Winthrop Aldrich Favors Strong Western Europe

In his annual report to share-holders on January 9th, Winthrop W. Aldrich, Chairman of the Board of Directors of the Chase National Bank, expressed the belief that the main objectives of American foreign policy should be the restoration of democratic and economically strong governments in Western Europe, and that the United States should take the initiative in realizing a broad program of political and economic solidarity of the system of free enterprise.

"There have been many conferences and much debate during the year," Mr. Aldrich remarked, "in which postwar plans were considered and blueprints made for the political, social, financial and economic reorganization of the world. Some of them, as we now see, were conducted in the atmosphere of unreality, assuming at once a prompt conclusion of hostilities, and a set of economic conditions abroad that are not likely to be (Continued on page 178)"

Index of Regular Features on page 184.

One World—Its Sales Significance

By JOHN ABBINK


Mr. Abbinck expresses the belief Our Industrial Supremacy Will Enable Us to Compete in Exports With Other Nations Having Lower Living Standards and Cheap Labor. Fears Renewed Trade Barriers Against Us, Such as the British Empire Preference, and Questions the Practicability of Disposing of Surplus Equipment and Increasing Sales in Underdeveloped Countries by Rapidly Raising Living Standards, But Holds We Must Have Future Exports Up to $10 Billions in Post-War Period.

Looks for Large Foreign Buying Because of Cash Balances Accumulated Here and Urges Heavier Imports for "Stockpiling" Purposes. Calls for Assurance of Responsible Role by U.S.

Holding the Price Line

By CHESTER BOWLES* Administrator, Office of Price Administrator

OPA Head Lists Five Principal Problems in Holding the Price Line, to Wi: (1) Equitable Food Rationing; (2) Control Organization Efficiency; (3) Price Policies Applicable to the Distributive Trades; (4) Lowering of Clothing Prices and (5) Reconversion Pricing. Republicans Post-War Retention of Price Controls on Consumer Durables Which Have Been Off the Market and Expresses Belief, Without Over-Confidence, That a Stable Economy Can Be Maintained and Prices Kept In Check During War and Reconversion Period; Says OPA Will Be Faced With Still Greater Problem When War Will Converge Ends.

I am very glad of an opportunity to speak to the members of the American Management Association here in New York City. I'd like to use this opportunity to tell you about some of the management and policy problems we must solve if we are to win our wartime struggle to hold the price line and assure fair distribution of scarce supplies.

*An address by Mr. Bowles before the American Management Association at the Hotel Waldorf-Astoria, New York City, Jan. 5, 1945.

(Continued on page 170)
**Are Americans Isolationists?**

*BY ALEXANDER WILSON*


I believe at heart the United States of America is a pacifist country in peace-time.

The American is by nature a free, independent, self-reliant, and choice individualist. He loves his family, his home, his friends, his garden, his sports; his politics are national and international. He wants to work for freedom, speak his opinions at will, let or hinder and stand for a free press, for liberty of enterprise and individual initiative and to temperance, an individualist who wishes to live and let live in his own little world whether it be a country home, a small town or a big city.

Has the Isolationist a World Complex?

As a combatant in peace-time he is not much interested in the affairs of other nations; he is not world-minded of all things. The American divides peace most of all; peace of mind; peace in his own country and peace abroad. The American is material; he prefers most of all his own possessions; he is not an impertinent; he does not wish to meddle in the affairs of Europe, the affairs of Asia, the affairs of Africa.

His Feelings Towards Naturalization

More than anything else, the

"Writer of 'Why a New League of Nations Will Not Endure Permanently Peace?" in The Chronicles, March 9, 1944 (p. 1017), and a "Reply to Critics" in this article, March 30, 1944 (p. 1230), and "Peace by Force in an Uncivilized World," Nov. 16, 1944 (p. 2130)."

Continued on page 165

**Congress Awaits FDR Message On Peacetime Training Issue**

Views Program as Indispensable Factor in Maintaining World Peace and Looks to Congress to Pass Appropriate Legislation. Additional Comments Received in Connection With Our Survey on the Proposal Given Here.

In his State-of-the-Union message to Congress on Jan. 6, President Roosevelt declared that the country must be prepared to undertake military training in peacetime and declared that he would shortly advise the lawmakers of his views on the subject in detail. In connection with the proposal, we are able to give in today's issue a few unpublished comments received from:

**Clyde M. Reed**
United States Statistician from Kansas

I am of the opinion that no legislation with respect to compulsory military training in peacetime will be acted upon until we come to the end of the war. Then our military and civil authorities can justly make the demand of ourselves and America must make the demand of itself that we are not to be afraid of the enemy aggression. We may have to adjust ourselves to the permanent military establishments greater than was believed necessary to prepare the present war. It is too early to forecast in what strength these military establishments might be maintained, and how the personnel would be trained and maintained.

Clyde M. Reed

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The COMMERCIAL and FINANCIAL CHRONICLE

William B. Dana Company
Publishers
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April 20-27, 1914

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Editor

William D. Nuknap, Business Manager

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Unlisted Trading Privileges

Last week under the same heading, we dealt with the “Application of the New York Curb Exchange to Extend Unlisted Trading Privileges to Six Securities.” Among other matters discussed in that editorial, we summarized what we believe to be the relevant issues in such an application. As we outlined some of them, they consisted of:

a) The contrast between the functions performed by the different markets;

b) An explanation of those functions;

c) The general fitness of the particular securities involved for auction trading;

d) The extent of distribution, size of the issue, the meeting of statutory requirements; and

e) The desire of the issuer of the security.

In fact, however, an entirely different spirit and argument crept into the hearing before the Commission. We quote the general argument of William Lockwood, who represented the New York Curb Exchange:

“* * * What was left which should be a test as to whether or not the public interest and the protection of investors required this Exchange above the other exchanges, despite the incon¬sistency of Sections 14 and 107? It would seem that the only

(Continued on page 103)

Proposes Investigation of SEC


Representative Everett M. Dirksen, Republican of Illinois has introduced in the House of Representatives his resolution which he had submitted in the last session of Congress. Mr. Dirksen is a member of the Committee on Banking and Currency, and the House of Representatives is more than a third of whom shall be the same political party to conduct a complete and thorough examination of the actions, conduct, and policies of the Securities and Exchange Commission. Mr. Dirksen maintains that as a member of the House subcommittee on appropriations for the independent agencies of the Government, which includes the SEC, he has had occasion to study the practices of the Commission as it relates to the flow of capital. Under the mediation of proxy rules, the burden imposed upon the private enterprise by the requirement of so many forms and statements by the Commission, and its administration of the various acts which come before it and that he thinks that the whole matter is worthy of a thorough investigation. It is his intention that in the post-war period the kind of a job that free

(Continued on page 182)

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The First Ten Years After the War

By Dr. CHARLES F. ROOS
President, the Economic Research Institute Inc.

Dr. Roos, After Taking Into Consideration Population Growth, Income Changes and Increased Living Standards, Predicts a Post-War Rise in Production, Even if Deep Depression Should Develop. Holds There Will Be Needed for Deficit Spending During the Post-War Decade. As the Hooran Bank Deposits and Outstanding Government Bonds Will Be Converted Into Current Purchasing Power, and This, Together With the Deferred Demand for Durable Consumables, Guarantees High Levels of Production. Sees a Heavy Decline in Ship Building and Airplane Manufacturing More Than Offset in First Three Post-War Years by Industrial and Public Construction to Satisfy Expanding Economy

Increase in population during the war period and the likelihood of further increases after the war seem to guarantee that the

perishable goods portion of the Federal Reserve Bureau Index of Production will represent at least 10 points more total index in each of the years 1945 to 1950, even if great depression should develop. The huge volume of buying in these years, our system of underwriting New York's insurance and soldiers' bonuses suggest that likely levels will be 3 to 6 points higher.

Semi-durable consumers' goods production, production of shoes and leather products, cotton, wool, rayon and silk textiles, clothing, stationery, and similar products, likewise depends in considerable degree upon population. Here, however, national income or purchasing power plays a more important role. As a general rule, one can say that the longer the life of a product and the higher its price, the greater is its response to changes in income. For instance, the number of cheap handkerchiefs or men's suits consumed (produced) shows very little response to changes in income, while the number of women's and misses' 25-dollar to 35-dollar dresses shows considerable response.

It is the sensitiveness of demand for semi-durable consumers' goods that gives some importance to the public utilities and investment trusts.
WINNERS IN HUGO LONG SELECTION CONTEST


Third, fourth, fifth and sixth prizes, $100 each in War Bonds, were won by Rowlett Williams, the Pacific Century of Los Angeles; Gustav P. Heiler of Nugent & Igoe; O. P. Lisowetz of George A. Cooley & Co., Albany, N.Y. and Hunter Breckenridge of McConevery-Tweedt & Co., St. Louis.

In March 1944 Hugh W. Long & Co., Inc. asked investment dealers to indicate which industries, as indicated by the selection of the 20 Industry Series of New York Stocks Inc, for which the firm is national distributor, would do best for the 1944 calendar year. A total of $1,150 War Bonds was offered as prizes. Most dealers indicated railroad stocks as the probable leaders, their next choice being those of the rail equipment, steel, public utility, automobile, aviation and agricultural industries.

New York Stock Exchange

Weekly Firm Changes


A Lawrence-Piercen, limited partner in Goodbody & Co., New York, died on December 27th, it is reported that investment dealers were right in choosing railroads as best 1944 performers. Further, more, their selections included four of the leading seven Series of New York Stocks Inc. for the calendar year just closed.

Hugh W. Long & Co., Inc. has main office at 46 Wall Street, New York.

Gordon S. Rentzler.

The report, presented by Gordon S. Rentzler, Chairman of the Board, W. Randolph Burger, V-Chmn. of Board, and Wm. Gage Bracy Jr., President, indicated that the "combined net operating earnings of the National City Bank and the City Bank Farmers Trust Co. for the year, after provision for taxes and depreciation, were $16,443,035, compared with $15,131,796 in 1943. This represents earnings of $25.34 per share, compared with $24.44 per share for 1943 on the 6,500,000 shares outstanding." The report adds:

"Total earnings, including profits from sales of securities, $23,014,574, or $3.89 per share, compared with $17,559,390, or $2.83 in 1943. Profits from the sales of securities in the bank were used to increase the surplus account, as were also a part of the year’s recoveries. The balance of recoveries was transferred to reserve. Security profits and recoveries of the trust company for the year and its current operating earnings up to June 30, 1944, were added to its reserves. "For the bank alone, net current operating earnings were $15,355,511, and $14,345,650 in 1943. Total earnings, including net profits from sales of securities, amounted to $48,506,204, compared with $48,666,198 in 1943. "A further increase in interest on securities reserves, as last year, a total of $10,000 in investments in Governments, and also a further increase in the average yield, which, after amortization, was 1-4% in 1944 against 1-5% in 1943. In the difference rate re-flects the reduction in holdings of partially tax-exempt securities and their replacement by taxable issues at higher gross yields, and a slightly lengthened average maturity. Interest on loans remains substantially unchanged. Other current operating earnings were up $1,348,490, due principally to increased foreign branch earnings. "Current operating expenses are up $9,942,196, of which $4,503,641 represents provision for taxes and amortizations. The balance of the increase is accounted for by $462,679 in interest paid on deposits, $916,011 in salaries and wages, $72,142 in operating cost of domestic premises, and $1,577,410 in other current operating expenses (including payments for funding in connection with the retirement plan). "Dividends were paid at 50 cents a share for the first half-year and declared at 65 cents for the second half-year, on the $6,209,000 shares outstanding. (Continued on page 180)
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PUBLIC UTILITY SECURITIES

United Corp. Consummates Exchange Plan

Despite opposition before the SEC and the Courts by Randolph Phillips, United Corporation succeeded in consummating its plan for retirement of 40% of its $2 preference stock. As for Dec. 5, the company had advised holders of the preference stock that they could exchange each share for 1.8 shares of common stock. The remaining 20% of the preference stock was tendered without the consent of the company.

While the exchange plan was in progress, the preference stock had declined to 24, since the "package" of Philadelphia Electric and cash would have been well taken up a few weeks ago. It is on the announcement that the exchange would be made at this over-subscribed the stock broke several points (it is currently around 35). The decline may also be due to the company's announcement on Dec. 19 that it had been notified by the New York State Public Service Commission that the company would be liable for about $4,000,000 in taxes, but no loss was placed on the stockholders.

Following consummation of the plan United Corporation's assets based on values of June 30, 1944, amounted to $151,613 per share on remaining preference stock, compared with $150,791 per share on the basis of the plan (the increase of over $25 is due to the increase of 45% of the stock with assets) but worth about $42, so that the remaining preference stock is considered (in view of the large dividend of the plan). As of the close of the advance in market prices of some of its holdings, the liquidating value had advanced to $36.73.

At the time of the close the market 39% below liquidating value—may fairly be expected since the company is not a utility holding company, based on prices of last June which have not changed remarkably. The company's assets of $70,625,617 are not.

Chas. F. Henderson Sons
To Admit G. J. Falk

George J. Falk will become a partner in the firm of Chas. F. Henderson Sons, 29 Broadway, New York City, in January. Mr. Falk will acquire the Exchange membership of the late Charles F. Henderson.

(Continued on page 181)

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Tomorrow's Markets

Walter Whyte
Says

Inflation fears werejump in stock prices. Utilities may need to bolster their balance sheets.

By WALTER WHYTE

In the past few days the market has had its ups and downs as if somebody had given it a shot in the arm. The fact that it's advancing is all to the good. It's just another way of saying the eyes to see them go up than to watch them do nothing.

The advance, although it's nice to see the price going up, is one of the most bizarre about it that, to say the least, is disquieting. That old boggy man inflation is being trotted out again to scare nervous traders into fits. But the fear—or hope—of inflation (depends on what side of the fence you are on) isn't as disturbing as troubles with the eyes. But laws governing price ceilings are honored more in the breach than in the observance.

But rumors of "big moves" are something else. Few people will listen to a factual story where the market is concerned. Main reason is that the facts are often so plain that the lack of adornment makes their interest only for the eyes to see them go up than to watch them do nothing. A plain statement that a certain stock is selling for ten times its earnings will get the attention of the market. But change the story around and say you understand from very reliable sources that the stock will be taken up ten points and right away your listeners are all agog. If you want to add a Sunday wing, whisper that the stock will also be split two or three for one and you've gotten hold of the interest of the market.

(Continued on page 181)
SEACOAST AIR LINE
RAILWAY COMPANY
TRADEMARKS
Old and New
Securities

Van Tuyl & Abbe
Wall Street
New York

Junior Statistician

Analyst of Industrial and Railroad Securities available.
Booth J11, Commercial & Financial Chronicle, 23 Park Place, New York, N. Y.

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Boston & Maine Income 4 1/2s, 1970 after interesting potentialities, according to a circular issued by McNamara, Paul & Company, One Wall Street, New York City, members of the New York Stock Exchange. Copies of this circular may be had from the firm upon request.

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Speculative Potentials

Boston & Maine Income 4 1/2s, 1970 after interesting potentialities, according to a circular issued by McNamara, Paul & Company, One Wall Street, New York City, members of the New York Stock Exchange. Copies of this circular may be had from the firm upon request.

Terminal Central
Railway

Common & Preferred

Circular on request

Adams & Peck

63 Wall Street, New York

Boeing 5-5705

Terminal Central
Railway

Common & Preferred

Circular on request

Chicago Railways Co.

Cons. "A" 5s, 1927

Seaboard Railway Co.

(When Issued Securities)

Bought-Sold-quoted

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Securities

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NEW YORK 5

Junior Statistician

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Booth J11, Commercial & Financial Chronicle, 23 Park Place, New York, N. Y.

Michigan Municipal
Quotation Sheet

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REAL ESTATE SECURITIES

Primary Markets in:
- Hotel St. George, 4's
- Park Central Hotel, 4's (870 - 7th Avenue)
- Broadway-Barclay 2's
- Chanin Bldg, 4's
- London Terrace, 3's
- Beacon Hotel, 4's

SHASKAN & CO.

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<th>REAL ESTATE SECURITIES</th>
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<tr>
<td>Prince &amp; Lafayette Streets</td>
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<tr>
<td>5 1/2 New York</td>
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<tr>
<td>883 Lake Shore Drive - Chicago</td>
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<tr>
<td>Belmore Hotel</td>
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<td>Roosevelt Hotel Common</td>
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Real Estate Securities

Each day brings higher and higher prices for real estate securities. This rate is mainly predicated on better and better earnings for the owner of the property. It is generally conceded that the improvement of earnings is enhanced, for the most part, by continued capacity occupancy rather than by increases of rent for the occupied premises.

As we pointed out in a former article, this capacity occupancy is radically different than normal occupancy. The ratios of the current boom is not unusual to expect from 10% to 15% vacancies and actual experience has shown as much as 45% vacancies in apartment houses and commercial properties. Should this current capacity occupancy continue for any great length of time, it is entirely possible that the excess income of these properties could be used for amortization of debt-reducing real estate values. Where they may become prime investment material, and even considerable higher than at which they are now selling.

Boston Albany Interesting

Boston & Albany 8 3/4% bonds offers an interesting situation actual and potential Northern bonds enclosed in the current issue of B. W. Pintz & Co.'s "Railroad Securities Quotations". Copies of this publication, containing quotations on guaranteed stocks, underwriting mortgage railroad bonds, railroad, etc., are available on request. This memorandum may be had from Cohn & Torrey upon request.

Situation of Interest

Midland United preferred offers an interesting situation according to an analysis prepared by Irwin Haack & Co., 111 Broadway, New York City, members of the New York Stock Exchange. Copies of this memorandum may be had from Cohn & Torrey upon request.

NATIONAL SECURITY TRADERS ASSOCIATION

As a part of the Post-War Planning Program of the National Security Traders Association, a National Education Committee has been established. It will be the function of this Committee to prepare and put into operation as soon as feasible lectures and study courses for returning service personnel and others who wish to enter the trading division of the securities industry. It is expected that each of the twenty-four member states will, in their respective localities, sponsor and offer the course as planned and outlined by the Committee.

Paul I. Moreland (Allman, Moreland & Co., Detroit), National Educational Committee Chairman, announced 2,400 minutes of the Association's Committee Membership as follows: Peter V. Fel, Vice-Chairman (Langl & Co., Chicago); Elwood S. Robinson (A. Webster Dougherty & Co., Philadelphia); Harry Reed (Leob, Rhoades & Co., New York); Joseph Gannon (May & Gannon, Boston); Stanley G. McKie (The Weil, Roth & Company, Cincinnati); John Lathaw (Harris, Upham & Co., Kansas City); Irving J. Rice (Irving J. Rice & Co., St. Paul) and John C. Heclit (Butler, Huff & Co., Los Angeles).

CINCINNATI STOCK AND BOND CLUB

At an election held recently, the following officers were named by the Cincinnati Stock and Bond Club for the year 1945:

President—Clair S. Hall, Jr., Clair S. Hall & Co.
First Vice-President—Power Clancy, W. F. Clancy & Co.
Second Vice-President—Franklin O. Loveland, Field Richards & Co.
Secretary—Lloyd W. Sheeler, Merrill Lynch, Pierce, Fenner & Beane
Treasurer—Clifford H. Grissley, Edward Brockhaus & Co.

The following, together with the officers, compose the trustees of the Club:

Neil Hurstick, Charles A. Hinke Co.
R. B. Ispodrifer, Van Lanh, Doll & Ispodrifer
Stanley G. McKie, Weil, Roth & Company
John E. Joseph, John E. Joseph & Co.

SECURITY TRADERS ASSOCIATION OF DETROIT AND MICHIGAN

Ralf A. Croetskbon of Hornblower & Weeks, Detroit, Chairman of Membership Committee of Security Traders Association of Detroit and Michigan, reports an all-time high of 147 for membership in the Detroit and Michigan affiliate. The previous high mark was in 1942, when a total membership of 139 was reported.

Of the 147 active members, 10 are serving in the Armed Forces and are doing their part in all parts of the world. None have thus far been reported as casualties.

In addition to the active members, two associate memberships are also reported.

Calendar of Club Events

National Committee of the National Security Traders Association—Meeting, Jan. 21, 8:30 a.m., Detroit Security Traders Association—Annual Winter Dinner, Jan. 26, 6:30 p.m., Detroit Security Traders Association—Annual Winter Dinner, Feb. 2, 6:00 p.m., Chicago, Bond Traders Club of—Annual Banquet and Presentation of Incentive Awards, Feb. 8, 6:30 p.m., Philadelphia Investment Traders Association—Annual Winter Dinner, Feb. 9, 6:30 p.m.

Interesting Situation

Mid-Conttinental Airlines, Inc., has interesting possibilities according to a memorandum on the company issued by Sutlebinger, Granger & Co., 111 Broadway, New York City, members of the New York Stock Exchange. Copies of this memorandum may be had from the firm upon request.

Joseph Meacham to Be Stevens & Legg Partner

Joseph Meacham, member of the New York Stock Exchange, has been named a partner in Stevens & Legg, 11 Wall Street, New York City. Mr. Meacham, who has been a partner in John H. Lewis & Co.
Outlook For Rail Stocks

Roger W. Bahoum Fears They Are Too High
BABBON PARK, N. Y.—Wall Street is always too bearish or too bullish. These brothers are honest, 9 years ago; the railroad stocks were selling for 50% of their true market value, whereas the average of the top 20 stocks would not touch them. Today, the three times the price of $40 a share, are prices that rail stocks are purchased.

Advantages of the Rails
What things can be said for the railroads. They have done a wonderful job during the war and are entitled to a part of the roads have reduced their debts or interest on debts. Also, they are benefiting from low interest rates. They are standing with the government because they have demonstrated they are good citizens. The U. S. will henceforth provide its railroads as part of any program for military purposes.

It also should be remembered that the railroads must, to some extent, share their profits with the government and to $120 billion a year, the railroad's postwar gross earnings may exceed their prewar earnings. This I believe is absolutely possible, "Have the prices of most railroad stocks and income bonds not already more than discounted this?"

Disadvantages of the Rails
The gross earnings of the railroads will, however, not increase proportionately to the national income. The railroads will have much more competition after the war than before. The new great pipe lines which have been built will take much away of their oil business. The resumption of both coast-to-coast and international transportation should materially reduce the earnings of such lines as Atlantic Coast Line, Seaboard and Jacksonville, Southern Pacific, and the Northwestern; this will be a continuation of the same conditions that brought about the failure of a couple of lines.

Most railroads are today in poor shape physically. They must spend billions after the war for new equipment, but, on the other hand, the demand for your rolling stock is great. This means a great increase in the prices of new equipment, and the cost of adding new rolling stock to the railroads is greater than to buy the stocks of the rival motor truck business.

Initiation and Labor
Some brokers claim that the railroads are "in the money," but I don't see this unless they get a greater increase in freight rates. All these must be approved by the I.C.C and these bureaucrats act very slowly. Increases rates seldom keep up with the increase in the prices of the hundreds of things which the railroads must buy.

Net Earnings of Prime Importance
Although there has been a large improvement in railroad labor and railroad labor profit from large and small earnings, we may see such greater gross earnings that might go unnoticed without ignoring profits thereafter. Investors are interested in the earnings per share which is left as net earnings after the income tax and the railroad's expenses. I also see the chance for increased net earnings. Most things point to lower protective rates.

Most holders of railroad stocks admit that lower net earnings and lower stock prices are sure to follow the rails; but 90% of investors continue to buy until the war is over before selling. I reply that "I see no reason for all the railroads will all equal out holders present holders to try to sell at one time?"

Begin now to unroll railroad stocks and income bonds. Don't try to sell them in a hurry. Don't buy from you must have some other than the idea of "getting rid" of them to risk buying rails. Don't get discouraged, but be satisfied with a fair profit. The longer we keep a good horse running on a hook, the better are his chances of getting off. Then we lose him altogether.

Lovett Abercombie Opens in Houston
HOUSTON, TEX.—Lovett Abercombie & Co. has offices in the Texas Building, to act as participant distributing agency for the largest and most important railroad bonds and corporate stocks and bonds. The new office is under the personal direction of Lovett Abercombie & Co. (Cont'd...)

Oil Earnings
In a series of memorials, Panama, Weiser, Jackson & Curtis, members of the New York stock exchange, have prepared an interesting tabulation of earnings of the railroad bonds and stocks. A few of the figures given in this report, if they are in public use, need not be quoted. The figures of this information may be had upon request from Paine, Webber, Jackson & Curtis, Broad Street, New York City.

The second day of January, 1919, is the most eventful date in the history of the State and municipal debt. For it was on that day as was noted in this space many years ago, that most of the railroads in the United States were war. Thus the Government argued that they could not claim tax-exemption for their bonds under the provisions of the Internal Revenue Act which grants such immunity to bonds of States and municipalities. As a result the railroads applied to the Court of claims and were received by several holders of Port Authority and other bonds issued by the State of New York Authority resisted the Government claim in behalf of its bonds. Joining in the defense was the United States State Defense, composed of innumerable State and municipal officials which was created several years ago for the express purpose of combating the Government's program. It was this agency, incidentally, under the direction of Austin J. Tobin, who is also Executive Director of the Port of New York Authority, which was largely re- signed on behalf of local governments in Congress and the courts.

After lengthy hearings and the hearing of the case by both sides, the Tax Court on Aug. 23, 1944, ruling against the Government in favor of the bondholders who were the appellees. The action of the Treasury, therefore, would seem to suggest that it is reconciled to the fact of pressing the matter further, in the courts at least. Furthermore, considering the repeated refusal of the Court of Claims to hear the case, to grant a "short and simple", or otherwise, it does not seem logical to expect any further attempts in that direction. Accordingly, the action of the Supreme Court apparently marks the conclusion of the long struggle waged by the bondholders and administration to end tax-exemption on local government securities.

While the bondholders' victory in the Court of Claims was not incidental to the case of the active. Actually, the Treasury Department, which has been active in the Internal Revenue Department, has had more than one case that the fact of the case its adversed ob served. The legal action, therefore, has been action in the Internal Revenue Department, and the case is being prosecuted in the Circuit Court of Appeals.

The firm has the local proceeded to the Tax Court of the United States, with the Government extending the above-mentioned application for a review of the lower court's decision. Thus the Government argued that they could not claim tax-exemption for their bonds under the provisions of the Internal Revenue Act which grants such immunity to bonds of States and municipalities. As a result the railroads applied to the Court of claims and were received by several holders of Port Authority and other bonds issued by the State of New York Authority resisted the Government claim in behalf of its bonds. Joining in the defense was the United States State Defense, composed of innumerable State and municipal officials which was created several years ago for the express purpose of combating the Government's program. It was this agency, incidentally, under the direction of Austin J. Tobin, who is also Executive Director of the Port of New York Authority, which was largely re- signed on behalf of local governments in Congress and the courts.

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The Government appealed the Tax Court decision to the Federal Circuit Court of Appeals and on Aug. 23, in a decision (a) Aug. 24, 1944, again ruled in favor of the bondholders. As was expected the Government carried the case to the United States Supreme Court and petitioned by the act of a writ of certiorari, with a view to reverse the decision. This request, made last April, was on Jan. 2, last refused by the court, and thus ended, according to all sections, the final round in a dispute that has dragged on for more than a decade.

Attractive Equity
Common Stock of Bullock's, Inc. is one of the most attractive equities in the mercantile field, according to a detailed memorandum of the company issued by Maxwell, Marshall & Co. at 847 South Spring Street Los Angeles, Calif., members of the Los Angeles Stock Exchange. Copies of this interesting memorandum may be had from the firm upon request.

Gollom, Raffel & Co. Formed in Philadelphia

PHILADELPHIA, Pa.—Charles W. Gollom, John D. Raffel, and Michael P. Raffel have formed Gollom, Raffel & Co. with offices at 847 South Spring Street Los Angeles, Calif., members of the Los Angeles Stock Exchange. Copies of this interesting memorandum may be had from the firm upon request.
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The Outlook for the
TOBACCO COMPANIES
is discussed in a current issue of our Stock Survey.

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Chicago Brevities

Pullman, Inc., is entering the petroleum engineering field. While the sales of the company was concentrated on Pullman's disposal of its sleeping car business, the company was negotiating the acquisition of all the outstanding stock of W. M. Kellogg Co. of Jersey City, N. J., one of the leading engineering companies in the country in the petroleum, refinery and chemical construction fields. Pullman will pay cash for the stock at a price to be determined. It was announced yesterday.

Meantime, W. M. Kellogg, president of the engineering firm, has been elected to the board of directors of Pullman, Inc. No excuse was given for the election. It is believed by those familiar with the company, it is understood. The Kellogg company, according to reports to be operated as a separately incorporated member of the new group of companies, and its activities together with those of its subsidiaries, the Kellogg-Manning Co., toward intensive cultivation of their present industrial fields and possibly further expansion in these fields.

As of Dec. 31, 1942, the privately owned Kellogg company had total assets $35,137,457 and current liabilities of $10,335,326. The outstanding stock was not reported.

With a view to making Chicago "air hub" of the world, W. A. Green declared he would recommend to City Council the immediate creation of a department to develop and coordinate the activities of the field of aviation. Civic leaders and groups are united in their aim to make Chicago the air capital of the world, and agreement on location, method of operation and other important details are yet to be worked out.

A plan of reorganization for the Allerton Hotel was announced yesterday by Henry A. Gardner, trustee, in the United States district court in Chicago January 2.

Both stocks and bonds of the Chicago & Northwestern were strong in recent trading. LaSalle Street sources believe, however, that this has been caused by the general rise and activity in rails, with prospects of continued good earnings now that hope of an early peace in Europe has diminished, rather than on the possibility of an early reorganization of the carrier.

The Pennsylvania Railroad Company and the Chicago and Alton Railway are among carriers understood to be planning debt re-financing this year. Pennsylvania may refund $56,200,000 of its general mortgage 5% bonds and the Pere Marquette, $21,500,000 of its first mortgage 4 1/2% of 1988, $20,000,000 of its 6% and $4,800,000 of its 4% of 1956.

Among utilities, Kentucky Utilities may refund $21,000,000 of its first mortgage 5% bonds and is approximately $5,500,000 of its $100,000,000 bonds.

Stockholders of A. G. Spalding and Brothers, Inc., will be asked on Feb. 20 to vote on resolutions amending the certificate of incorporation which would change the name of the first preferred stock to preferred stock; (2) set the par value of $50 from no part ($1) increase the annual dividend to $2.35 a share; and (4) reduce the number of shares of the issue which must be retired as a condition precedent to payment of a common dividend.

In addition, it is proposed to (1) transfer all dividends for the years 1919, 1920, to one share of preferred stock for each four shares of preferred stock held; (2) make the dividends on the common stock from $500,000 to $750,000. The steps proposed would clear the way for payment of a common dividend.

Edward Prosser to Be Hicks & Price Partner

CHICAGO, ILL.—Edward T. Prosser has been elected a partner in the firm of Hicks & Price. He will have charge of the memberships of the New York and Chicago Stock exchanges, according to the announcement made January 18. Mr. Prosser has been with the firm for some time in the capacity of the statistical division.

Chicago & S. E. Head
Summarizes Results

Harry M. Payne, Chairman of the Board of Governors of the Chicago Mercantile Exchange, in summarizing the results for the year 1945, said:

"Nineteen hundred and forty-five marked an era for the Chicago Stock Exchange. Approximately seventy new and substantial firms have been added to the membership during the year. This represented an unusual expansion not only in the sphere of influence, but in the broadening of participation in the Chicago Stock Exchange itself. This expansion has taken place principally within the territory of the Exchange. Mr. Payne added: "Improved methods of trading and operating techniques have been inculcated, and our plans call for additional progress in the years to come. We shall continue to fulfill our patriotic duties while working in the interests of the industries and the public of a fast growing Middle West."

Lloyd & de Geus Form Investment Firm

(Special to the Financial Chronicle)

JOLIET, ILL.—Lester Paul de Geus and Daniel F. Rice, Jr., have formed Lloyd & de Geus, Inc., (Illinois registered investment banking firm). Mr. Rice was recently with the Federal Reserve Bank in Chicago. In the past he has been with Daniel F. Rice & Co., and was an officer of the White-Phillips Co., Inc.

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Chicago Recommendations

Braisted & Co., 208 South La Salle Street, have prepared a brochure on to-date earnings and current comment on Chicago North Shore & Milwaukee RR, copies of which are available on request.

Caswell & Co., 120 South La Salle Street, have prepared an interesting circular discussing the attractive post-war outlook for Central Steel & Wire Co. Copies of this circular are available from the firm upon request.

Comstock & Co., 231 South La Salle Street, have a new four-page booklet on Fairfield Lam¬ ber Co.; copies of wam are available on request.

Davis, O’Connor & Co., Inc., 135 South La Salle Street, have prepared a bulletin on Mathematics & Hepburn Zinc Co. Copies may be had from the firm upon request.

Fred W. Fairman & Co., 208 South La Salle Street, have an engineering report on the Garrett Corporation, available upon request. Also ready for dealers a brochure and statistical information covering the Magnavox Co.

Thomson & McKinney, 231 South La Salle Street, have an interesting discussion of the outlook for individual Companies, which is featured in their Stock Survey. Copies of the Survey will be sent by the firm upon request.

Chase National Bank Announces Promotions

The Chase National Bank of New York on Jan. 30 announced the following promotions and a proposed marketing the results for the year 1945.

"Nineteen hundred and forty-five marked an era for the Chicago Stock Exchange. Approximately seventy new and substantial firms have been added to the membership during the year. This represented an unusual expansion not only in the sphere of influence, but in the broadening of participation in the Chicago Stock Exchange itself. This expansion has taken place principally within the territory of the Exchange. Mr. Payne added: "Improved methods of trading and operating techniques have been inculcated, and our plans call for additional progress in the years to come. We shall continue to fulfill our patriotic duties while working in the interests of the industries and the public of a fast growing Middle West."

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Northern Inc. 5s 1982

Iowa Elec. Light Power

Southwestern

Durex Plastics & Chemicals Inc.,

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Direct Wire to New York Office

Toadstock & Co.

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CHICAGO 4

Brown Co.

5/90—P. M. — Com.

Minn. & Ontar. Paper Co.

5/50 & Common

Bayard—Sold—Quoted

ZIPPINS & COMPANY

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Chicago 4, Illinois

"Stock market wire service of C-F 4211."
Wisconsin Brevities

The Marathon Corp. for the record year ending Sept. 30, reported a net income of $2,745,000, the highest in its history. The resulting profit shows a decrease over the previous year, when net income was $2,745,000.

Profitable operations at consolidated plants during the year increased to $2,745,000, and compares with $2,721,000 for the previous year.

Net working capital at the end of the fiscal year reached $10,614,000.

The Wisconsin Bankshares Corp., for the ten months ended Oct. 31, 1944, reported a net income of $970,100 after Federal and State income taxes. This compares with $757,200 for the year ended Dec. 31, 1943.

A bondholders' committee submitted to the Interstate Commerce Commission a proposed reorganization plan for Wisconsin Consolidated Coal Co. for the purpose of elimination of $300,000 in refunding mortgage capitalization at $379,000.

Issued by the protective committee for holders of the certificate at $63,700,000 in new capital stock; holders of first mortgage 5% bonds, due July 1, 1945, would receive $1,595.50 in new stock, and holders of first and refunding mortgage 4%, due 1919, would receive $1,369.50 in new stock, and holders of first and refunding mortgage 4%, due 1945, would receive $1,000 in new stock.

Revised stockholders would receive nothing. Marshfield & Shell Grove and Green Bay, all 5%, due 1945, and equipment obligations would be paid in cash.

** Net income for the fiscal year ending Sept. 30, 1944, was reported by the Nunn-Bush Shoe Co. of Milwaukee. This profit compares with $1,290,117 for 1943. This was an increase of $316,879, or 24%, after providing for income and excess profits taxes aggregating $437,266 as compared with $317,321 for 1943.

The profit after common stock dividends paid of $3.75 per share on the present stockholders' capital giving the present share on the basis of the old stock of $25 par value, which compares with $4.60 for 1943.

Profitable operations at consolidated plants during the year increased to $1,37,700,000, and compares with $1,271,000 for the previous year.

The report was presented by J. N. Nunn, president, who in his report to stockholders, said that out of every gross dollar earned during the year there went to taxes, 16c, the remaining 84c went to pre-tax profits, the pre-tax profits of 84c per share were 21c per share of stockholders.

Praxing the employees for the next year, the president said that the year 1945 was going to be a difficult year for the nation as a whole as well as the company, and that present conditions would continue during the year.

The statement revealed that when profits sales during the year were $234,000,000, as compared with $234,000,000 in 1943. The decline in the statement was due to a decline in sales to the Navy, independent of which, was due to the fact that the Navy purchased more of the latest and most advanced products.

The company is among the largest growers of aluminum metal and produces the world's largest and most advanced products.

The company is among the largest growers of aluminum metal and produces the world's largest and most advanced products.

The company is among the largest growers of aluminum metal and produces the world's largest and most advanced products.
Bank and Insurance Stocks

This Week — Bank Stocks

By E. A. VAN DEUSEN

New York City Bank stocks did well during 1944, though they did not come up to the same level as in 1943. As measured by the American banker index, they closed the year at 45.8, compared with 38.0 on Dec. 31, a gain of 20.3%. The high for the year, however, was 48.8 on Dec. 9. By way of comparison, the Dow Jones Industrial Average moved from 238.80 on Dec. 31, 1944, a gain of 12.1%.

The New York Clearing House banks, as shown in the table below, closed at an average of 22.6. This level is 28.6% above the average recorded last year. Better than average gains were made by Continental, 30.1%; Public National, 27.5%; Bank Manhattan, 32.4%; Fifth Avenue, 31.4%; and J. P. Morgan, 30.2%. The poorest showing was for Bank Trust with a gain of 15.4% for the 20% stock dividend. Other high gains were: J. Lynch, 38.3%; Standard Oil, 25.6%; and Commercial Union, 25.0%.

<table>
<thead>
<tr>
<th>Bank Stock</th>
<th>Price</th>
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<tr>
<td>Bank of Manhattan</td>
<td>25.50</td>
<td>+4.11</td>
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<tr>
<td>Bank of New York</td>
<td>49.50</td>
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<tr>
<td>Continental National</td>
<td>51.56</td>
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<tr>
<td>Continental National Bank &amp; Trust Co.</td>
<td>50.56</td>
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<tr>
<td>First National</td>
<td>51.50</td>
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<tr>
<td>First National Bank of Chicago</td>
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<tr>
<td>Fifth Avenue</td>
<td>34.45</td>
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<tr>
<td>J. P. Morgan</td>
<td>30.66</td>
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<td>National City</td>
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<td>Public National</td>
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<tr>
<td>United States National</td>
<td>30.75</td>
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The American Bankers Association reports that it has assumed a stand position as to the desirability of the Bank of New York & Trust Co., which has been causing some discussion in banking circles.

A comparison of the book values with market prices of the above banks shows a close relation between the two. This is true, however, for only a few cases. For example, the book value of Bank of New York & Trust Co. is $5.00, which is $45.84 higher than its market price of $45.37, though in average, the gain is only $45.75, and in a few instances it amounts to over $45.75. The gain is in some cases, however, the increase has been augmented by transfers from reserves to capital.

New Jersey Municipal Bonds

Bank Stocks

J. S. Rippe! & Co.

Established 1881
18 Clints St, Newark 2, N. J.
Market 2-3439
N. Y. Clear at 5th Ave. 2-4382

Some Current Problems

Of Federal Regulation

(Continued from page 155)

... and to say that net operating earnings and net income, but they are not the property, which are based solely on the profit and loss statement, and are not the property of the customer. Net earnings and net operating earnings, which are based on the profit and loss statement, do not pass to the customer. It is the earnings of the corporation, and the corporation earns the right to pass them to its stockholders.

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*Erroll vs. Picken, 113 Fed. (2d) 130 (1940).
This improper practice of some brokers to act as dealers is one which I find is encouraged by the regulations of the Commission because the commissions which it requires are so small. It is fraud for an agent to sell his own property to his principal without first allowing his customers to chance their chances of a better price. In order to avoid this situation and to foster and promote the public welfare, the Commission requires that all transactions be held by a broker in public. The question of responsibility for the security of his customers must be considered.

The Federal Reserve banks have a duty to act as the depository of public funds and to carry out their responsibilities in the manner prescribed by law. The public has a right to know that it is handling its money with the utmost care and that the transactions are being conducted in the best interests of all concerned.

Federal Reserve banks are responsible for the security of the transactions of their customers. They must inform their clients in advance of any material change in the price of the security, and they must provide a written statement of the transaction to their clients. These requirements are designed to protect the public from unfair and misleading practices by brokers and dealers. It is the duty of Federal Reserve banks to ensure that these regulations are enforced, and to this end, they must have the authority to take action against brokers and dealers who violate these rules.

In conclusion, it is the responsibility of Federal Reserve banks to ensure that the public is protected from unfair and misleading practices in the securities market. They must act to maintain the integrity of the market, and to ensure that their customers are informed and protected. This requires that they enforce the regulations that are in place, and that they take action against those who violate these rules. It is the duty of Federal Reserve banks to ensure that their customers are protected, and that the market is fair and transparent.
**Mutual Funds**

Investment Prospects for 1945

Keystone Corp. surveys investment prospects for 1945 in the current issue of Keynes. We quote in full: "Victory over Germany and Japan is assured. Only the time element remains.

"Business Outlook. Germany is expected to be the first to capitulate. But as long as the war continues either in Europe or in the Pacific, it is evident that heavy investment in domestic securities will continue. When peace comes — whether it is in 1945 or later — it is equally certain that an enormous deferred demand will exist for all types of civilian goods. No less significant is the fact that the consuming public will have the money to satisfy these deferred needs. It may require several years for industry to fill its backlog of existing and pending orders for hardware, machinery, locomotives, radios, refrigerators, washers, vacuum cleaners, and other products. It is estimated that since 1939 savings of individuals have totaled about $130 billion, and this figure is rising by about $1 billion a year! When it is realized that the total national income in the 1939 period amounted to $60 billion a year, it becomes evident that a potential market of tremendous dimensions exists.

"In view of the continued government deficit financing and the large national savings — it is difficult to visualize anything but a high level of business activity for an extended period ahead. It is probable that reversion will proceed gradually to normal or near normal costs still being produced and that the industries that have been with far less difficulty than any other to hold on to hope for six months ago.

"Investment Outlook. —The Keynes Judge holds that a world seeking investment is a factor the impact of which can rarely be overestimated. These idle funds are exerting constant upward pressure on interest rates not only on bonds but also on preferred and common stocks. The search for a better return on capital than is offered by the meager 2.5% on high grade bonds is a potent influence on all sections of the investment market. Other considerations also make carefully selected securities more attractive than cash. Sooner or later—and perhaps this year—the market is expected to change the tax law so as to eliminate double taxation of corporate earnings. As the law stands now, such earnings are first taxed in the hands of the corporation, then taxed again in the hands of the shareholders when they are paid out as dividends. Elimination of this double tax would help to enhance the attractiveness of stocks as investment media, especially for investors in the lower and middle income tax brackets.

"Prospect of tax relief coupled with the fact that business activity both during the war and for several years thereafter promises to remain at a high level, will be a significant deal of optimism on the part of the investor who has a properly balanced diversified investment position."

Railroad Equipment Shares

A Class of Group Securities, Inc.

DISTRIBUTORS GROUP, INCORPORATED
9 WALL STREET, NEW YORK 5, N.Y.

Prospectus on Request

Distributors Group, Inc. describes how corporations, in the current issue of Isolationists, are offering a new product to investors — "legal list" bonds to achieve a higher rate of return on their money. This compares with a net return in excess of 6 1/2% on a bond investment.

Institutional Bond Shares is the solution offered. "Through Institutional Bond Shares Co., Inc. an investor can invest his surplus funds in a well-diversified group of selected 'legal list' bonds. In return, he receives a net return — after taxes — of approximately 3.76%.

Institutional Bond Shares is the only investment available today through which the investor can obtain such a high yield after taxes by selecting from selected 'legal list' bonds.

New High for Keystone

Combined assets of the 10 Keystone Custodian Funds amounted to more than $105 million, a new high record. This total is made up of approximately $76 million reported a year ago and $32 million in December '44.

These figures were disclosed in a recent report on Keystone Custodian Funds. During the fiscal year ended Nov. 30, 1944, net assets of "S"-5 increased to $5,612,538 from $5,602,474 a year earlier.

Keystone Custodian Funds

Certificates of Participation in Trust

Investment in a certificate of participation from Keystone Custodian Funds Group:

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<th>SERIES</th>
<th>1-2, 3 and 4 IN BONDS</th>
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<td>S-1</td>
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<td>S-2</td>
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</tr>
</tbody>
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(Continued from page 134)

Are Americans Isolationists? (Continued from page 134)

American is a home-loving body who wants to get along with the people at home. We are small and, if anything, our sympathies have turned more and more to the small and weak nations of the earth, especially to those that are pressed or harassed by the mighty great economic and political power of Europe and Asia. He has no designs on the territorial dominions or possessions of other countries.

As the sons of foreign parents—This is the second kind of isolationism, for which we are unable to love because it is the America of which Washington, Jefferson, Lincoln, Theodore Roosevelt and Benjamin Franklin gave their lives and denied their happiness for: the sake of liberty. Isolationist is:-

The American whose sympathies are with the poor small nations of the world. He is unrestrained by the desire for power, and it is a right to have but one objective: their own selfish aggrandizement by unmitigated force, conquest and enslavement.

Regrettably, as these nations—As these nations, isolationists have a natural concern for the peace of the world. They, and will continue to turn this God-given world inheritance, a morgue and graveyard for the honest, decent, unselfish people of all races and nations.

When War Hysteria Subsides

Let us hope that the war, when it subsided, we will more calmly reflect on the status of our country and its role in the League of Nations. Our future course should be to operate with the World Powers in the effort to achieve an international order in which we can do without involving the sacrifice of our freedom of action.

With faith in the checks and balances of our federal government, the representative system of government, the isolationists of our country will act to see that in our effort to collaborate with Britain, Russia, France and the other powers to secure a lasting peace, our isolationist groups will not be allowed to dictate the action of our country. Isolationists were not, of our own making or choosing.

What It Means To Be An Isolationist

The isolationist believes in the fact that Europe has problems, and that European solutions to Europe's problems will not be the same as ours. We have no right to assume that European problems will be solved in the same way that ours were solved.

During these war-minded times the exuberant advocates of international alliances and power politics are unthinkingly casting aside the very principles that have united us. The isolationist is for national self-sufficiency and our own business as individuals and as a nation.

The isolationist knows that World War III will result from a disastrous combination of forces: Six: Britain, Russia, France, Germany and the other members of the new Dumbarton Oaks Group.

The isolationist knows why the first League of Nations, comprised of sensible and reasonable men, was not expected to fulfill their treaty obligations and that they are not expected to do so now. The isolationist will ensure permanent peace while ignoring the appetite of the Great Powers.

The isolationist knows that the statement of the Great Powers are neither saints nor above suspicion and why they cannot be trusted.

The isolationist knows that the great Imperialistic Powers do not want us to counter their contracts of commerce and friendship and the other great powers. The "isolationist" is now being used by the peasants of internationalism and foreign policy to represent the group of citizens who are opposed to our country having a key position in world politics.

So, may I say that it is not yet too late to discuss with an isolationist, or a Nationalist, the fact that: we are an anti-imperialistic country, its history and philosophy, that the country has been more than any country that has existed "since the beginning of the world", that it is a small country and a great country, that it is a country of small elements and a large country, that it is a country of small elements and a large country.

(Continued from page 134)
dred years and all the wishful thinking and ardent desire in the world, has not put an end to the delusion that the abolition of Nations which will ensure perfect peace. The Old World Powers exploit the Small Powers and strive to acquire the curse of imperialism.

It is a trap to appease the bargain-hunt with the little fellow and still continue to be the badge of freedom. The smaller a country with unfourfording nations of this earth. We have only to remember how very many states were changing sympathies engendered by wars to realize the weakness of the non-imperialist like the United States has experience in the past 180 years during which it has been obliged to fight seven major wars.

Our Country's Friendships and Hatred

1795—We loved the British and hated the French in the American Revolution.

1776—We loved the French and hated the British in the American Revolution.

1799—We hated the French and loved the British in the War of 1812.

1812—We loved the French and hated the British in the War of 1812.

1846—We loved the Southerners and hated the Mexicans in the Mexican War over Texas.

1861—We hated the Southern states and loved the South in the Civil War.

1890—We hated the Spanish in the Spanish-American War, where the cup of the Chinese, and the Filipinos in the common cup of our alliance. The Allies were in the Boxer uprising in China.

1904—We both hated the Russians in the Russo-Japanese War.

1917—We hated the Japanese and the Russians, allies in World War I.

1914—We hated the British and French and hated the Austrians and Germans when war was declared.

1915—We loved the Italians, Austria, and Russia.

1916—We hated the Mexicans when our Mariner landed in Vera Cruz.

1918—We loved the British and French and hated the Austrians and Germans when war was declared.

1919—We loved the Japanese who ran away, and the Chinese who were in the Boxer rebellion.

1920—We loved the Yale and hated the Russians when War was declared.

1927—We loved the Japanese and liquidated the Russo-Japanese War.

1931—We loved the Japanese and hated the Chinese during the Chinese war.

1935—We loved the Chinese and hated the Russians when Communist despotism in China.

1939—We loved the British and French and hated the Germans and Russians at the outbreak of war in 1939.

1940—We loved the British and hated the Germans when war with Germany began.

1941—We loved the Germans and hated the French when Russia invaded Finland.

1941—We loved the Filipinos and conquered the Japanese in the Philippines.

1944—We loved the British, Bulgarians, and Dutch, Russians, and hated the Germans, Italians, and Japanese in World War II.

1945—We loved some French and hated others during the war in Europe.

1942—We loved the Mexicans and other Latin Americans in World War II.

1943—We loved the Chinese; try to love them, and hate others in the war in the Pacific.

Our pipe dreams that a League of Imperialist Nations will ever be a panacea for war.

The World In Perspective

All the Isolationists ask of their fellow Americans is to view the world situation in its correct perspective. In the recent reciprocal campaign, no true words were spoken or written than those which appeared in the New York Sun, and ours was the Sun's finest newspaper. In its editorial, "Peace At Home First", Nov. 9th issue, it states that the League of Nations is an illusionist and isolationist with a clarion which can hardly be excelled.

In this November, 1944, campaign there was entirely too much talk about "internationalists" and "isolationists." Taken as a whole, the American public is neither one nor the other. It is internationalist to the extent that it is willing in the making and preserving of peace for our country to work in harmony with other countries provided we shall work in harmony also with our constitutional powers. It is isolationist to the extent that it puts the interests of the United States ahead of those of any other country.

An Internationalist Begins to See the Light

Republican Senator Joseph B. Trier, D-Nashville, Tenn., Roosevelt's fourth term election nominee, has made the following admissions, viz.:

I. The League of Nations and the Kellogg-Briand Pact were espoused to admit that injustices and parishes from principles repugnant to me and to America are inevitable in the peace settlements. To expect anything else out of the seething caldron of hate bred in Europe and Asia to be expect the impossible. This one is also from Senator Trier's pen:

"What a rich hunting ground the peace settlements after this war, or even what we can now guess about them, will provide for the isolationists when they try to turn America away from the world in despair and fear! Probable Russia annexation of the Baltic states, the Russo-Polish boundary, the British imperialism in the Far East, the row between the United Nations and the Central Government in China, the trend toward socialism in France, the harsh terms to Germany (which will make Versailles look like a pink tea), arrangements on air bases, communications and oil (which may be unsatisfactory to America) and the misuse and shape of lend-lease inevitable in such a program—these are a few of the questions which will provide the internationalists with ammunition far superior to what they had in 1917."

Historic Facts Why Americans Are Isolationists

It is in a deep-seated spirit that I would invite my countrymen, who may be confirmed in internationalists, to ponder well the following historic facts which explain why so many of our fellow Americans are isolationists and nationalist.

The Isolationists know that, irrespective of the First League of Nations and the Kellogg-Briand Pact, that millions of our own men were actually killed (according to our War Department records) in warfare in various countries by the signing of the armistice in 1918 and the outbreak of the present World War II in 1939.

The Isolationists know that Russia was one of the first signatories of the Kellogg-Briand Pact and one of the first to break the Pact in its armed struggle against China in 1928 over the Chinese Eastern Railway. Russia's broken treaties with Finland, Latvia, Lithuania, Estonia, and Poland are also matters of record.

The Isolationists know that Great Britain declined to join our country in the moves to block Japan's deprivations in China.

The Isolationists know that the League of Nations, ravished Ethiopia, another League member.

The Isolationists know that Germany walked out of the League of Nations in 1935 because the Powers in the Disarmament Conference refused to grant her equality in arms.

The Isolationists know that Russia was expelled from the League because of her aggression against Finland.

The Isolationists know that Isolationist knows that Italy quit the League when economic and financial sanctions were applied against her because her country of某某 quello that because her sovereignty over that thousand years of international recognition by the Powers in the League.

The Isolationists know that Germany took armed possession of the Ruhr region in defiance of the Treaty of Versailles, and that Britain or France raised a hand to protect the Rhineland.

(Continued on page 181)
"Let Each Transportation Agency Stand On Its Own Feet"

(Continued from previous page)

tion which are so essential to our war-time job. In fact, without the sym pathetic understanding and help from the public business, as years, we could not have functioned as we have, and when we consider what lies ahead we realize more and more how much the continu ance of your co-operation and as sistance means to us. The commit tees which strive for greater car efficiency have been especially helpful. My experience with the manpower situation on our rail road has given me knowledge of some of the problems confronting these committees in getting cars released.

While you represent freight shippers more than you do pas sengers, you know and appreciate that new passenger cars cannot be obtained and why it is that pas senger trains are carrying more people than anyone likes to crowd onto them, and why they are doing more local express and mail work than good practice would suggest.

Quite unfortunately there have been some complaints that funds have been asked questions about the safety of railroad travel. Safety is the watchword of the railroads, and despite the stress of war-time transportation and thousands of new employees, the facts are that during the first eight months of 1944, which are the latest months for which full statistics are available, the passengers injured or killed in accidents for each million passenger-miles were approximately 60% less than in the normal year of 1940. It is true that the future is ahead—maybe harder in many re spects than in the past. It is safe to say.

As you recall, however, that those four years ago there were doubts in some quar ters about the then existing physical capacity of the railroads to the

This announcement appears as a matter of record only and is not in any circumstances to be construed as an offer to buy any of such Securities. The offer is made only by means of the Prospectus.

New York, January 9, 1945

Kuhn, Loeb & Co.

Blyth & Co., Inc.

Coggeshall & Hicks

Glore, Forgan & Co.

Harriman Ripley & Co.

A. G. Becker & Co.

Herrill Lynch, Pierce, Fenner & Beane

A. C. Allyn and Company

E. H. Rollins & Sons

Slade & McLeish

Tucker, Anthony & Co.

G. H. Walker & Co.

60,000 Shares

SERVEL, INC.

$4.50 Cumulative Preferred Stock

without par value

PRICE $105 PER SHARE

(according dividends from January 1, 1945 to date of delivery)

Copies of the Prospectus may be obtained in any State from only such dealers participating in this issue as may legally offer these Securities under the securities laws of such State.

Thursday, January 11, 1945
The Pennsylvania Railroad Company

General Mortgage 3½% Bonds, Series F

To be dated January 1, 1945

To mature January 1, 1985

PRICE 101.68% AND ACCURED INTEREST

Copies of the Circular dated January 9, 1945, describing these Bonds and giving information regarding the Company, may be obtained in any State from only such dealers participating in this issue as may legally offer these Bonds under the securities law of such State.

Kuhn, Loeb & Co.

Blith & Co., Inc.

Goldman, Sachs & Co.

Harriman Ripley & Co.

Kidder, Peabody & Co.

Lazard Frères & Co.

Salomon Bros. & Hutzler

Stone & Webster and Blodget

Union Securities Corporation

A. G. Becker & Co.

Drexel & Co.

Eastman, Dillon & Co.

Haggin & Co.

Homans, Nye & Co.

Harbor & Weeks

Leyland Government

F. S. Moseley & Co.

Merrill Lynch, Pierce, Fenner & Beane

Paine, Webber, Jackson & Curtis

E. H. Rollins & Sons

New York, January 10, 1945.

This advertisement is not, and is under no circumstances to be construed as, an offering of these Bonds for sale or as a solicitation of an offer to buy any of such Bonds. The offering is made only by the Offering Circular.
... there are five major problems which we must face if we are to win this fight.

Food Rationing

OPA problem number one involves food rationing. A week ago today we announced a series of fundamental changes in our food rationing system. We invalidated surplus stamps issued before June 1, 1942; we established a new, over-all system of exchanges for over 239,000 tons of sugar. We invalidated nearly seventeen billion rations stamps. We reduced the quantities of processed foods, such as canned tomatoes, fats and oils. We are now looking back on the list of rationing products 85% of all meats sold in the average grocery store. We restored five canned vegetables to rationing.

The invalidation of ration stamps was one of the toughest decisions we have ever had to make. When we originally said there would be no reduction in the value of invalidation of stamps, we did not estimate properly the number of stamps which would accumulate nor did we know the extent to which the spending of these stamps could be reduced.

We must be absolutely sure that we have foreseen these possibilities. However, we are not willing to risk ever that mistake by working a hardship on the 227.68 million people who need their stamps to get their fair share of food.

We have simply this: First, we could allow the old stamps to be redeemed and count in the value of the new stamps, or second: we could cancel the old stamps and give everyone his or her share of 1942 supplies. The first plan would have allowed one comparatively small group of families to receive more than their share of 1945 supplies than the majority of families. That would have been unfair.

When we asked women who had extra stamps why they had not spent them, the large majority told us. "Because we did not have them," a few, 35% of all stamps were out of date. We have no way of knowing how many of these 35% were out of date, but we estimate that 45% were worth less than 10% of their face value and 68% were out of date.

The Army's meat requirements have been reduced. We are now living through three months there will be no meat distribution. TheArmy was reduced to 185,000 tons of meat. The Army now requires 285,000 tons of meat. The Army now requires 285,000 tons of meat. The Army now requires 285,000 tons of meat. The Army now requires 285,000 tons of meat. The Army now requires 285,000 tons of meat.

We have encountered difficulties in administering ceiling prices at which military bases can serve civilian families. It has been necessary to raise the ceiling prices in a number of instances.

Current difficulties and curtailments in the operation of the basic commodity price control program are due to the fact that the same ceiling prices are applicable to all commodities. While it is desirable to have ceiling prices high enough to prevent the sale of goods at a profit, the extreme ceiling prices have not been high enough to meet the needs of the consumers. Thus they are harmful to the consumer. The ceiling prices have also been too high to meet the needs of the consumer. The ceiling prices have also been too high to meet the needs of the consumer.

In the case of Sequence of the situation.

Administrative Problems

I think you may be interested in hearing some of the major problems associated with the administrative program of the OPA. I would like to discuss some of these problems in general and some of the major decisions.

Let me tell you about one of the most important decisions that we have to make.

There are eight OPA Regional Commissions, each of which is responsible for about 5,000 local OPA boards-each one of which is to be given the authority to make the decisions which are needed to interpret the regulations. In addition, there are over 600,000 wholesalers and 600,000 retailers of meat, dairy products and other basic foodstuffs. Each one of these has to be notified of all changes in regulations and must be provided with a poster showing the point values to be charged for each type of food.

There are some 500,000 hotels, restaurants and other eating places which are selling users of rationed foods, including meats, and they too are notified of the changes in regulations and must be provided with a poster showing the point values.

In many sections of the country, some of these food retailers have been delaying the notification of the changes, thus making it difficult for the people who are in charge of the re-
The level of wholesale industrial and retail prices during the first three months of 1923, when OPA price control first went into effect. During this period of price ceilings, some prices had been held almost at the levels of 1923, while others had been lowered.

We would again face economic disaster and collapse—collapse from which even the best of public measures could not recover only with great difficulty and after widespread depression. When the war is won, the limits of our power and the influence of the public authorities in the commercial and industrial life of the country will be at a premium, and the ability of the government to control prices and wages will be limited by the exigencies of the situation.

The world we live in, when the peace finally comes, will be an unsettled world—potentially a revolutionary world. If we in America are to know full security, full prosperity and full opportunity, we must make our economic system work effectively and efficiently in the interest of all of us.

We must fully employ all our resources and all our manpower to raise our standards of living to the highest possible level. We must make the gains in efficiency and productivity which were won during the war and which will be needed to maintain a satisfactory standard of living.

We will have full employment and opportunity for all. We will have full freedom to live our own lives as we see fit, and to own the means of production and distribution as we see fit.

In conclusion, I would like to say that this problem of price control is one of the most important problems that will face the country in the next few years. It is not a problem that can be solved by any one person or any one government. It is a problem that must be solved by the whole country working together.

I am confident that we can solve this problem and make the kind of world that we want for ourselves and our children. But it will take all of us working together to make it happen.
Canada and War Finance

Our new pamphlet entitled "Canada and War Finance, September 1, 1940—November 30, 1944," provides an interesting survey of many salient features of the Dominion's wartime economy.

Among the topics dealt with are government debt and interest charges, bank deposits and security Holdings, national production, and industrial company reserves.

Canadian Securities

By BRUCE WILLIAMS

Recent statements, notably of the Chicago Air Conference, indicate that the Great Powers of the world are not yet ready to arrive at harmonious agreements on post-war economic matters.

The "spirit of co-operation" approach by Canada of an export advantage in the shape of the 15% discount against the E. S. dollar is now more remote.

Therefore, although the Bredton Woods plan has many obvious imperfections, it offers nevertheless a bolder existing form of governmental agreement on the international monetary, financial, and trade planes. Of still greater importance in the light of recent experience, it would appear to be a more realistic way to establish a world plan which in spite of its complexity was approved by 44 nations, the delegates of which were able to work together in a spirit of friendly cooperation.

The many critics of the plan, however, would be less skeptical if it were clear that the management of the Fund would be entrusted to a body composed principally of bankers and business men with wide experience of international commerce and finance.

With regard to the favorable aspect of the plan, it is important to consider whether possible solutions of the kind of money-market problem, namely the gradual liquidation of the vast accumulation of blocked sterling, and, from the Canadian point of view, the ready convertibility of sterling into U. S. dollars, is of vital importance.

Moreover, the fear that an over-whelming pressure will be placed on the supply of U. S. dollars is likely to prove unfounded. On the cessation of hostilities, there will be a universal demand primarily for basic items of food and clothing and materials for building and reconstruction. At that time as soon as work can be resumed, normal commerce will begin and a normal market for foreign trade will be possible, it will be essential to have a multilateral scheme of the value of the security under consideration. Whatever would require that the current quotations would be given the recognition that they would not prevent the salesman or his firm from realizing the detailed information concerning the size of the market, its availability, or such other facts as may be deemed material.

Now I believe that in making retail sales to a customer the firm in the eyes of the customer is usually an agent for the customer.

Let us pass over the delicate question of agency, however, and concede the essential fact that in every kind of transaction in which the customer is informed on security matters I am sure that one of the first questions which he will ask is, what is the market value of the security? I take it that no one will dispute that the prospective buyer is not fully alive to the situation and other controlling factors which enter into a determination of the factors which enter into a determination of the price that should pay for the security. Again it is up to the salesman to satisfy him that the customer is fully aware of the facts. Should the unformed customer be kept in a poorer position to protect himself than he is now? Secondly, is it possible that the Government of Canada might ultimately make a direct approach to the bondholders, will be eventually borne out in fact.

All the other sections of the market also moved in accordance with expectations. Buying disappeared, and a high level of prices were sustained in sharp demand and even free conditions. Notwithstanding the 10% discount, it is becoming increasingly clear that the market's principal problem is the lack of a normal supply of high-grade securities, apart from the internal issues.

In the future course of the market, there is little reason to anticipate any early reversal of the present strong trend.

Railroad Stocks Should Follow Railroad Bonds

W. THIELE, Bungay & Son, 61 Broadway, New York City.

Because of an address by Patrick M. McGinnes entitled "Railroad Stocks Should Follow Railroad Bonds," to the National Securities Exchanges, Mr. Thiele considers that the popularity of the classes of securities and some comments of the President of the United States, the present rising trend in prices may continue.

Mr. Thiele argues that the railway stocks and bonds should be bought at the present time. He says that the rate of interest on government bonds is much lower than the rate on railroad stocks, and that the government bonds are lending money to the people for their own convenience.

Berrien Securities Inc. Formed In Michigan

BENTON HARBOR, Mich.-Berrien Securities, Inc. has been formed for the purpose of buying and selling securities in the Chicago market. The company has an authorized capital stock of $50,000, with 5,000 shares of $10 par value outstanding.

The company was organized with the object of engaging in the securities business, and its officers are as follows: C. A. Thiele, president; Lewis W. Law¬rence, vice-president and treasurer; and Vera E. Johnson, secretary.

C. A. Thiele was formerly with H. D. Diffendorfer & Co.; Mr. Lawrence was with Seaton, White & Co.

Some Current Problems Of Federal Regulation

(Continued from page 165)

The validity of one of the most controversial of the new disclosures, the disclosure rule, that would require the seller of a security to state the amount of the company's common stock, the amount of the company's preferred stock, the amount of the company's bonds, and the amount of the company's other securities, has been upheld by the Securities and Exchange Commission.

The case was one of the most important in recent years, and the decision was expected to have far-reaching effects on the securities industry.

The issue involved the question of whether the disclosure rule was constitutional. The commission had claimed that the rule was necessary to prevent the sale of securities to the public without adequate information.

The court held that the rule was constitutional, and that the commission had the authority to make it.

The decision was widely hailed as a victory for the securities industry, and it was expected to have an immediate impact on the way securities are sold to the public.

The case was brought by the Securities and Exchange Commission against the National Securities Exchange, Inc., which was alleged to have violated the rule.

The commission sought an injunction against the exchange, and the court granted it.

The exchange appealed the decision, and the court of appeals upheld it.
Louisville & Nashville Bond Issue

$35,853,000 Over subscribed

A nationwide syndicate of 165 investment houses, headed by Halcyon, will underwrite the Louisville & Nashville RR, first and refunding 6% bonds, series D April 1, 1935, for $35,853,000, all maturing April 1, 2003. Wm. L. Mellon will hold $11,000,000, and the payment of each equipment obligation, the road reduced its funded debt, including equipment obligations, by $14,514,566 in the past year. Interest requirements for one year on funded debt and equipment obligations as of Dec. 31, 1944, after giving effect to the 1945 refunding and present financing, amount to approximately $6,500,000, or lower than in 1933.

As long as any of the new series B bonds are outstanding, there must be an annual sinking fund payment, consisting of interest on $1,050,000, and principal of $1,050,000, due Jan. 1, 1945, of $296,175. The bonds are redeemable at $1,088, at prices ranging from 110 to par, and at stated redemption of the sinking fund, at prices ranging from 93 to 100, plus accrued interest in each case.

ATTRACTIVE POSSIBILITIES

Standard Stoker and United Printers and Publishers common offerings, according to memoranda issued by Buckle Brothers, Inc., 5624 Market St., Philadelphia, Pa., members of the New York Stock Exchange and other national Exchanges.

O'Connell & Janarelli
Form Brokerage Firm

Homer J. O'Connell and Joseph Janarelli, Jr., have organized a new brokerage firm, O'Connell & Janarelli, to carry on a general brokerage business, specializing in railroad securities. Mr. O'Connell was for many years Manager of the railroad bond department of Adam Peck. Mr. Janarelli has been known in the New York bond market for many years, specializing in railroad se-

The new firm will be located at 170 Water Street, New York City.
DANCIERS TO FOREIGN TRADE

The first is that other countries are trying to
challenge the foundations of our indus-
trial society. This is what is being called
multinationalism, and its success would
prove devastating to our economy.

Civilization has never yet been
able to eliminate the Great War. It is
an uncertain and often tedious
growth. As well send a giant bull
rampage around the world, hoping to
induce a desert ido who did not know the
brightly colored suits and promises of
dream of huge factories in many
places. As long as we have the
blacksmiths we have hitherto
remained. More than that, we
must have a "know-how," not
for that purpose. The Press
is as part of human bodies,
which changes from one
occasion. And "know-how" is
acquired but slowly, as Russia,
can sometimes be recovered.

It will take generations of Mr.
Churchill's blood, sweat and
tears to defeat the universal
philosophy which the imperialist
countries so proudly project.

The second is that the great
countries are no longer
satisfied with the status quo,
and want to change the world
for themselves. This is the
reason why the Great War
began. In any application of
British imperialist policy, the
result is satisfied customers, and our
need for foreign trade will be
producing as we become an industrial
power.

Perhaps you will consider that
I am trying to do is to define
the needs of our foreign trade.
I am concerned about it because
of the need to protect the
interests of our country.

There was some of this special
pressure as a result of the recent
election campaign, though the
argument has lost much of its
force since the election.

Comparison between the
income of the labor in the
United States and that of a Chinese
coolie will not serve much longer as a
standard for office seekers when the
production records we are now
published are fully available.

Unfortunately, it has taken the
bloodiest war in history to dem-
strate to ourselves as well as to
defid the suits and the
machine the United States has
become. I believe that the
realization of constantly increased
wage levels abroad will lead to
an increased adoption of labor-saving
methods and devices, until it
due date of the next contract
of four to ten times as much
increases, and will reduce
work to a degree that is
impossible for most of
us to handle. As a result we have been
able to control labor costs to a degree
that is impossible, and로
those who are employed there.

The second is that our produc-
itive might and its post-war po-
tential seems to pose two
dangers to our foreign trade.

One World—Its Sales Significance

(Continued from first page)
**Broker-Dealer Personnel Items**

If you contemplate making additions to your personnel please send in particulars to the Editor of The Financial Chronicle for publication in this column.

**NEW YORK, N. Y.** — Harry Dearie is with Tucker, Anthony & Co., 20 Exchange Place, New York City. Mr. Dearie was formerly with Hempelloy, Coes.

(Special to The Financial Chronicle)

**BOSTON, MASS.** — Charles Sachs has joined the staff of Frederick C. Adams & Co., 24 Federal Street.

(Special to The Financial Chronicle)

**BOSTON, MASS.** — Madge Doe and Arthur Y. Murphy are with The Pittsford Trust Co., 3 State St.

(Special to The Financial Chronicle)

**CHARLOTTE, N. C.** — Walter Myres has become associated with Louis G. Rogers & Co., Johnston Building, Mr. Myres was previously with Albion, Proctor & Paine, and Goodbody & Co.

(Special to The Financial Chronicle)

**CINCINNATI, OHIO** — Justin Meyers has joined the staff of the Mellon National Bank & Trust Co., 310 Post Office Square. Mr. Meyers in the past with J. S. Todd & Co.

(Special to The Financial Chronicle)

**CLEVELAND, OHIO** — J. D. Schumel has rejoined the staff of The Bancroft, Arnold, Inc., Insurance Building.

(Special to The Financial Chronicle)

**Statement of Condition, December 31, 1944**

<table>
<thead>
<tr>
<th>ASSETS</th>
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<tbody>
<tr>
<td>Cash and Due from Banks</td>
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<tr>
<td>U. S. Government Securities</td>
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<tr>
<td>Other Securities</td>
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<tr>
<td>Personal Bank Deposits</td>
</tr>
<tr>
<td>Loans and Discounts</td>
</tr>
<tr>
<td>First Mortgages on Real Estate</td>
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<tr>
<td>Headquarters Building</td>
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<tr>
<td>Other Real Estate</td>
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<tr>
<td>Liability of Customers for Acceptances</td>
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<tr>
<td>Other Assets</td>
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<tr>
<td><strong>Total assets</strong></td>
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</table>

<table>
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<th>LIABILITIES</th>
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<td>Deposits</td>
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<td>Official Checks</td>
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<tr>
<td>Accrued Interest</td>
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<tr>
<td>Due in Federal Reserve</td>
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<tr>
<td>Reserve for Taxes and Other Expenses</td>
</tr>
<tr>
<td>Dividend payable January 1, 1945</td>
</tr>
<tr>
<td>Other Liabilities</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
</tr>
</tbody>
</table>

**RACING TRUST COMPANY, NEW YORK**

**Interesting Developments in Pittsburgh Railways**

A lucid and comprehensive analysis of the interesting complexities of the Pittsburgh Railways Company system, including a summation of possible development which has been prepared by the Research Depart- ment of the First of New York Life Insurance Co., New York City. Copies of this report in booklet form, are available upon request.

United States Government Securities are stated at amortized cost. Out of $90,000,175,003 are pledged as security for deposits of the bank and for other purposes required by law. Mayor, Frank D. Rippy, Department of Audit and Finance.
Congress Awaits FDR Message on Peacetime Training Issue

(Continued from page 154)

Legislation being passed providing for compulsory military training.

FRANKLIN D. ROOSEVELT
President

This issue is published on the occasion of the

Richard L. Reutter

THE COMMONWEALTH & FINANCIAL JOURNAL

Volume 36, Number 2

Thursday, January 11, 1945

LEW Y. COWLES
President, Utah State, Salt Lake City, Utah

I feel that I could not add any- thing worth adding to what has not already been said on the subject of compulsory military training. I sympathize to quite an extent with the arguments set forth in view taken by Rev. Cyril F. Meyer, Dean, St. John's University, which are set forth in your columns on Oct. 26.

HERBERT S. GOLDSTEIN, D.D.
Rabbi, West Side Institutional Synagogue, Chicago

I am personally opposed to mili-
tary training. I do not believe that the use of the word "military" is enough to make -it anything but compulsory. I believe that the word "citizen" should be used instead of "citizen," and that the word "Volunteer" should be used instead of "Volunteer."

The purpose of military training should be to prepare the volunteer citizen for the work of national defense. This work is the responsibility of all citizens, and not merely of those who have been trained in military institutions. The training should be voluntary and not compulsory. The training should be limited to those who are physically able to perform the work of national defense.

The training should be provided by the state, and not by the federal government. The training should be provided by the state, and not by the federal government. The training should be provided by the state, and not by the federal government.

Our country needs a strong and effective national defense system. The only way to achieve this is through voluntary participation by all citizens. Compulsory military training is contrary to the principles of democracy.

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Army composed of young men will be needed to maintain stability. It cannot be exterminated after the out¬
break of national defense, nor will it need to lead to a reorganization of the St. Louis Bank.

In order that a Citizens’ Reserve may carry over the emergency of war there must be a sufficient period to train ARMY troops. It is neces¬
sary to keep the regular forces of the War and Navy Departments available in the event of an out¬
break of war. But I am sure that the training of the young people is not only in the interest of these forces but also in the interest of the nation. It will be in the interest of the United States to have a military establishment that is well trained and ready for action. It is for this reason that I believe that the training of young men should be continued during the war.

The training of young people in the military will be carried out in two ways. First, by making use of the existing military establishments, and second, by establishing new military training camps. The existing military establishments include the Regular Army, the National Guard, and the Reserve Corps. These establishments will be used to train young men for military service. The creation of new military training camps will provide an opportunity to train young men for military service in a more organized manner. These camps will be established in different parts of the country and will be under the control of the War and Navy Departments. The training of young people in the military will be carried out in a systematic and efficient manner. It will be done in a way that will prepare the young people for a successful military career.

The training of young people in the military will be a financial burden on the people of the United States. It will be necessary to raise funds to support this training. The funds will be raised through taxes and other sources. The government will be responsible for the administration of these funds.

The training of young people in the military will be an important step in preparing for the future of the United States. It will be necessary to prepare the young people for a successful military career. It is for this reason that I believe that the training of young people in the military should be continued during the war.

Rev. HERMAN F. PAGE, D.D.* Bishop, Diocese of Northern Ohio, Trinity Church, Cleveland, Ohio

Frankly, I am in favor of com¬

pulsory military training in peace¬
time. It is a matter of education of our young men to let them know that the military training is an important part of their education. It will be necessary to prepare them for future military service. It will be necessary to give them a clear understanding of the principles of democracy and freedom.

RUSSELL F. AUMAN, D.D. Pastor, St. Patrick’s Church of Manhattan, New York, N. Y.

I am opposed to any legislation now, setting up a program of compulsory military training, for the following reasons: For granted that, of course, the military training may be set up completely and may be a post¬

ervation of an order that can guar¬

antee lasting peace. I would not want our country to en¬

ter into such a world organization with that prior assumption. There will be plenty of time to prepare for the third world war after it becomes apparent that our international peace ma¬

chinery is beginning to break down.

2) Such compulsory military training in peace-time could be of little or no value, and very little value so far as the mental, physical, and emotional health of the people is concerned. Having army training in the U. S. Army, War, and Peace. I know of no value where the training I have been given to me in this war today. Military methods and techniques in war, with great rapidity and an army trained today would be out of date ten years from now. There could be no military value to such peace-time training unless they trained for it, for if we should be at war again within about five years. Even if the training tech¬

niques would remain the same, I think that I have nothing left to do for five to ten years would have been trained for that kind of work. As a contribu¬

tion to peace, health, habits, and charac¬
ter, it would have doubtful worth of any lasting kind. You improve a man in health, habits or character by external compul¬

sion or pressure only. You cannot achieve your ends by external compulsion.

3) Military conscription except in emergency, impending or ac¬
tual, is un-American. It is a vir¬

1.301/41 of the American spirit. The nation that must wield its influence at the world’s table, if we have let it fall, the nation which maintains our military establishment is either planning for the conquest of other nations or has grown old, selfish, snobbish, suspi¬

cious of others because suspicious of itself. America is not inter¬

ested in the type of world which the good Lord save us from the second.

Hon. COMPTON L. WHITE Representative in Congress from the State of New York

Judging from my observation and experience, I am opposed to compulsory peacetime military training for the young men of this country.

You are, no doubt, fully aware of the extent of the burden which is be¬

borne by the people of France and Germany over the years to support large standing armies, and the onerous duties that have been im¬

posed on the youth of these countries by such enormous military service.

Now, after all, the sacrifice which have been made by the people of these leading European countries to create and support their peace-time armies for the purpose of maintaining military preparedness, we find that they are now, in the act of position of helplessness and defense, and the coun¬

tries which they have the powerful forces of their youth, standing triumphant in their military might before the world.

I say, on the principles of democracy and freedom that in the brief period of our peace.

CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY 
OF CHICAGO

Statement of Condition, December 31, 1934

RESOURCES

Cash and Due from Banks

$49,019,062.80

United States Government Obligations, Direct and Fully Guaranteed...

1,681,649.20

Other Bonds and Securities

435,628.95

Loans and Discounts

401,502.45

Stock in Reserve Bank

3,840,000.00

Customers’ Liabilities on Acceptances

743,108.28

Inconvertible but Not Collected

6,452,530.90

Banking House

11,000,000.00

Total

$29,602,875.75

LIABILITIES

Deposits

$4,247,746,881.73

Acceptances

710,000.00

Due for Taxes, Interest and Expenses

11,916,048.43

Receivable for Contingencies

13,059,951.35

Inconvertible but Not Earned

2,478,355.00

Capital Stock

9,000,000.00

Surplus

10,000,000.00

Undivided Profit

$23,973,879.70

*In addition to this item on hand, we have 475,000 outstanding, with $1,950,000 in the United States of America, which will mature, if the Fund is required.

**This includes $22,5000 on trust receipt in deposit in the United States, and $10,000 on trust receipt in deposit in the United States, which will mature, if the Fund is required.

Joined by the President, Fishkill Savings In¬

sulate, Fishkill, N. Y.

I wish to state that I am op¬

posed to compulsory military training in peace-time. In my opinion it is entirely un¬

American. I am not opposed to Amer¬

ic peace being prepared; or of waging war if we find it necessary to do so; but compulsory-training is not the American way of life; nor did this country grow to be as great as it has under that system. The result of such a system is clearly shown in Europe today. To adopt it here, I think it will be a grave mistake. America can be well prepared without going to the extreme.

If this war is a war to end all wars, then why compulsory train¬

ing? If the nation is making the peace at all honest they can at this time, if they wish to do so, assure that peace. Their first work should be to demand, and force if necessary, the total abolishment of military (complu¬

sary) training in every country on the globe. Each country being allowed to maintain only a small volunteer army which, combined with the other countries, would have sufficient force to maintain peace.
The First Ten Years After the War

(Continued from page 156)

that is the root cause of inventory controls. The merchant is perfectly willing to place a larger order, but the merchant is very inquisitive in adjusting changes in income and their inventories. It is very hard for the merchant to determine the significance of the improvement and whether he would have a demand for semi-durable consumer goods for several months to place orders at a pace below that which has been normal. This approach falls with inadequate stocks and sets in motion a cycle of events. Such an approach would rise 5% to 7% above the 10-year trend in the peak months of January and February, and decline again to a level a little below the 1929 trend during the post-war years.

Three trends of per capita consumption are expected to persist throughout the period. First, the consumption of durable goods is expected to rise above the 1940 level, partly because of the shortages that will continue to exist. Second, the consumption of semi-durable goods is expected to remain at the same level of 1940, due to the fact that more of these goods will be purchased by households in the period. Third, the consumption of non-durable goods is expected to rise above the 1940 level, due to the fact that more of these goods will be purchased by households in the period. These trends are expected to persist throughout the period.

The Federal Reserve Board, in its report on the economic condition of the United States, has stated that the economy is in a state of recovery, and that the recovery is expected to continue. The Board has also stated that the recovery is expected to be slow, and that the recovery is expected to be accompanied by a rise in the price level and a rise in the money supply.

The Federal Reserve Board has also stated that the recovery is expected to be accompanied by a rise in the price level and a rise in the money supply. The Board has also stated that the recovery is expected to be slow, and that the recovery is expected to be accompanied by a rise in the price level and a rise in the money supply.

The Federal Reserve Board has also stated that the recovery is expected to be slow, and that the recovery is expected to be accompanied by a rise in the price level and a rise in the money supply.
Roosevelt's Tentative Budget for 1946 Fiscal Year Includes $70,000,000,000 War Outlay

Figure Represents Decrease of $19,000,000,000 From Present Fiscal Requirements of $89,000,000,000. Total Needs for 1946, Including $13,000,000,000 Non-War Expenses, Given as $53,000,000,000, Drop of 20 Per Cent of Total Proposed Fiscal Expenditures. President's Legislative Program Includes Adoption of Bretton Woods Monetary and Financial Agreements; Reduction of Gold Requirements of Federal Reserve Banks; Increase of Federal Debt Limit; Relief of Johnson's Grain and Cotton Crop Tax. Reductions Held Not Justified While War Is in Progress.

In his message to Congress on budget matters, President Roosevelt stated that "I estimate now that $70,000,000,000 of appropriations and extensions of credit will be required for war purposes for the fiscal year 1946. Things are developing favorably, unobligated balances of funds now available to govern- ments no longer required for au- thorized purposes will be placed in reserve and reported to the Congress for repeal or other acti- on in accordance with the provisions of pre- sent law." The President went on to say that the "war situation, course of the war, estimates of war expenses during the last fiscal year 1946 range from less than $600,000,000 to more than $60, 000,000,000, depending upon the tentative estimates of the President for the fiscal year 1946. I repeat, however, that these are minimum estimates that must depend on developments of the battlegrounds.

"For purposes other than war," the President said, "I am recom- mendation that we allocate spe- cial and special accounts, to cover estimated requirements of $700,000,000,000." From the President's message we also quote: "The recent war experiences have shown that, in an emergency of war, the Federal Government, if it is to do its full share of the total responsibility, will need a much larger and more highly trained and equipped armed forces than have been able to attract the required number of professional officers and men and the number of other personnel required for the protection of our lives and property.

Statements that "actual expenditures of the Federal Government depend largely upon the course of the war," the President added, "I have not made in the past, and I shall not now make; any predic- tion concerning the length of the war, the duration of the war, the size of our enemies will be totally de- ceived before we lay down our arms. Regarding the total estimated expenditures, the President said:

"Of the total estimated expenditures, including net outlays of $53,000,000,000 for the fiscal year 1946, 84% are for direct war purposes; 4% for acquisition of the public debt and tax refunds; 6% for purposes deriving from the agreements of the Federal Government, 'other activities' are estimated at $3,000,000,000, somewhat less than the amount in the same classification of 'other activities' in the fiscal year 1946. Out of a total of $3,000,000,000, somewhat less than the amount in the same classification of 'other activities' in the fiscal year 1946.

"Wartime taxes," the President said, "must be maintained as long as war itself endures. This is necessary." He continued: "There is no justification for tax reduction as long as we are engaged in a major war. When a sufficient development of the war allows a major decline in war expenditures, the President followed, "the burden of taxation will become possible and feasible. I am pleased that the Joint Committee on Internal Revenue 

Statement of Condition December 30, 1944

<table>
<thead>
<tr>
<th>Resource</th>
<th>Amount</th>
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<tr>
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<td>U.S. Treasury Bills and Certificates</td>
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<td>U.S. Government Bonds and Notes</td>
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<td>State and Municipal Securities</td>
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<td>Other Bonds and Securities</td>
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<td>Loans and Discounts</td>
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<td>Federal Reserve Stock</td>
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<td>Customers' Loans and Acceptances</td>
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<td>Liabilities</td>
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Harris Trust and Savings Bank
Organized A.D. 1845—Reincorporated 1917
HARRIS TRUST BUILDING, CHICAGO

Resources

<table>
<thead>
<tr>
<th>Resource</th>
<th>Amount</th>
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<tbody>
<tr>
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<td>$137,640,242.31</td>
</tr>
<tr>
<td>U.S. Treasury Bills and Certificates</td>
<td>$94,174,265.06</td>
</tr>
<tr>
<td>U.S. Government Bonds and Notes</td>
<td>$114,558,789.11</td>
</tr>
<tr>
<td>State and Municipal Securities</td>
<td>$32,900,904.53</td>
</tr>
<tr>
<td>Other Bonds and Securities</td>
<td>$40,862,283.39</td>
</tr>
<tr>
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</tr>
<tr>
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<tr>
<td>Customers' Loans and Acceptances</td>
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</tr>
<tr>
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<tr>
<td>Total</td>
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Harris Trust and Savings Bank
Organized A.D. 1845—Reincorporated 1917
HARRIS TRUST BUILDING, CHICAGO

Statement of Condition December 30, 1944

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Unlisted Trading Privileges
(Continued from page 155)

National City Bank Reports 1944 Net Operating Earnings of $15,355,511; Gain Over 1943
(Continued from page 157)

to the public over the counter was considerably less than the cost on the Exchange. In other words, that the excess possible case would be unlikely. It was shown that the counter could be the cause of the Commission to say that this situation is such that relief should be granted now.

He further said:

"The over-the-counter market, as you know, is a secret market. There are really two markets over the counter. There is the dealer's market and the customer's market. There are two series of prices, one in the interior market, and one in the over-the-counter market, but the only report of the prices are those given in the National Daily Quotation Service, which goes only to members of the inter¬

In our opinion, although there are two securities mar¬

ke the public is interested in this place in the argument, and should never have composed any part of it. The price element, it appears to us, was wholly out of order.

The auction market and the over-the-counter market de¬

velop, and have for decades developed, according to their customary requirements and the respective functions which they perform.

The arguments quoted above, particularly because of what we deem to be their irrelevance, would show an inclination to encourage the over-the-counter trading. List¬

ing unlisted securities and increase over-the-counter activity, not in the public interest, but for the sake of increasing the number of issues for Exchange trading.

We think this hunger, and intent at invasion for invasion sake, as it were, is brought about by another part of Mr. Lockwood's argument, and we quote:

"Now, another thing which may interest you is the decrease since the time of the passage of the statute in the number of securities listed on Exchanges. It was the hope at the time of the passage of the statute that the listings would increase and the over-the-counter trading would decrease. As a matter of fact, the listings have decreased, the unlisted unlisted on the New York Curb Exchange have decreased by 50 per cent, and very few of those securities, if any, have gone on to be listed on any other Ex¬

change, and the greatest increase, as I have said before, is in the number of securities which are dealt in over the coun¬

ter and which are on no Exchange."

If securities are such that by the standards which the law sets, and the desire of the issuers and of the general trad¬

ing public they are more suitable for the over-the-counter trad¬

ing than for auction trading, and as a result of the natural development of the respective markets certain issues are traded in over the counter, then we say so be it. The public interest is best served by these particular issues being traded in over the counter.

We think it shows a peculiar lack of good taste for the New York Curb Exchange to attempt to attack over-the-counter trading and as a result of the natural development of the respective markets certain issues are traded in over the counter, then we say so be it. The public interest is best served by these particular issues being traded in over the counter.

The real motive behind that type of argument was well

recognized for thereafter the New York "times" came out with a headline "Exchanges to Seek Counter's Trading" and the sub-heading "Curb's Application to SEC for Privileges in Six Stocks is Start of Campaign."

In our opinion service in the public interest played no part in the pending action.

A campaign to force over-the-counter securities generally on to the exchanges would clearly be contrary to the public interest as the vast majority of these se¬

curities do not lend themselves to listed or auction (matching orders of buyers or sellers) trading. Included in this category are the securities of the smaller corpora¬

tions in the country. Equities of that nature, it must be kept in mind, are bought after BUT HAVE TO BE SOLD to investors by the over-the-counter firms.

If it were illegal to buy or sell such securities other than through the medium of an organized exchange, the result would be that the few brokers who are left would inevitably show little interest in providing capital for small corporations through the purchase of their securi¬

ties.

DOES ANY ONE THINK THAT CONGRESS OR THE PUBLIC WOULD PERMIT SUCH A CONDITION TO PREVAIL? WE THINK NOT!
Are Americans Isolationists?

(Continued from page 1671)

The Isolationist knows that we signed the Laming-Hilll agreement.

Will Winton Washington Administration recognize Japan?

The Isolationist knows that the failure of the League of Nations, the trade embargo in China in defiance of Article 10 of the Covenant, and the Big Four conference which pledges each member government to "aggression" the "territorial independence of every other member government.

The Isolationist knows that the signatories of the "Nine Power Treaty" failed to take up against Japan's aggression in Shanghai at their meeting at Brussels in 1937.

The Isolationist knows that the signatories in the "Nine Power Treaty" of 1922 included Japan, Russia, France, Italy, Belgium, Japan, China, Netherlands, United States, and China who pledged themselves to respect the territorial and administrative integrity and independence of China.

Hence, the Isolationist knows that, as an American, he is required to judge the Isolationist's government's failure to act in justification of his treaty obligations.

The Isolationist knows that the Isolationist's government's unwarranted invasion of China in defiance of its treaty obligations, the World War I in defiance of her treaty obligations is perhaps the most heinous and violent act in history. A treaty is the solemn obligation of a nation to assume but when Germany regarded her treaty obligations as a mere scrap of paper, the respect of that nation and other nations for the sanctity of any international treaty to perpetuate war and to aggravate international weakness.

The hour is ripe for a declaration of peace aims, principles, and policies for the world and for the German and Japanese peoples in particular. What we are to position will be in the Peace Conference of the Old War era with respect to Germany, Japan, Britain, France, Russia.

Our primary purpose in fighting this war was to win the peace of a friendly Peace that will make a lasting world peace organization possible. If victory, then more than a pretense and a majestic gesture.

In this material age no human power or society of nations can be one. The Fortuna of European and British foreign and economic relations are the it may be that we are in a period of international correspondence between the Big 4 and the British.

An Isolationist's Reflections

The Atlantic Charter, while the Isolationist may have no official standing, is disingenuous, and disloyal to our diplomatic frictions with the Italian, a character of Greece and Italy.

Not only the ditching of the Atlantic Charter, the sacrifice of the United States, but Britain's accommodation with reference to the wholesale partitioning of Poland by Russia is something

Tomorrow's Markets

Walter Whyte

(Continued from page 158)

money around is no great secret. That some of it is coming into the hands of investors also contains knowledge. But the truth of the matter is that the great majority of present traders don't know what they are buying. And probably care less. This doesn't mean that stocks are going down. It's the other way around.

A public loaded with cash, each member eager to get home, the heavy travagance, national non-essential expenditures, the heavy budget, and the war makes it inevitable that the utilities may get a ride from the public. Service of N. S. North American and Consolidated Edison appear to be champing at the bit.

Plenty of industrials are also in the "Gee-wee-want-to—go-up-too" class. These are American Crystal Sugar, American Stock, &-e 1 Foundry, Baldwin Locomotive, Bendix, and most of the steel, to mention a few. If you buy any of them, remember that stop is a useful tool. Stop in Crystal Sugar is 18, Steel Foundry 27, Baldwin 25, Crucible 36, Bendix 32.

American Smelters saved itself when it crossed 42 on Dec. 30, when it was 43 1/2. You bought it at 39 1/2. Raise you stop to 42. Climax Monk -Ward, 6 1/4, to 6 3/8. You got it at 34 3/8. Monday's price was 35 1/4. G. L. Martin (Barnes & Co.) will keep your stop at 22. Purchase was at 21 1/2, Timken Detroit, Axle is all right—yet. Stop at 35. You bought it at 33 1/2.

A last word of warning: water may look fine, but don't wet more than your toes. Keep a towel handy.

More next Thursday.

Walter Whyte
Sees Inflationary Pressure Rising
National City Bank in Review of Business Outlook for 1945 Points to Need for "Increased Wage, Price, and Interest Rates" to Hold Inflation in检查

The January issue of the "Monthly Bulletin" of the National City Bank of New York contains a special feature on the problem of rising prices. The report emphasizes the need for increasing prices, wages, and interest rates to hold inflation in check.

"Inflationary pressure is rising," the report states, "and the Federal Reserve Board has ordered banks to raise their discount rates. The need for an increase in prices, wages, and interest rates is apparent."

The report goes on to say that the recent wage increases have not been sufficient to offset the rise in prices. It predicts that the government will have to impose controls on prices and wages to prevent a further rise in inflation.

The report also states that the economy is facing a "perfect storm," with rising prices, wages, and interest rates all contributing to the problem. It calls for a coordinated effort by the government and the banking community to address the issue.

The report concludes by saying that the government and the banking community must act quickly to prevent inflation from getting out of control. It predicts that the economy will face a "perfect storm" in the coming months, and that the government must act to prevent a "perfect storm" of inflation.

Proposes Investigation of SEC
(Continued from page 155)

enterprise can do will depend on the availability of capital and the capital structure of the company. If it is more attractive to invest in a company that has a high stock price, it will be more likely to attract investors."

The report concludes by saying that the government and the banking community must act quickly to prevent inflation from getting out of control. It predicts that the economy will face a "perfect storm" in the coming months, and that the government must act to prevent a "perfect storm" of inflation.

Heavy Canada Trading in December Reported
Indications are that Christmas trade in Canada has outstripped that of last year by a substantial volume, even though the weather was generally colder than last year. The volume of business done in December was up by over 50% compared to the same month last year.

The report states that this increase in trade was due to a number of factors. First, the weather was generally colder than last year, which resulted in a higher demand for products such as clothing, appliances, and electronic goods. Second, there was a general increase in consumer confidence, which resulted in more spending. Third, there was a general increase in the availability of credit, which allowed consumers to buy more.

The report also notes that the increase in trade was due to the fact that Christmas is a very important holiday in Canada. The holiday season is a time when families come together to celebrate, and this results in a higher demand for products and services.

The report concludes by saying that the increase in trade in December is a positive sign for the Canadian economy. It predicts that the economy will continue to grow in the coming months, and that the government will need to continue to monitor the situation to ensure that it remains on track.

AFL Aide Says Manpower Pears Overstated

Unwarranted hysteria over manpower was disturbing employers throughout the country to a recent labor meeting of the War Labor Clearing House. The meeting was attended by representatives of the War Manpower Commission's Management-Labor Committee, on Jan. 5, who contended that the difficulties faced by the labor market were no greater than in the past.

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Donner DVA Group

The DVA Group has announced a new Finance Program, which will provide financial assistance to veterans in their transition to civilian life.

The program includes a variety of benefits, including low-interest loans, educational assistance, and job training. The program is designed to help veterans transition to civilian life, and to help them achieve their goals.

The program is open to all veterans who have served in the armed forces, and who have been discharged with an honorable discharge.

The program is open to all veterans who have served in the armed forces, and who have been discharged with an honorable discharge. The program is designed to help veterans transition to civilian life, and to help them achieve their goals.
**OFFERINGS**

**AMERICAN FUELS CORP., INC.** has filed a registration statement for $25,000,000 of common stock plus $2,500,000 of convertible preferred stock. The stock is to be used to acquire additional properties and equipment. The common stock will be convertible at any time into a total of 250,000 shares of 8% cumulative preferred stock, with a par value of $25 per share, and subscription rights for like shares to the holders of each share of preferred stock. The holders of preferred stock will have the right to subscribe for 15 shares of common stock for each $25 of preferred stock held. The preferred stockholders will be entitled to a cumulative dividend of 8% of the par value. The registration statement became effective on January 14, 1944. Details in "Chronicle," Nov. 14, 1943.

**DAYTON BECKER MANUFACTURING CO., INC.** has filed a registration statement for $10,000,000 of common stock plus $1,000,000 of convertible preferred stock. The common stock will be convertible at any time into a total of 100,000 shares of 6% cumulative preferred stock, with a par value of $100 per share, and subscription rights for like shares to the holders of each share of preferred stock. The holders of preferred stock will have the right to subscribe for 10 shares of common stock for each $100 of preferred stock held. The preferred stockholders will be entitled to a cumulative dividend of 6% of the par value. The registration statement became effective on January 14, 1944. Details in "Chronicle," Nov. 14, 1943.

**MONOGRAM PICTURES, INC.** has filed a registration statement for $5,000,000 of 3% convertible preferred stock plus $1,000,000 of working capital. The preferred stock will be convertible at any time into a total of 500,000 shares of $50 par value common stock. The proceeds will be used to finance the expansion of the company's facilities and to purchase additional motion pictures. Filed Dec. 2, 1943. Details in "Chronicle," Jan. 4, 1944.

**SERVOL, INC.** has filed a registration statement for $5,000,000 of common stock plus $500,000 of convertible preferred stock for working capital. The common stock will be convertible at any time into a total of 500,000 shares of $1 par value preferred stock. Filed Dec. 17, 1943. Details in "Chronicle," Jan. 4, 1944.

**TENNESSEE ELECTRIC POWER CO., INC.** has filed a registration statement for $20,000,000 of common stock plus $20,000,000 of convertible preferred stock. The common stock will be convertible at any time into a total of 200,000 shares of 5% convertible preferred stock, with a par value of $100 per share, and subscription rights for like shares to the holders of each share of preferred stock. The holders of preferred stock will have the right to subscribe for 10 shares of common stock for each $100 of preferred stock held. The preferred stockholders will be entitled to a cumulative dividend of 5% of the par value. The registration statement became effective on January 14, 1944. Details in "Chronicle," Nov. 14, 1943.

**VALE MARITIME, INC.** has filed a registration statement for $10,000,000 of common stock plus $1,000,000 of convertible preferred stock. The common stock will be convertible at any time into a total of 100,000 shares of 5% convertible preferred stock, with a par value of $100 per share, and subscription rights for like shares to the holders of each share of preferred stock. The holders of preferred stock will have the right to subscribe for 10 shares of common stock for each $100 of preferred stock held. The preferred stockholders will be entitled to a cumulative dividend of 5% of the par value. The registration statement became effective on January 14, 1944. Details in "Chronicle," Nov. 14, 1943.

**WASHINGTON ELEPHANT CO., INC.** has filed a registration statement for $10,000,000 of common stock plus $1,000,000 of convertible preferred stock. The common stock will be convertible at any time into a total of 100,000 shares of 5% convertible preferred stock, with a par value of $100 per share, and subscription rights for like shares to the holders of each share of preferred stock. The holders of preferred stock will have the right to subscribe for 10 shares of common stock for each $100 of preferred stock held. The preferred stockholders will be entitled to a cumulative dividend of 5% of the par value. The registration statement became effective on January 14, 1944. Details in "Chronicle," Nov. 14, 1943.

**WILLIAM B. BROOKS & CO.,** at prices ranging from 93 1/2 to 10% of the offered price, has filed a registration statement for $2,000,000 of 6% cumulative preferred stock. The preferred stock will be convertible at any time into a total of 200,000 shares of $50 par value common stock. Filed Dec. 21, 1943. Details in "Chronicle," Jan. 4, 1944.

**WASHINGTON EXCHANGE, INC.** has filed a registration statement for $2,500,000 of common stock plus $250,000 of convertible preferred stock for working capital. The common stock will be convertible at any time into a total of 250,000 shares of $25 par value preferred stock. Filed Dec. 3, 1943. Details in "Chronicle," Jan. 4, 1944.

**WASHINGTON KIT CARSON, INC.** has filed a registration statement for $2,500,000 of common stock plus $250,000 of convertible preferred stock for working capital. The common stock will be convertible at any time into a total of 250,000 shares of $25 par value preferred stock. Filed Dec. 3, 1943. Details in "Chronicle," Jan. 4, 1944.

**WASHINGTON RAPID RAILWAY CO.** has filed a registration statement for $2,500,000 of common stock plus $250,000 of convertible preferred stock for working capital. The common stock will be convertible at any time into a total of 250,000 shares of $25 par value preferred stock. Filed Dec. 3, 1943. Details in "Chronicle," Jan. 4, 1944.

**WASHINGTON SAVINGS & LOAN ASS'N.** has filed a registration statement for $2,500,000 of common stock plus $250,000 of convertible preferred stock for working capital. The common stock will be convertible at any time into a total of 250,000 shares of $25 par value preferred stock. Filed Dec. 3, 1943. Details in "Chronicle," Jan. 4, 1944.

**WASHINGTON SCHOOL DISTRICT NO. 1.** has filed a registration statement for $2,500,000 of general obligation bonds. The bonds will be sold to the public for the purpose of constructing a new school building. Filed Dec. 23, 1943. Details in "Chronicle," Jan. 4, 1944.

### NEW FILINGS

**BROADWAY-LENOX, INC.** has filed a registration statement for $2,500,000 of common stock plus $250,000 of convertible preferred stock. The common stock will be convertible at any time into a total of 250,000 shares of $25 par value preferred stock. Filed Dec. 3, 1943. Details in "Chronicle," Jan. 4, 1944.

**WASHINGTON TELEPHONE & TELEGRAPH CO.** has filed a registration statement for $2,500,000 of common stock plus $250,000 of convertible preferred stock. The common stock will be convertible at any time into a total of 250,000 shares of $25 par value preferred stock. Filed Dec. 3, 1943. Details in "Chronicle," Jan. 4, 1944.

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**WASHINGTON TELEPHONE & TELEGRAPH CO.** has filed a registration statement for $2,500,000 of common stock plus $250,000 of convertible preferred stock. The common stock will be convertible at any time into a total of 250,000 shares of $25 par value preferred stock. Filed Dec. 3, 1943. Details in "Chronicle," Jan. 4, 1944.

**WASHINGTON TELEPHONE & TELEGRAPH CO.** has filed a registration statement for $2,500,000 of common stock plus $250,000 of convertible preferred stock. The common stock will be convertible at any time into a total of 250,000 shares of $25 par value preferred stock. Filed Dec. 3, 1943. Details in "Chronicle," Jan. 4, 1944.
The New Year investment demand was very much in evidence in the Chicago money market last week. It worked up, with several issues again making new highs. The continued increase in savings deposits, particularly in the Savings Banks being held in that important institution, brought with it sizeable commitments being reported by these institutions in the 2% due 9/15/55 and the 2 3/4% all of which registered new tops for the period.

It was also learned that commercial banks with time deposits, with substantial purchasers of the 2% due 1/15/57, and this issue likewise went into new high ground.

The partially exempt obligations were very well taken with prac- tically all the commercial banks as well as the paper dealers. They were made in the long and intermediate terms with the 2% due 9/15/52, the 2 3/4% due 6/15/54 and the 3% due 12/15/61 among the favorites. The decision of the United States Supreme Court, upholding the tax exemption of the New York Port Authority, undoubtedly had a favorable effect on the partially exempt government securities.

TAXABLE 2% ADVANCE

The 2% portfolio of taxable advances during the week with heavy trading being reported in the new due 12/15/52-54, which closed the week at 101.65-67 bid, a rather substantial move since they were issued at par during the Sixth War Loan. In fact some of the portfolio managers and dealers felt that the movement was a bit too fast and that other issues in the group are more attractive at present levels.

The 7% due 9/15/53 at 101.95/97, the 2% due 9/15/53 at 100.72/73 and the 2% due 6/15/54 at 100.85/87 was pointed out as being among the most uncertain possibilities, since these issues have not advanced as much as they should, when compared with the rise that has taken place in the 5% due 12/15/54.

During the end of last week a study of nine comparable issues of taxable 2% bonds from which commercial banks and others have issued for particular needs. The following table gives a one-year projection for each of these issues, based on the assumption that interest rates remain unchanged for the period:

<table>
<thead>
<tr>
<th>Date</th>
<th>Issue</th>
<th>Present</th>
<th>Projected</th>
<th>One-Year Change</th>
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</thead>
<tbody>
<tr>
<td>March 27</td>
<td>1952-48</td>
<td>1.45</td>
<td>1.51</td>
<td>0.64</td>
</tr>
<tr>
<td>June 1</td>
<td>1952-50</td>
<td>1.45</td>
<td>1.49</td>
<td>0.71</td>
</tr>
<tr>
<td>September 17</td>
<td>1952-52</td>
<td>1.45</td>
<td>1.49</td>
<td>0.70</td>
</tr>
<tr>
<td>December 15</td>
<td>1952-53</td>
<td>1.45</td>
<td>1.49</td>
<td>0.70</td>
</tr>
<tr>
<td>February 16</td>
<td>1952-54</td>
<td>1.45</td>
<td>1.49</td>
<td>0.70</td>
</tr>
<tr>
<td>March 20</td>
<td>1952-55</td>
<td>1.45</td>
<td>1.49</td>
<td>0.70</td>
</tr>
<tr>
<td>April 17</td>
<td>1952-55</td>
<td>1.45</td>
<td>1.49</td>
<td>0.70</td>
</tr>
<tr>
<td>May 15</td>
<td>1952-55</td>
<td>1.45</td>
<td>1.49</td>
<td>0.70</td>
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<tr>
<td>June 19</td>
<td>1952-54</td>
<td>1.45</td>
<td>1.49</td>
<td>0.70</td>
</tr>
<tr>
<td>July 24</td>
<td>1952-53</td>
<td>1.45</td>
<td>1.49</td>
<td>0.70</td>
</tr>
<tr>
<td>August 10</td>
<td>1952-52</td>
<td>1.45</td>
<td>1.49</td>
<td>0.70</td>
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</tbody>
</table>

The compilation was made prices of some of these issues have changed from 1 3/4 to 6/32, however this does not change the purpose for the study was made.

SIXTH WAR LOAN RECORD HIGH

Secretary of the Treasury Morgenthau announced last week that total subscriptions to the Sixth War Loan were 54% in excess of the 14.4 billion dollar quota, with sales amounting to $24,000,000.

This figure is a new record for the loan financing and was nearly one billion dollars in excess of the $36,000,000,000 obtained in the Fifth War Loan, the previous high mark. Subscriptions by individuals aggregated $5,000,000,000 with the figure of $5,300,000,000 obtained in the Treasury. Sales of Series "E" savings bonds exceeded the $2,500,000,000 quota by 15% with purchases totaling $2,800,000,000 in 1922.

The total amount of money raised in the Sixth War Loan was probably in excess of $22,500,000,000 since it is indicated that the reported figure of $21,600,000,000 does not include subscriptions by Treasury account or by companies and individuals.

It has been estimated that commercial bank subscriptions to the Sixth War Loan amounted to about one billion dollars.

According to figures furnished on Treasury investment accounts, purchases, it is believed that they were at least equal to those made during the Fifth War Loan when they amounted to $500,000,000. Based on available figures and estimates it is indicated that final results of the Sixth War Loan will be somewhat as follows:

- Treasury investment account purchases (estimated) $600,000,000
- Treasury account purchases (estimated) $3,000,000,000
- Treasury account purchases (estimated) $3,212,000,000
- Treasury account purchases (estimated) $3,231,000,000

Total amount probably realized during Sixth War Loan $23,231,000,000

BANK HOLDINGS UP 9 BILLION

The Federal Reserve Bank of New York estimates that for the banking system as a whole, including Federal Reserve Banks as well as all member and non-member commercial banks, the expansion in holdings of Government securities and in loans on such securities in connection with the Sixth War Loan aggregated more than 9 billion dollars. These figures indicate that Federal and the commercial banks were very important in the sale of the War Loan.

The purchase of Government securities of institutional governments together with the extension of credit to substitute the purchase of Government obligations for equivalent to almost 6% of all of the funds raised during the drive.

Likewise it was 1 1/2 times larger than individual bond purchases and more than three times subscriptions to the "E" savings bonds. With public debt expanding at a rate of upwards of $50 billions yearly in the next few years, War Loan necessary with the pro-longation of the war, more money must be raised from corporations and individuals and in large part in large banks, if we are to avoid an inflationary expansion of bank deposits.

This will require in particular the sale of much larger amounts of Treasury securities to individual investors who are putting only a fraction of their new savings in Government obligations.

Accordingly it is reported that recommendations have been made that a reconsideration both of the terms of the various issues offered in the War Loan drives and of the selling methods should be made, so that a larger percentage of the War Loans will be sold to individual investors, who will use cash reserves to pay for them.

This will mean that less money will be obtained by selling outstanding securities to the banks or by borrowing.

Kuhn, Loeb & Co. Offers Pennsylvania RR Bonds

The Pennsylvania RR, on Jan. 9, announced their intention to sell a general mortgage 3% bonds, series 66, due on Jan. 1, 1963, to Kuhn, Loeb & Co. and associates on their bid of 100.68. The banking group immediately reoffered the bond at 101.68 and secured the interest. The announcement was made by the approval of the Interstate Commerce Commission.

The railroad received two other offers for the bonds. Malloy, Stuart & Co.; and Smith, Newhall & Co. are having a 3% coupon, and the Equitable Life Assurance, a 2% coupon, a 99.075 for a similar interest rate.

As reported on Treasury investment accounts in the sales of the bonds, it is believed that they were at least equal to those made during the Fifth War Loan when they amounted to $500,000,000.