their respective organizations. Being an organization of individuals, your Committee has been able to lead in all problems affecting the industry without involvements or commitments of firms as to policy matters.



Thomas Graham

The chairman and members of this Committee in the past have been the leaders in the municipal business and have left a splendid heritage of accomplishments which has spurred us on this year in the many problems which this Committee has undertaken. Russell Dotts, Chairman last year, worked in conjunction with Austin Tobin on the Port of New York Authority Case and took the lead in conjunction with Dave Wood in sponsoring the Boren Bill (H. R. 1502).

The Boren Bill has been one of the principal activities of this Committee during 1943-44. The contacting and educational work has been done thoroughly and as Chairman, I am very proud of the tremendous amount of work done by all members of the Committee and the fine spirit of cooperation shown in this endeavor by certain of the corporate members of this

Association. The hearings on the bill are tentatively set for Sept. 12 and we hope to succeed in having the bill reported out and passed before the election. The latter is important. Whether or not there is a political turn-over, we can expect many changes in the Securities Acts to make them function properly in the post-war era. Passage of the Boren Bill would be the first change in these Acts, sponsored by a Democrat and endorsed by both parties. The question of "State rights" which is the real keystone of this amendment is of prime concern to both Democratic and Republican members of Congress. The pendulum of bureaucracy has swung too far to the extreme damage of our country. The real question at stake is the continual usurping

of power by Federal bureaucracies and the struggle of state and local governments against this trend, in reality, the rights of people versus centralized government.

Your Chairman has made four trips to Washington regarding this legislation. There seems to be no opposition in Committee, or so far among the members of Congress, except two unfavorable memoranda of the SEC, which was to be expected. The grasping of power by the SEC beyond Congressional intent will be corrected by this bill, at least regarding municipal securities. This report does not go into any details about H. R. 1502 as all members of the municipal industry are now thoroughly familiar with its contents. (Continued on page 952)

Portland Bond Traders Club



Donald C. Sloan



Pat Courtney



Edw. E. Gutherless

President: Donald C. Sloan, Sloan & Wilcox; Vice-President: Pat Courtney, Conrad, Bruce & Co.; Secretary-Treasurer: Edward E. Gutherless, Blyth & Co., Inc.; National Committeeman: Donald C. Sloan.

—We have a continuing interest in—

James River Bridge w/s 2-6s	1967
Vicksburg Bridge w/s 4-6s	1968
Old Ben Coal w/s 6s	1948
East Penna. R. R. 1st 4s	1958
Penna. Gas & Elec. 1st 5s	1958
N. Y., Phila. & Norfolk St. Tr. 4s	1948
No. Penna. R. R. (Reg.) 3.3s	1953
Heyden Chemical	\$4 Pfd.
Thompson Products	5% Pfd.
Tacony Palmyra Bridge	5% Pfd.
Penna. Sugar Co.	5% Pfd.
Strawbridge & Clothier	\$5 Pfd.

GRAHAM, PARSONS & Co.

Established 1896

MEMBERS NEW YORK AND BOSTON STOCK EXCHANGES
1421 CHESTNUT STREET, PHILADELPHIA
BELL PHONE LOCUST 1100 BELL TELETYPE PH 292
NEW YORK BOSTON CHICAGO READING PITTSBURGH PROVIDENCE YORK

CLEARANCE FACILITIES

We offer to Brokers and Security Dealers an experienced department for handling the clearance of security transactions. Our facilities are of the best and the cost is very moderate.

Inquiries Invited

THE PENNSYLVANIA COMPANY

For Insurances on Lives and Granting Annuities

15th and Chestnut Streets
PHILADELPHIA 1, PA.

Member Federal Reserve System Member Federal Deposit Insurance Corp.

We specialize in

GENERAL MARKET SECURITIES

Tax Free in Pennsylvania

CITY OF PHILADELPHIA BONDS

DELAWARE RIVER JOINT COMMISSION
REFUNDING BRIDGE 2.70's

COMMONWEALTH OF PENNSYLVANIA
TURNPIKE REVENUE 3¾'s

YARNALL & Co.

Members New York Stock Exchange
Philadelphia Stock Exchange New York Curb Exchange (Assoc.)

1528 WALNUT ST., PHILADELPHIA 2, PA.

Bell System Teletype - PH 22

Direct New York Telephone to Montgomery, Scott & Co.—REctor 2-0790

Greetings and Best Wishes
from Philadelphia

TRADING DEPARTMENT PERSONNEL

R. VICTOR MOSLEY, VICE PRESIDENT

EDGAR L. HUNTER FRANK J. LAIRD	EQUIPMENT TRUST CERTIFICATES
L. WISTER RANDOLPH ALLEN B. FOARD, JR.	RAILROAD BONDS
THOMAS F. O'ROURKE JOHN K. RUCKDESCHEL	PUBLIC UTILITY BONDS & STOCKS
FRANK J. LAIRD	GUARANTEED & LEASED R. R.
WILLIAM CONGREVE MICHAEL J. RUDOLPH	MUNICIPAL BONDS
JOHN R. HUNT	SALES ORDER DEPARTMENT
EDWARD F. HIRSCH	STATISTICAL DEPARTMENT
WILLIAM PRESCOTT WATTS	RAILROAD BOND CONSULTANT

BELL SYSTEM TELETYPE - PH 296-297
NEW YORK WIRES - REC. 2-6528-29

STROUD & COMPANY INCORPORATED

123 S. BROAD STREET PHILADELPHIA 9, PA.

NEW YORK PITTSBURGH ALLENTOWN, PA. SCRANTON, PA. WILLIAMSPORT, PA. READING, PA.

NSTA Municipal Committee Report

(Continued from page 951)

tents and purposes. Digressing here, Representative Boren is one of the best and most helpful friends the security industry has—he is running for reelection this fall and will probably have "New Deal" and CIO opposition as he had in the primary; even \$5 a member contribution to his campaign would go a long way to offset this opposition. By the way, there are nine members of the present Congress who are or have been in the security business. This honor roll has been made a part of our program.

Congressman O'Neal of Kentucky of the firm of O'Neal, Alden & Company, has been most helpful in our various undertakings in Congress. Mr. O'Neal's

firm has two members who are members of the NSTA. Chairman Lea told Congressman O'Neal of Kentucky and your Chairman when we were discussing the Boren Bill that after the election, when political controversies didn't enter in, he was in favor of having public hearings to go over all acts pertaining to the securities business. The purpose would be to make them function to the best interest of our country after the war and make all corrections necessary to that end. This would call for hearings on Securities Acts of 1933-34, Stock Exchange Acts, Maloney Association Act and Investment Trust Act. The Municipal members of this Association

expect to lead the way by helping to pass the Boren Bill, after that we pledge our full cooperation to the four other important divisions of the securities business to help them work out their many problems.

It is estimated your Committee Chairman and members have spent personally over \$3,000 in their activities on the Boren Bill alone this year. No expense has been spared, but no expense item, except printing, stamps and stationery, has been paid by your Association. The only refund your Committee wants is to have continued cooperation by the whole organization in its activities. At this point we respectfully recommend as follows to the future

Presidents of the National Security Traders Association: It will be the policy of the NSTA Municipal Committee to have the Vice-Chairman succeed the Chairman each year; the retiring chairman shall be a member of the committee for two subsequent years. Also, we recommend that the name of the Committee be changed to "The Municipal Committee of the NSTA," deleting the word "Bond" in the title name. The purpose of this suggestion is to keep continuity of policy in effect and save the wasted time caused by having an entirely new Committee each year.

Many organizations have by resolution petitioned Congress to enact the Boren Bill. In practically every instance a member of your Committee was active in obtaining these endorsements. A list of the organizations endorsing this Bill has been made available

to all members of the municipal industry. We wish to thank Hazen Arnold, Chairman, and Dudley Smith, Secretary of the Municipal Committee of the IBA, for their splendid help and cooperation in all matters pertaining to the municipal business and its problems. We have worked together on H. R. 1502 effectively and Dudley Smith has ably coordinated the efforts of both organizations when necessary. Plans for the hearings on H. R. 1502, in so far as participation of the municipal business is concerned, will be worked out with Dudley Smith and Dave Wood.

The members of the Committee have had trading problems presented by our members and we are pleased to say the efforts have been helpful in ironing out various difficulties between firms having members in the NSTA. Attention has been given to legal and other problems affecting the industry, in all of which members of our Committee took an active interest and which we will discuss later in the meeting. Cliff Folger, President of the Investment Bankers Association, has been most helpful in connection with some of these problems and did effective work in Washington this last year. The Committee has endeavored to keep all affiliates, members of the National Committee and officers of our organization fully informed as to its activities.

It is a distinct pleasure to have at our meeting this year one of the leaders in the legal end of our business, Joe Matter, Honorable Lyle Boren, Number Three member of the Sub-Committee of the Interstate Commerce Committee having to do with the Securities industry, and many other distinguished guests. I wish to thank Perry Brown for giving all members of this Committee and the representatives of this Committee a chance to be of service to our industry this last year and to assure next year's Committee and the Chairman of our full cooperation. "The test of a man is the fight he makes—The test of an industry is the fight it makes." Many problems will be faced by your new Municipal Committee. Undoubtedly there will be an attempt next year to tax municipals, the exact method and plan depending largely on the results of the Presidential elections.

Your Chairman again wishes to thank every member of this committee for his effective work this last year and I am very proud to have the privilege of working with the members of the Municipal Fraternity and of being a small "Little Main Street" part thereof. I would like to suggest a "National Security Traders Association E to Representatives Jerry Glas, Tom Crumpton, Andy Tacus, Andy Mills and Ed Foley for efforts beyond the usual call of duty." Three members of this Committee resigned to go into the Service of our Country this last year: Lud Strader, of Scott, Horner & Mason, Lynchburg, Va.; Bud Hunt, of First Trust Company of Lincoln, Nebraska; and Henry Dahlberg, of Dahlberg, Durand & Company, Arizona. Please stand for a moment in honor of all our associates serving in the Armed Forces.

Respectfully submitted on behalf of the Municipal Committee of The National Security Traders Association.

DIRECT PRIVATE WIRE

• NEW YORK CITY

REED, LEAR & CO.

Members Pittsburgh Stock Exchange

• PITTSBURGH

E. W. & R. C. MILLER & CO.

123 SOUTH BROAD STREET
PHILADELPHIA, PA.

Members Philadelphia Stock Exchange

DEALERS AND BROKERS IN
RAILROAD, PUBLIC UTILITY AND
INDUSTRIAL SECURITIES

PENNYPACKER 1570

BELL TELETYPE PHILA 84

DIRECT TELEPHONE TO ASIEL & CO., N. Y.

UNLISTED

Railroad, Public Utility and Industrial
SECURITIES

We are interested in block offerings of listed and unlisted securities either for our own account or for distribution through our organization.

ESTABLISHED 1914

BOENNING & Co.

MEMBERS PHILADELPHIA STOCK EXCHANGE
MEMBERS NEW YORK CURB EXCHANGE (ASSOCIATE)

1606 Walnut Street
PHILADELPHIA 3, PA.

PENNYPACKER 8200
Race 3266

Bell System Teletype
PH 30

New York Telephone
COrtlandt 7-1202

KENNEDY AND CO.

Established 1923

Land Title Building
PHILADELPHIA 10, PA.

American Investment Securities

COMMON

Bought — Sold — Quoted

MEMBERS PHILADELPHIA STOCK EXCHANGE

Tel. Rittenhouse 3940
Race 6866

Bell System Teletype
PH 380

MONTGOMERY, SCOTT & Co.

MEMBERS OF

New York Stock Exchange
New York Curb Exchange
Philadelphia Stock Exchange

Chicago Stock Exchange
Chicago Board of Trade
Commodity Exchange, Inc.

123 SO. BROAD STREET — PHILADELPHIA, PA.

120 BROADWAY
NEW YORK

PHONES:

NEW YORK
REctor 2-0775

PHILADELPHIA
PennyPacker 7400

WHILE YOU WAIT...

on the telephone we can furnish accurate prices, past or current, on ANY UNLISTED SECURITY Few other dealers have accumulated a breadth of records such as those which enable us to offer this service.

LILLEY & CO.

Members Philadelphia Stock Exchange
Packard Building, Philadelphia 2
67 Wall Street, New York 5

Greetings From NSTA Officials Past and Present

(Continued from page 908)

WILLIS M. SUMMERS

This year we have met during a world conflict with our Armed



Willis M. Summers

Forces in action on many fronts. Among the participants in these battles are a number of members of our Association.

With this in mind, it is natural that the meeting of the National Committee has concentrated more than ever on the serious aspects of our business. I feel that for us, who are not in service, the most important task at hand is to do everything possible to make the over-the-counter business something really worthwhile for our boys to return to.

In this respect I am sure that NSTA will not be found wanting. My congratulations to Perry Brown and his officers, especially for the work they did in bringing in two new affiliates during the past year.

My best wishes to our new President for a successful administration.

Willis M. Summers

EDWARD D. JONES

Investors in the Middle West are beginning to analyze security offerings for post-war possibi-



Edward D. Jones

ties. General business is operating at 100%; railroads operating at capacity; crops are good and money is easy and plentiful.

We look forward for a good business in securities during the next three months.

Edward D. Jones

ARTHUR E. FARRELL

Ten years ago this month the NSTA was an idea. Thanks to the cooperation of its past officers with the members it is now a strong, aggressive organization. May it continue to grow with the interest of the individual trader its foremost objective.

The trader's primary interest is the over-the-counter market. The individual investor must be advised as to its importance, its method of operation and its dependability.

Mistakes have been made in the past. All indications point to another period of prosperity in this country. The security business should be a leader in this era and it should be conducted

honestly and above reproach. It is the duty of the NSTA and the individual trader to do their part



Arthur E. Farrell

in the accomplishment of this purpose.

Best wishes to the new officers.

Arthur E. Farrell

J. GENTRY DAGGY

Congratulations and best wishes to President Edward E. Parsons,



J. Gentry Daggy

Jr., and his able staff of officers. I am confident that NSTA enters its 12th year equipped and able

to carry forward its well-defined program of truth, enlightenment and integrity in business.

In retrospect, the NSTA appears to the writer to be growing in strength and influence as it gains in years and experience. It is first and foremost a voluntary association of individuals rather than a "must" society of firms. As such, its members may, without restrictions and without fear of penalties or reprisals, speak freely and constructively on matters of mutual concern, even though such topics may, upon occasion, be of a highly controversial nature. Thus, and thus only, are the best interests of those in business, and of the public, well served.

J. Gentry Daggy

HENRY J. ARNOLD

True and comprehensive policing to prevent irregularities that



Henry J. Arnold

reflect on the securities business is certainly to be much desired. (Continued on page 957)

Active Market in MERCHANTS DISTILLING (COMMON)

Geo. E. Snyder & Co.

Members of Philadelphia Stock Exchange
STOCK EXCHANGE BUILDING
PHILADELPHIA 2, PA.

Philadelphia Telephone
Rittenhouse 0308

Bell Teletype
PH 220

New York Telephone
Bowling Green 9-5860

Dealers Exclusively in MUNICIPAL BONDS

Pennsylvania

New Jersey

City of Philadelphia

City of Camden

High Grade General Market Bonds

A. WEBSTER DOUGHERTY & Co.

Municipal Bonds

1421 CHESTNUT STREET : PHILADELPHIA

Philadelphia
Rittenhouse 2580

Teletype
PH 70

New York
BOWling Green 9-8184

Announcing the appointment of

HILDA H. WILLIAMS

as our trader

LEWIS C. DICK CO.

1420 WALNUT STREET, PHILADELPHIA 2, PA.

Pennypacker 1787

New York Phone REctor 2-0037

Established 1910

BUTCHER & SHERRERD

Members New York Stock Exchange
Philadelphia Stock Exchange New York Curb Exchange (Assoc.)

CORPORATE TRADING DEPARTMENT

James J. McAtee
William J. Nichols
A. H. Fenstermacher

MUNICIPAL TRADING DEPARTMENT

Edward W. Kling
Robson L. Greer
George S. Burgess

1500 WALNUT STREET • PHILADELPHIA 2, PA.

Philadelphia Telephone
Pennypacker 2700

Teletype
PH 4

New York Telephone
Barclay 7-4641

SAMUEL K. PHILLIPS & CO.

ESTABLISHED 1904

Members Philadelphia Stock Exchange

PUBLIC UTILITY — INDUSTRIAL — RAILROAD
REAL ESTATE — TRANSIT
ISSUES

BANK AND INSURANCE STOCKS

Philadelphia Transportation Co.
All Issues

Philadelphia Real Estate Issues

1315 PACKARD BUILDING, PHILADELPHIA 2, PA.

Philadelphia
RITtenhouse 1700

Bell System Teletype
PH 375

New York
REctor 2-0037

DEALERS & BROKERS IN UNLISTED SECURITIES

Specializing in

PENNSYLVANIA

AND

NEW ENGLAND ISSUES

W. H. BELL & Co.

INCORPORATED

PHILADELPHIA 2, PA. 1500 Walnut Street
Pennypacker 8328
Teletype — PH 16

BOSTON 10, MASS. 49 Federal Street
Hubbard 0810
Teletype — BS 200

WASHINGTON 5, D. C. 1420 New York Avenue, N.W.
Executive 2288

New York Telephone CANal 6-4265

The Outlook For Public Utilities In Post-War Era

(Continued from page 909)

stantial decreases in volume of output but, in some of them, gross revenue will not be materially affected because more consumption by commercial and residential customers will offset the decline in revenues from industries and military establishments who received their service at rates lower than those necessarily charged commercial and residential customers. The time lag involved to accomplish this will vary according to the shifts in working population following the

close of the wars and to when customers can get new and additional appliances and when new homes are available for use.

Taxation of income has produced violent changes in the last few years, and will be a very important factor affecting net income in the post-war period. Legislative sentiment seems to be increasing to reduce substantially, if not eliminate, Federal excess profits taxes in the not distant future. These taxes during the war years have taken and will

take very substantial sums out of the earnings of utilities. While the excess profits taxes are in existence they will provide a cushion in the event of a serious decline in gross revenues. Recently several gentlemen whose opinions are of value and influence have advocated the elimination of all corporation income taxes. If this should be done, then certainly the net incomes of utilities will be well protected and in many cases increased. Personally, I do not expect to see the elimination of all Federal income taxation upon corporations, but a reduction of the normal and surtax rates would be very beneficial.

Operating costs are not expected to show any consequential relative increase. They ought not to be higher than, and in many cases may be below, costs during the war period. It is my belief that the properties of utility companies have been fairly well maintained during the war period, and no substantial amount of deferred maintenance exists, except possibly in isolated instances. A substantial amount of replacements will be necessary, but this generally will be paid for out of unexpended depreciation provisions of recent years.

By programs of debt reduction and refunding, cost of borrowed capital has been reduced by utilities to effective rates which are at a low point in the history of the industry. I know full well that in your business you have become fully acquainted with that fact. Costs for any additional borrowed money in the post-war period

very likely will be at effective rates not much different from the average of the past four or five years. Additional borrowing, however, will probably not be large. Through generous provisions for depreciation and retention of earnings, the utilities should meet a very large part of future construction costs.

Preferred stock refundings in recent years have materially reduced total amounts required for dividends, and the 16% Federal surtax credit has been of benefit to operating companies. There is good reason to believe that whatever portion of future financing is needed through equity money can be obtained at reasonable costs if the predicted favorable factors are then present. Utilities will not need additional capital unless the demands of their customers require very large additions to property and plant, and such demands should produce additional revenues to afford adequate return upon the new investment.

Most of these views are rather favorable. They will be wrong if the international and our national economies are not wisely planned and well executed. Wishful thinking won't do it. Good common sense must be employed by the legislative and executive branches of our city, State and national governments in cooperation with intelligent and progressive labor, industrial, agricultural, commercial and financial groups. The desire and the intent for successful accomplishment are present in the minds of many of the active leaders and workers in these groups. If reasonable and fair-minded people in these various groups make the necessary effort to guide and influence public thinking, then the

unfavorable factors will not prevail.

We hear a great many pessimistic forecasts by careful analysts of a general economic depression estimated by some to occur shortly after the end of hostilities due to the disturbances of prospective unemployment, demobilization of our armies, and dislocations caused by the terrific problems to be presented to industry due to contract termination, reconversion and disposition of surplus plants, equipment and materials in the hands of governments. Others estimate that the depression will occur following a post-war boom. The prospect of either is an exciting and serious challenge to everyone. If we fail to avoid or limit the effects of these unfavorable factors, utilities—in common with other businesses—will again feel the heavy hand of adversity. If the pessimists sit back waiting for a bear market, and if they induce others to adopt a defeatist attitude rather than to strive to avoid adversity, then we will all be in for more trouble. I am fully mindful of the fact that tremendous debts created to carry on the wars will be a burden and a problem. Whichever political party in this country wins the November elections—and it could be a divided result—the very highest type of farsightedness and fairness is essential on their part to carry out readjustments in the most beneficial manner for the entire nation. After the results are known, partisanship should be at a minimum. I hope that all concerned will rise to the full realization of their responsibilities, and I have a reasonable expectation that they will do so. This will involve greater broadmindedness and fairness on the part of regulatory bodies, both State and Federal. In rate case proceedings, accounting regulations, and in other determinations they have gone far enough, and in some cases I think they have gone beyond the point necessary to correct abuses and mistakes of the past. Some of the adjustments in holding company situations are still in process of being completed. The patterns of regulations should be, and I believe will be, more of reasonableness and less of experiment and harassment.

There is a substantial amount of competition between publicly-owned electric operations and those which are business-managed and pay very high taxes upon their income. Some of this tax discrimination, which constitutes a subsidy to the publicly-owned enterprises, may be removed by changes in the income tax laws, and there is a prospect that the unfairness of this discrimination will be realized sufficiently by legislative bodies to shrink it to small proportions if not remove it entirely. A large amount of the generating capacity owned by some of the Federal projects will probably be surplus capacity in the post-war years for some time to come. Its use, after military necessities are no longer existent, should not be to create further unfair competition. With minor exceptions, all classes of utilities should be on a common footing and pay their own way and share in the support of the cost of the war, its liquidation, and the post-war economy. I may be wrong in thinking that unfair competition has reached its peak and that a majority of voters and our national Congress do not wish to see industry socialized. The business-managed companies do not resent or fear fair competition.

You no doubt have reached the conclusion that I am somewhat optimistic about the possibilities for electric and gas utilities in the post-war era. We all have a big job ahead of us to bring about success. I believe that we will do it reasonably well.

WE are interested in receiving offerings of blocks of securities suitable for retail distribution.

BATTLES & COMPANY
INC.

1528 WALNUT STREET
PHILADELPHIA

90 BROAD STREET
NEW YORK CITY

Specialists in PHILADELPHIA BANK STOCKS INSURANCE STOCKS

also Pennsylvania, New Jersey, Delaware
and Maryland Bank Stocks

Dealers and Brokers in
RAILROAD, PUBLIC UTILITY AND
INDUSTRIAL SECURITIES

H. N. NASH & CO.

1421 Chestnut Street, Philadelphia 2, Pa.

Phila. Telephone
Locust 1477

New York Telephone
HANover 2-2280

Bell System Teletype PH 257

Correspondents for Huff, Geyer & Hecht with private wire connection

BIOREN & CO.

ESTABLISHED 1865

1508 WALNUT STREET
PHILADELPHIA 2, PA.

Members

New York Stock Exchange
New York Curb Exchange (Assoc.)
Philadelphia Stock Exchange

TRADING DEPARTMENT

Frank L. Whitley	-	-	(Railroads Public Utilities)
Thomas B. Krug	-	-	Real Estate Bonds
Russell M. Dotts	-	-	Municipal Bonds

Telephone
Pennypacker 9400

Bell System Teletype
PH 574

Private Phone W. E. Burnett & Co., N. Y.
HANover 2-9438

Primary Markets In All

Philadelphia Bank Stocks

Local Inactive Securities

Pennsylvania, New Jersey & Delaware Bank Stocks

Philadelphia Transportation Co. Issues

F. J. MORRISSEY & CO.

1510 Chestnut Street, Philadelphia 2, Pa.

Philadelphia Telephone Boston Telephone New York Telephone
Rittenhouse 8500 Enterprise 2050 Whitehall 4-1234
Bell System Teletype—PH 279

Penna. Salt Manufacturing Co. Com.
Penna. Power & Light Co. \$5 Pfd.
Penna. Power & Light Co. \$6 Pfd.
Penna. Power & Light Co. \$7 Pfd.
Phila. Electric Power Co. 8% Pfd.
Tacony-Palmyra Bridge Com.
Tacony-Palmyra Bridge Class "A"
Horn & Hardart Co. of N. Y. Com.
Horn & Hardart Baking Co. of Phila.

INQUIRIES INVITED.

JOHN G. HOPKINS & Co.

Members Philadelphia Stock Exchange

Dealers in Investment Securities

123 South Broad Street, Philadelphia 9, Penna.
Teletype PH 39

Practical Phases Of Post-War Municipal Financing

(Continued from page 912)

900 replied, and the specific projects of each city, the estimated cost, and the proposed method of financing the cost of each project are set forth in the report. These cities have plans for spending about \$5,000,000,000 within five years after the war has ended. Small cities planning large expenditures are Iron Mountain, Mich.; Big Springs, Tex.; Hickory, N. C.; Morgantown, W. Va., and Provo, Utah. As to the type of improvements contemplated, sewers and streets take first rank, public buildings, including schools, rank next, water systems come third, and airports fourth.

If all of the work indicated in these reports were actually to be done in the post-war period, and if all of it were to be financed through the issuance of bonds, those of us here could anticipate a protracted period of heavy work, little sleep, and upper-bracket income taxes. We must assume, however, that some of these plans represent air-castles which will never be built and, more important, we must remember that only a part of the cost of the projects will be financed with bonds. States and municipalities have been accumulating large reserves for the post-war period. Part of these reserves will be spent for deferred maintenance, but a substantial part of the cost of the planned new projects will also be paid from these reserves, and from current revenues. As an example, the City Managers' Association report shows that 106 cities out of 120 of over 25,000 expect so to finance at least a part of their projects. Larger cities expecting to finance utility extensions with revenue bonds are Cleveland, Detroit, Los Angeles, Philadelphia and St. Louis. Of 101 cities having between 10,000 and 25,000 population, 93 expect to finance some of their projects through general obligation bonds; 41 expect to finance all of their projects through the issuance of such bonds, and 69 plan to issue such bonds for public buildings.

In considering the probable volume of post-war municipals, you must of course keep always in mind the possibility that future municipals may be made subject to Federal taxation. If this were to happen, not only would the volume of issues be affected, but distribution would be substantially altered.

So much for the probable volume of post-war municipal business. Even a conservative view indicates that we have several very busy years ahead of us. Let me now call to your attention a radical change in the nature of post-war municipal securities which is very possibly going to occur and which will call for some interesting pioneering on our part, both dealers and lawyers. Will Rogers used to say that there's a lot of difference between pioneering for gold and pioneering for spinach. The constructive type of pioneering which we now have the opportunity to do will not be in the latter class.

Up to now municipalities have relied on ad valorem taxes as their principal source of revenue, and most municipal obligations have been payable from that source. Students of the subject believe that in the future municipalities will have to rely more and more on other types of revenue. If this happens the nature of municipal obligations must be correspondingly revised. There was an excellent article on the subject in "Fortune" for July of this year. In addition, I refer you to valuable material in the Municipal Year Book for 1944, in the report published last year by the Treasury Department's Committee on Intergovernmental Fiscal Relations, and in Booklet No. 86 of the Public Administration Service.

These studies take note of decreasing real estate valuations and accept it as true that this decrease will continue. Decentralization of population and industry, growth of blighted areas within city limits, removal of taxpayers to suburban areas, elimination of property from the tax rolls because of Government ownership, and the gradual conversion of wealth to corporate form, all make ad valorem taxes less productive, and, taken in conjunction with the continued increase in the scope and cost of services rendered by cities to their inhabitants, will eventually threaten cities with bankruptcy even while the wealth within their limits is increasing, unless their fiscal structures are brought into line with modern requirements. Most of the other main fields of taxation, which are immensely more productive than ad valorem taxes, are presently at the disposal of only the Federal and State governments, and means must be found to share them with municipalities, if municipalities are to be expected to accomplish the great public undertakings which will clear the way for large-scale private development. A step in this direction has been taken by the 17 State Legislatures which have now adopted resolutions approving the projected amendment to the United States Constitution which would limit Federal taxes on incomes, gifts and inheritances to 25% except in time of war.

In 1943 alone, 10% of our cities which have over 10,000 population were forced to seek new sources of revenue. These sources included garbage collection charges, sewer rentals, special business license fees, taxes on the income of public utilities, occupation taxes, parking meters, a tax on the gross receipts of every business in the city, street rental charges for public conveyances, taxes on cigarettes, admission taxes, and licenses for bicycles, bathing beaches and Sunday movies. Some States shared with their cities the proceeds of State sales taxes, cigarette taxes and liquor profits. The State of Washington withdrew from the amusement tax field in order that its

cities might take over, and in addition distributed to its cities \$2,000,000 from its general fund. This sharing of State tax collections would seem to offer more hope to municipalities than the local development of miscellaneous sources of revenue but is otherwise undesirable in that increased reliance on the central government necessarily tends to relegate local government to a subordinate position.

There have been two departures of these kinds which are of especial interest. Philadelphia has imposed a wage tax of 1% on all persons or corporations earning money in Philadelphia. This tax has been held to be legal, and to be collectible from Federal as well as private employees. Detroit and several neighboring cities have passed ordinances to capture as municipal revenues sums which private utilities would otherwise pay as excess profits taxes. The legality of this tax is now before the courts. A parallel development occurred in the District of Columbia when its Public Utilities Commission ordered the local power company to reduce its rates so as to eliminate the payment of Federal excess profits taxes.

It is generally agreed that revenue bonds will become increasingly important in the post-war world. They have proved their stability during the past 15 years. The pros and cons of municipal ownership of utilities have been and will continue to be vigorously discussed, but the majority of the persons whom I have read and with whom I have discussed the subject believe that eventually private ownership of public utilities will disappear. Operating economies incident to municipal ownership—and these do not involve only the heavy savings in Federal taxes—are, in the opinion of these observers, substantial. Present Federal pressure exercised by SEC and other regulatory bodies which is causing the sale of utilities by private owners may remain even though a change in administration occurs in January. Municipal and Government operation is considered to have proved itself efficient. TVA rates to con-

Twin City Bond Traders Club



Maynard Rue Paul Matsche Oscar M. Bergman O. Jack Talbot

President: Maynard Rue, J. M. Dain & Co.; Vice-President: Paul Matsche, Paine, Webber, Jackson & Curtis; Secretary: Oscar Bergman, Allison-Williams Co.; Treasurer: O. Jack Talbot, Northwestern National Bank; National Committeeman: Walter Space, Woodard-Elwood & Co.

sumers are cited (an average rate of under two cents per kilowatt to the individuals consumer as compared with an average rate of 3% cents for the nation as a whole), and TVA's record in research and war production has been impressive. The profits to be derived by municipalities from utility ownership will help replace waning ad valorem tax revenues and will cause pressure for municipal acquisitions to be applied increasingly by the municipalities themselves.

The field of revenue bond fi-

ancing is as yet largely untouched. While about 70% of our cities of over 5,000 population own their water systems, less than half own sewage treatment plants, only 20% own their electric distribution systems, 20% own airports, 20% own auditoriums, 4% own their gas systems, and only 2% own transportation systems. In addition, many cities now owning utilities will wish to finance post-war extensions. The resumption of normal automobile traffic will release much bridge

(Continued on page 956)

To the Chicago Committee
And All the Brothers—

Our Compliments

Kermit B. Sorum — Oscar M. Bergman

ALLISON-WILLIAMS COMPANY
MINNEAPOLIS

WOODARD - ELWOOD & Co.
RAND TOWER
MINNEAPOLIS

Send Your Inquiries on
WISCONSIN SECURITIES

to

THE WISCONSIN COMPANY
110 EAST WISCONSIN AVENUE
Milwaukee 1

Branch Offices
MADISON OSHKOSH WAUSAU

WISCONSIN
Stocks and Bonds

LOEWI & CO.

225 E. Mason Street
MILWAUKEE 2

Bell Teletype
Milwaukee 55

Telephone
Daly 5392

Chicago Phone State 0933

Greetings from Milwaukee

If it's in **WISCONSIN**

ask us for

Quotes . .

Bids . .

Offerings . .

RILEY & COMPANY
FIRST WISCONSIN NAT'L BANK BLDG.
MILWAUKEE 2

Daly 6500

Teletype Mi-260

Some Practical Phases Of Post-War Municipal Financing

(Continued from page 955)

and tunnel financing—we have in our office alone at least 15 or 20 such transactions on which work was actively in progress when the war interrupted it. Parking terminals are coming into consideration. New municipal airports and the improvement of existing airports will be in wide demand after the war, and the present trend toward State and municipally-owned port and harbor facilities seems apt to continue. Sewer revenue financing is developing, although here we still have problems to work out involving the best basis on which to fix service charges and adequate methods of enforcement. For

that matter, the whole revenue bond field is of course in constant development. Each indenture we write suggests some details which are improved, and close cooperation between dealers and attorneys, with careful attention to the individual peculiarities of each transaction, will result in continued progress.

If you are interested in knowing what municipalities in your respective territories have yet to acquire their utilities, I again refer you to the Municipal Year Book for 1944. You will find there a list of all cities having over 5,000 population, together with a statement of the utilities which each now owns, and other pertinent data.

There are variations in revenue bonds which will be developed. In some instances the net revenues of the project do not provide an adequate surplus over actual debt service requirements to make the bonds attractive. In such cases a general obligation feature might be incorporated in the bond to guarantee its payment, and the value of the bond would be increased, even though the city expected as a matter of practice to retire the bonds from the revenues of the project. Another expedient sometimes used in such cases is to provide for maintenance of the project from outside funds, and sometimes the project can be leased in such way as to accomplish the desired result. "Special fund" bonds, by which we mean bonds payable solely from one specified source which may or may not have a relation to the purpose for which the bonds are issued, will, I think, come into more general use. This should be especially true as mu-

nicipalities come to rely more and more on revenues other than ad valorem taxes. New proceedings for the issuance of bonds will have to be devised as this comes to pass. Bonds may come to be made payable under their specific terms from every source of municipal revenue, and methods of allocation and enforcement will then need to be provided in the bond proceedings.

A final question which interests us now is what we can do pending the end of the war to clear the way for the post-war business we anticipate. This period of quiet really gives us a splendid opportunity to make changes and do some constructive rebuilding which we could not do in normal times. At least two things can be done between now and next summer which will put both municipalities and dealers in substantially better position to enter the field of post-war financing.

First, we can assist the municipalities in planning sound, well-financed projects. There should be no more leaf-raking, "make-work" projects after this war. You dealers, as well as we lawyers, will be consulted by many municipalities. Ordinarily, when public officials come to us bond attorneys for help in planning, we outline for them what can be legally done, give such general advice as we can, and then suggest that they discuss financial details with the bankers to whom they have sold their securities in the past. If you will take the initiative and will contact the municipal units in your respective territories, discuss their post-war projects with them, and give them the suggestions for sound financing which I know you can, you will be not only rendering invaluable service to the units, but will be building future business for yourselves.

Secondly, and of great importance, much new legislation is needed. The Legislatures of most of the States meet next spring. New highway laws which are needed have already been outlined. Few of the States have

really satisfactory revenue bond laws. Probably no State has laws which would permit all types of revenue financing which I have mentioned this afternoon. Certainly no State now has laws which would make available to municipalities the revised types of revenues which we have been discussing and which would permit the issuance of bonds secured by such revenues. Few groups of men have the legislative influence in their respective States which you do. We bond attorneys, with your assistance and suggestions, can draft the needed laws. You dealers, working with the public officials in your States, must arrange for such drafting and assist in obtaining enactment.

I should say that our opportunities during the next nine months—and our responsibilities—are almost unlimited. It has been said that while some men grow under responsibility, others merely swell. It has been further said that a politician thinks of the next election; a statesman, of the next generation. We can doubtless enjoy much post-war business if we do nothing but sit around waiting for it to come. But we can enjoy more, and we can help municipal finance for year to come if we will without delay start doing the things which should be done this year. I am told that the classification of essential occupations put out by the Selective Service Office puts dealers in bonds—and presumably bond attorneys along with them—next to the bottom of the list, coming ahead only of the glassblowers. Perhaps the work we will do these next 12 months will prove that we deserve a higher rating.

I have trespassed on your patience too long. Henry Thoreau once said that the greatest compliment ever paid him was when one asked him what he thought, and attended to his answer. You have paid me that compliment. Please know that I deeply appreciate both the privilege of addressing you and the courtesy with which you have listened.

Men In The Service

(Continued from page 914)

Municipal Bond Club of Memphis

Frank Frederic
Jack Galbreath
Early Mitchell
M. A. Saunders, Jr.
Hugh Sinclair

Security Traders Club of Saint Louis

Thomas Ayres
Victor Battenfeld
Charles Baucom
Joseph Bronemeier
John Bunn
Clyde Clark
Earl Essert
Edw. E. Haverstick, Jr.
Hayward F. Hoch
Edw. J. Holstein
Wickham Moore
Edw. Morfeld
Lowell Newcomb
Frank E. Pelton, Jr.
Tarleton Redden
Oscar W. Rexford
Herbert M. Roach
George Ryan
Elliott H. Stein
Wm. H. Taussig
Kenneth Theiling
Vincent Zerega

Dallas Bond Club

Thomas Beckett
James S. Carroll
O. V. Cecil
Wm. N. Edwards
Landon A. Freear
R. R. Gilbert, Jr.
M. A. Hagberg
John P. Hall
B. F. Houston
A. B. Huguenin
W. C. Jackson, Jr.
Frank Miller
M. W. Moore
Jack G. Moss
Will Miller
Halsey Settle
Wm. P. Smallwood
Fritz Stewart
Joe B. Warren

New Orleans Security Traders Association

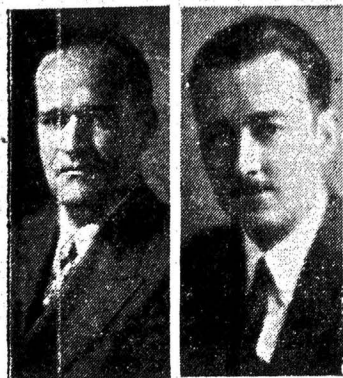
Ladd Dinkins
Walter D. Dunbar
F. Wesley Gleason
Ford Hardy
A. M. Leary, Jr.
Charles W. Manion
Jos. P. Minetree
Leon Newman
Morris W. Newman
Rudolph Schjott
E. Palmer Smith
Roswell J. Weil
Walter Weil, Jr.
Frank Williams

Boston Securities Traders Association

Edward S. Amazeen
H. Hale Atherton
Albert W. Baker
H. N. Bernard, Jr.
Frank S. Breen
Charles C. Clarke
Frank Coghill
Gerald S. Colby
John J. D'Arcy
John L. Daley
Russell Dean
Warren Donovan
Alvin A. Dykes
David A. Fitzgerald
J. L. R. French
James H. Goddard
David A. Haley
Birney S. Halliwell
Frederick L. Harson
Edward Herlihy
Robert U. Ingalls
Samuel G. Jarvis
G. Carleton Jordan
Nicholas Lamont
John H. Lawson
Carl A. Levine
Gilbert M. Lothrop
William Lundy
Harold Madary
John J. McAuliffe

(Continued on page 957)

San Francisco Bond Traders Association



F. A. Baker, Jr. J. F. Sullivan

President: F. A. Baker Jr., Dean Witter & Co.; Vice-President: George G. Kammerer, J. S. Strauss & Co.; Secretary-Treasurer: John F. Sullivan, Bankamerica Co.

UTILITY PREFERRED

Brush, Slocumb & Co.

1 Montgomery Street, San Francisco 4
Bell Teletype - SF 70

Private Wire to
Paine, Webber, Jackson & Curtis, New York

Southern California

Stocks—Bonds

Member Los Angeles Stock Exchange

TURNER-POINDEXTER & Co.

LOS ANGELES 14, CALIF.

for
Communication

BELL SYSTEM
TELETYPE
LA 23 LA 24

LOS ANGELES
PHONE
VANDIKE 1071

60 Private Lines to
Banks & Investment
Houses

Akin-Lambert Co.
MEMBERS
LOS ANGELES STOCK EXCHANGE
SAN FRANCISCO STOCK EXCHANGE
Established 1921

Specializing in
ALL INVESTMENT TRUST SHARES
PACIFIC COAST BONDS
UNLISTED STOCKS

Brokers in
ISSUES LISTED ON
ALL EXCHANGES

639 South Spring Street, Los Angeles 14, California

COVERING
ALL
Important
CALIFORNIA
INVESTMENT
SECURITY
MARKETS

BANKAMERICA COMPANY

Investment Securities

SAN FRANCISCO LOS ANGELES
300 Montgomery Street 650 S. Spring Street
Offices in Principal California Cities



MEN IN THE SERVICE

(Continued from page 956)

Walter O. Minter
Arthur D. Noble
Robert Parmenter
J. Russell Potter
Arthur H. Reilly
Joseph M. Rinaldi
Joseph F. Robbins
E. J. Ryall
John L. Shea, Jr.
Paul D. Sheeline
Wm. T. Skinner, Jr.
J. Perry Smith, Jr.
Charles W. Stevens
Paul Sughrue
Walter T. Swift
Frank E. Voysey
Robert S. Weeks, Jr.
Charles H. Wilkins
Herbert W. Young

The Investment Traders Association of Philadelphia

William C. Appleton
Leonard S. Bailey
A. William Battin
Herbert H. Blizzard
Henry D. Boenning, Jr.
Samuel S. Boston
Thomas A. Bowers
John L. Brant
Ferreer Brinton
G. Robert Brooks
Carlos Cardeza
G. Leslie Carter
Edgar R. Christian
Joseph Cummings
Robert R. Daffron
Donald W. Darby
John H. Derrickson
Cornelius A. Dorsey
John F. Fant
William Gerstley
Freeman Grant
Frank E. Haas
Charles E. Halcomb
Carl A. Haller
Harry T. Harper
William K. Hartzell
Eugene Hemphill
James Heward
George R. Kemon
Benjamin H. Lowry
James B. MacFarland
Stephen Massey
Alfred R. McBride
John A. Milburn
Richard H. Oller
Newton H. Parkes
Carl T. Pattison
Henry T. Patton
Edward J. Phillips
J. Leslie Rogers
Joseph Smith
John B. Swann
Alfred S. Warner
Harry C. Welsh
E. Coit Williamson
John W. Wurts
C. Howle Young

Florida Bond Traders Club

R. T. Ackman
A. R. Morrison
A. M. Seaber
R. T. Sterling
H. S. Wheeler
Harry Wilson

The Cincinnati Stock & Bond Club, Inc.

Richard C. Crisler
Walter J. Dehner
George Eustis
Harry A. Filder, Jr.
Carl Gearhardt
Paul W. Glenn
George T. Grady
Paul C. Hood
George H. Kountz
M. Herbert Oettinger
George F. Oswald
Gordon Reis, Jr.
Jack C. Siegman
Joseph R. Work

Cleveland Security Traders Association

Dana F. Baxter
Howard J. Eble
Clemens E. Gunn
Michael Hardony
Martin J. Long
Frank W. Morrow
Charles J. Nash
Richard D. Palmer
Francis J. Patrick
Art Randall
Russell K. Rowley
Harmon G. Rudin
Russell G. Wardley
Robert E. Weaver

San Francisco Bond Traders Association

Hodge Davidson
Arthur Dolan, Jr.
Chester Glass, Jr.
Donald Graham, Jr.
Gareth Kellam
Jackson Palmer
Earl Parker
Thomas Petersen, Jr.
Bert Ricketts
Andy Steen
James Stewart
Emmet Whitaker

Security Traders Association of New York

Philip T. Barmonde
Walter V. Bradley
Victor J. Brady
James Brewer, 3rd
George Brooks
Harold Brown
Henry W. Byrne
Joseph C. Cabbie
Edward L. Chapman
James D. Cleland
George E. Dedrick
John J. Doherty
Joseph F. Donadio
Frank J. Elliott
Gordon R. Foote
William Frankel
James G. Fraser
Harry T. Gallaher
L. J. Goldwater
Richard H. Goodman

Willard S. Gourse
H. Fraser Gurley
Harry J. Hardy
Edward Horn
Clinton G. Hough
A. C. Huff, Jr.
Irving Isaac
Allan Kadell
Charles E. Kimball
George Kranz
Joseph D. Krasowich
Gustave L. Levy
Irving Manney
Frank V. McKenna
James J. McLean
Milton S. Meyer
C. Benjamin Mitchell
Richard B. Montanye
Kenneth Murphy
James F. Musson
Frederick A. Pakas
Howard C. Parsons
Howard Patterson
Stanley Pelz
Peter R. Pielsticker
Walter B. Pierce
Rakenius J. Possel
J. McGilverey Powell
John G. Preller
Peyton A. Randolph
David Saltzman
Joseph Schrank
Eliot H. Sharp
Sidney A. Siegel
O. R. Stoll
Charles N. Stonebridge
William J. Tetmeyer
William A. Titus, Jr.
James Torpie
Belmont Towbin
Oliver J. Troster
Arthur S. Vare
John Voorhis
Graham Walker
Herbert Washer
Edmund A. Whiting

Greelings From NSTA Officials Past And Present

(Continued from page 953)

Steps in this direction have been taken. Certainly there is nothing obnoxious about laws that have been written. There seems to be, however, a danger of over-zealousness in regulation which, while seemingly accepted in acquiescence by those of us in the industry, tends to discourage and irritate the investing public.

From its inception as more or less a social organization NSTA has matured to take its rightful place as a factor in constructive progress. It is the solemn obligation of our officers and each and every one of us to leave no

stone unturned to help simplify and clarify the laws governing our business and the administration thereof.

Through fraternal relationship, we have in a short span of years brought the trading business to the front as a model of propriety. Of this fact we can all be justly proud. In view of this accomplishment, it is a natural assumption that we can be of vast help in molding the economy of the immediate future and the post-war period that now begins to seem imminent.

Henry J. Arnold

Security Traders Association of Connecticut

Bruce H. Beal
E. Holbrook Bradley
Frank Silento
Loring Griggs
Donald Jacobs
William Lally
Thomas McGuinness
Raymond Smith

Twin City Bond Traders Club

Donald N. Anderson
Bernard Decheine
William T. Howard

George V. Jackish
Joseph E. Masek
Arthur H. Rand, Jr.
William E. Ritt

Securities Traders Association of Detroit and Michigan, Inc.

Charles C. Bechtel
Harry V. Buckle
Thomas S. Clayton
H. Samuel Greenawalt
Fred O. Guider
Kenneth H. Owens
Herbert J. Schollenberger
David D. Williams
John C. Wright
Arthur J. Zuber

Drumheller, Ehrlichman Company
ESTABLISHED 1921

PACIFIC NORTHWEST SECURITIES

Washington Municipals
Western Canadians

Lumber, Pulp, Timber Issues
Pacific Northwest Utilities
Washington Industrials

501
EXCHANGE BLDG.
SEATTLE 14,
WASHINGTON
Teletype—SE 187
SE 188

HARTLEY ROGERS & COMPANY

Bell Teletype—SE 168

We invite your inquiries

on

**Pacific Northwest
Utilities
Municipals
Industrials
Real Estates**

**Accurate
Trading Markets
Retail Placement
Current Information**

HARTLEY ROGERS & COMPANY

SEATTLE 1

1411-4th Ave. Seneca 2000

GRANDE & CO.

INCORPORATED

SPECIALIZING IN
**PACIFIC NORTHWEST MUNICIPAL and
CORPORATION BONDS and
INVESTMENT STOCKS**

HOGE BUILDING
SEATTLE 4, WASHINGTON

Telephone MAin 6832
Bell Teletype SE 196

Pacific Northwest Securities

**Municipal & Corporation Bonds
Investment Stocks**

Bought — Sold — Quoted

Private Wire to New York

FOSTER & MARSHALL

Members
New York Stock Exchange
New York Curb (Associate)

1411 Fourth Avenue Bldg.
SEATTLE 1, WASH.

1208 Porter Bldg.
PORTLAND 4, OREGON

Easing Collateral Loan Restrictions On Inactive Securities As An Aid To Small Business

(Continued on page 945)
the opposite in another locality, and different circumstances alter cases. On one occasion the writer was examining the assets of a large Southern life insurance company. To his amazement, he found that a substantial portion of the company's investments comprised mortgages on rural church buildings. When this fact was mentioned to a banker in the vicinity he said: "Any time the company wants to dispose of those

mortgages at face value, I'll take them. They are the safest real estate investment in this part of the country. There is probably not one of those mortgages that is not directly guaranteed or backed up by several well-to-do individuals of the neighborhood, who would regard it as a disgrace to themselves to have the mortgage foreclosed. Besides, it would not take much effort on the part of the church members, through solicitations and voluntary con-

tributions, to meet interest and amortization payments. But I would not say the same regarding a rich man's clubhouse here. A mortgage on that would be a risky investment."

It has been a common belief, as well as a general practice, that only listed securities should qualify as collateral for loans, and that local or unlisted securities are not readily marketable. Experience has proven, however, that even listed securities are not always the most readily marketable and, moreover, they are not always the most resistant to rapid and excited price declines. This is due, undoubtedly, in large part, to the greater factor of speculation in the pricing of listed and readily marketable securities. These are apt, at times, to sell, relatively, more above their intrinsic value as investments than the local or inactive groups. Yet, under banking regulations, banks are severely restricted or discouraged in making loans with inactive or local securities as collateral. This policy handicaps the financing of small or local enterprises. It tends to drive them into the maws of their larger competitors, who in many instances have liquidated them merely to get them out of the way as nuisance competitors.

In these days of capitalistic production the creation and expansion of business undertakings is, in most instances, largely dependent on access to the capital market for funds. The individual investors who supply these funds want not only marketability

for their commitments, but they want the facility of using them as collateral to obtain cash in case of need. Place undue or discriminating restrictions on using securities having intrinsic value as collateral for loans, and you deal a severe blow to investment in the securities of small or local business concerns.

Over-the-counter security dealers and underwriters of all groups, both large and small, like many other business concerns, are certainly unjustly handicapped when they are denied legitimate loan facilities. Imagine, if you will, any wholesale or retail merchandising organization in these days that operates on a low profit turnover which does not require the aid of some form of current borrowing. Thus, grain and other commodity dealers, however large may be their capital resources, could not carry on their business at prevailing low-profit turnovers if they were denied the facility of borrowing on warehouse receipts or chattel mortgages as collateral. Loans secured by commodities in storage and on other inactive inventories have been long common in Europe. The practice may well be extended more widely in this country. Security dealers could maintain and stabilize their markets more readily and more effectively (which is one of their prime economic functions) if they were afforded proper facilities for obtaining loans secured specifically by the merchandise they carry.

This does not mean that security dealers or brokers should be

enabled to borrow without regard to the value or the liquidity of the collateral they offer. It is the essential responsibility of the banker to insist that the quality and the amount of the collateral be adequate. In commenting on this topic, the famous Macmillan Report to the British Parliament remarked: "American banks engage their issuing credit in the eyes of the public for the soundness of the issues they support, and this very fact leads, as it must always do, to a closer and more intimate association between banks and industry than where no such responsibility is assumed."

And, referring specifically to loans on collateral, the report adds: "The [American] banks lend either directly or through brokers very large amounts of money to investors and speculators against industrial securities of all kinds. The loans of this kind made by the reporting member banks are sometimes at least equal to the loans made direct by them to industry. For this reason all banks take a great interest in the stock market and in the industrial securities quoted there."

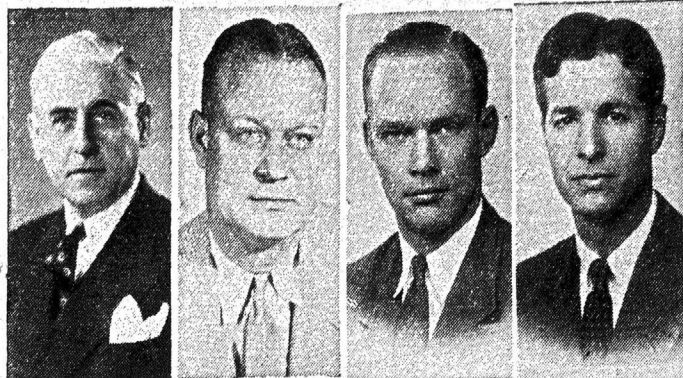
As already stated above, the banker's trained judgment should be sufficient, without unwarranted government-imposed restrictions, to execute his responsibility in selecting and appraising collateral. The American banker should not be a mere "rubber stamp" or a "rule-of-thumb" executive. Yet, in no other country in the civilized world have so many laws been passed which place the judgment of bankers in a straight-jacket as in the United States.

Taking into consideration the banking experiences over the last half century in the different countries, one may well doubt whether these laws have not been more detrimental than effective. Certainly, bank solvency in the United States has not been more conspicuous than in France and Great Britain, where restrictive banking legislation is much more liberal, and less onerous, and where more opportunities are given bank executives to exercise the responsibilities for their personal judgments.

Certainly the problem of affording wider scope to facilities for marketing unlisted and local securities is of great importance both to security dealers and to investors. Such security should have full collateral value whether sold over-the-counter or on an exchange floor, particularly when they have recognized intrinsic worth and when there are dealers or brokers who make a market for them. If this situation could be accomplished, it would greatly assist the financing of local and medium sized concerns. It would, moreover, expand the field of public investments and would disperse the areas of security marketing throughout the land instead of confining it to a few large metropolitan markets.

Because of the SEC regulations regarding trading on exchanges, as well as the expenses and inconveniences involved in listing securities, the tendency seems to be toward an ever increasing volume of over-the-counter transactions. Security dealers, therefore, have greater responsibilities in furthering sound investment and in broadening and expanding securities markets than in the past. The banks throughout the country should cooperate more closely with them in sharing these responsibilities, by keeping in touch with local industrial activities, and by granting dealers and investors as ample loan facilities as is consistent with sound banking principles.

Bond Traders Association Of Los Angeles



W. J. Zimmerman Clifford L. Hey C. R. Livingstone W. H. Davies, Jr.

President: William J. Zimmerman, Bingham, Walter & Hurry; Vice-President: Clifford L. Hey, Nelson Douglass & Co.; Secretary: Charles R. Livingstone, Bankamerica Co.; Treasurer: William H. Davies Jr., Butler-Huff & Co.; National Committeeman: John C. Hecht, Butler-Huff & Co.

McLEOD, YOUNG, WEIR & COMPANY LIMITED



ACTIVE DEALERS
in all
CANADIAN SECURITIES

Private Wire Connections to New York and Montreal

Metropolitan Building
Elgin 0161
TORONTO

MONTREAL OTTAWA HAMILTON LONDON NEW YORK

Canadian Securities

Bought — Sold — Quoted

Traders — Underwriters — Distributors

Direct Private Wire to New York — Montreal & Hamilton

MILNER, ROSS & CO.

Members Toronto Stock Exchange

330 Bay Street Toronto, Canada

BRANCHES: HAMILTON — BRAMPTON

Phone: Waverley 1701

Direct Private Wire to Goodbody & Co.

Investment Dealers and Underwriters

Indianapolis Bond and Share Corporation

129 EAST MARKET ST.

INDIANAPOLIS 6, IND.

— We Maintain Active Markets —

INDIANA ISSUES

Delta Electric Common

Mastic Asphalt Common

Terre Haute Malleable Common

Indianapolis Bank Stocks

Indianapolis Street Railway 5s

KISER, COHN & SHUMAKER, INC.

INVESTMENT SECURITIES

CIRCLE TOWER BLDG.

INDIANAPOLIS 4

INDIANA SECURITIES

UNDERWRITERS — DEALERS — DISTRIBUTORS

MUNICIPAL BONDS

All Types Unlisted Stocks and Bonds

CITY SECURITIES CORPORATION

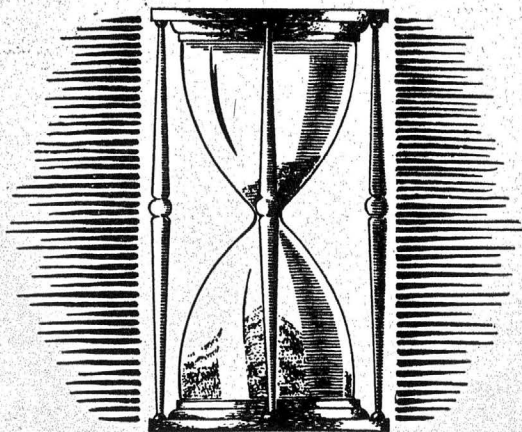
INCORPORATED 1924

417. CIRCLE TOWER

INDIANAPOLIS 4, INDIANA

Telephone LIncoln 5535

Teletype IP 489



Our 25th Anniversary

1919-1944

IT WAS RIGHT after World War I ended that this firm was organized. Then, as now, the post-war period promised broadened horizons for America's ingenuity, industry and finance. We had just won our greatest war and it made us world conscious for the first time in our history.

It was natural for our activities to be directed towards foreign investments, a field in which the principals of our company were already well-trained.

As the years rolled on and America expanded industrially, our interests branched out and we participated in the development of our domestic economy.

Twenty-five years is not a long time when measured in the light of a business devoted to the manufacture or sale of staple merchandise which has a steady repeat demand year in and year out. But a span of twenty-five years in the securities business is, in our humble opinion, a very long time.

Feast and famine, flood and drought, war and the threats of war, good times and bad times, make deep impressions on our business. The securities business cannot depend on styles and fashions, or on people's basic needs for its sustenance. Every day and every week is unlike its counterpart of yesterday and calls for new decisions, new adjustments and new thinking.

And so, as we go into our twenty-fifth year, strangely enough into another post-war period which we trust will be the last, victory again, as before, will be ours.

Again, as before, there will be the fruits of victory to be gathered. Again, as before, new opportunities will spring from the ruins of a holocaust. Again, as before, experienced hands and trained minds will know which paths to follow.

Fortunately, the years have spared the original founders of our concern and they, together with their associates, whose individual talents have helped in no small way to maintain our standing in the financial community, will be available to guide and counsel our friends and clients, as before.

M·S·WIEN & CO.

Members, New York Security Dealers Association

25 BROAD ST., NEW YORK 4, N.Y. Tel. HAnover 2-8780

CANADIAN OPPORTUNITY

VISITORS TO CANADA FROM THE UNITED STATES CARRY HOME MORE THAN THE MEMORIES OF SCENIC GRANDEUR AND A FRIENDLY PEOPLE. THEY ARE IMPRESSED BY THE MARKED EXPANSION OF THE DOMINIONS INDUSTRY AND THE FEELING THAT HERE IS A LAND OF OPPORTUNITY.

THE MILLION SQUARE MILES OF CANADIAN FORESTS SUPPLY PULP FOR THE MANUFACTURE OF PAPER. FROM HER MINES, GOLD, NICKEL, COPPER, LEAD AND ZINC ARE TRANSFERRED TO SMELTERS AND REFINERIES. HER VAST FARM LANDS PRODUCE MILLIONS OF BUSHELS OF WHEAT FOR EXPORT. FISHING IS CARRIED ON IN OVER 360,000 SQUARE MILES OF COASTAL AND INLAND WATERS. MANUFACTURERS ENJOY EXTREMELY LOW POWER COSTS BECAUSE CANADA IS SO RICHLY ENDOWED WITH WATER POWER.

THESE VARIED AND ABUNDANT NATURAL RESOURCES, ADDED TO THE SOUND FINANCIAL STRUCTURE OF AN ABLY DIRECTED BANKING SYSTEM, ARE THE CHIEF FACTORS WHICH WILL CONTRIBUTE TO CONTINUED INDUSTRIAL PROGRESS THROUGH THE COMING YEARS OF PEACE.

AMERICAN MADE
MARKETS IN
CANADIAN
SECURITIES

HART SMITH & CO.

Members New York Security Dealers Association

52 William Street

New York 5, N. Y.

HA nover 2-0980

Teletype NY 1-395

NEW YORK

MONTREAL

TORONTO

