Official Changes at U. S. National Bank Of Portland, Oregon

At the regular March meeting of the Board of Directors of the United States National Bank of Portland, Ore, several important shifts among top-flight officials were announced. Mr. Paul S. Dick, who has been president since 1921, was elevated to the position of chairman of the board. Mr. E. C. Sammons, a prominent Portland manufacturer and member of the board's board of directors, was elected president. Mr. A. M. Wright, first vice-president, tendered his resignation and Mr. A. L. Mills, Jr., was elected to fill the position vacated by Mr. Wright. All changes were made effective at once.

Index of Regular Features on page 1516.

Inflation or Deflation In France?

By DONALD L. KEMMERER
Assistant Professor of Economics, University of Illinois

Dr. Kemmerer recounts the Progress of Inflation in France during the German Occupation Caused by Increase in Currency and Decrease in Goods. Maintains That the "Flag Money" Issued to Our Troops Did Little Economic Damage, Explains Soldiers' "Black Market" Operations. Concludes France Was Wise in Not Following the Belgium Plan of Deflation by Calling in and Converting Currency and That the Issuance of the Liberation Loan to Sap Up Money Was, from a Political Standpoint, a Better Policy. Holds That Further Deflation in France is Unlikely and the Chances of Controlling Inflation Are Improved.

The Questions Summarized

For the past generation the price level in France has been very unstable. Wholesale prices skyrocketed during and immediately after World War I to 1929, then this high level was halved in the next two years, doubled again in the next four, remained moderately stable for about six years, halved again in the next two, doubled once again in the next four, and, according to two calculations based on black market prices, increased six to twenty-fold since World War II began. A mere recital of what happened makes the casual reader pull something dizzier; how much more must Jean Franconis, the French man-on-the-street have been puzzled by it all. Nor is the present picture less confusing. Now Jean Franconis sees of official fear below inflated black market prices, but he knows that most of the goods he wants (Continued on page 1498).

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Essentials of Foreign Policy

By Hon. J. W. Fulbright
United States Senator from Arkansas

Holding That Our Foreign Policy Is Not Entrusted Exclusively to the State Department, but to Congress as well, Senator Fulbright holds That the People's Representatives Can Evaluate Better Their True Desires Than the Traditional Diplomats. Urges a Clarification of Our Foreign Policy and a Willingness to Give Up Some of Our Cherished Prejudices To Promote a Lasting Peace. Warns Political Stability Is Not Possible Without Economic Stability, and, in Order to Establish an Effective International Organization We Must Abandon the Old Concept of Independent Sovereignty. Urges Public Be Kept Advised on European Affairs

Myths are one of the greatest obstacles in the formulation of national policy. A myth of some plausibility is being currently revived at the expense of the Senate. The Senate is being held solely responsible for the failure of the United States to join the League of Nations. This myth is a half-truth, and a very dangerous one-half-truth. At home it is being used to disengage our system of government. Abroad it is being used to explain any hesitation we may show in joining a system of world security. The Senate of the United States, it is said, cannot be relied upon. As I see it, the responsibility for the failure of the League of Nations does not belong solely to this Senate. The American

Great Britain's Post-War Problems

By Robert Bootby, M.P.

Great Britain's Post-War Problems

By Robert Bootby, M.P.

British Stateman Says Causes of Britain's Difficult Economic Position to (1) Sharp Decline In Her Chief Export Items and (2) Failure To Maintain Her Fair Share of World Trade. Holds Major Post-War Problems are (1) the Importation of Sufficient Food and Raw Materials to Maintain High Production, and (2) the Elimination of the Sterling Blocked Balances. Contends Problems Not Solved by Creating an Export Surplus, but by Britain Changing Her National Economy and Producing High Grade Export Products. Predicts Permanently Eased Controls and Reciprocal Trade Agreements and Bilateral Agreements and Urges U.S. Co-operate, Not by Granting Loans to British, but by Tariff Reduction and by Investment in Nations Serving as Markets for British Goods.

Before the outbreak of the first World War Great Britain had an annual export surplus, available for overseas investment, of approximately £200 million. Between the two world wars she had an average annual deficit of £40 million greater than the balance of payments of between £40 million

Index of Regular Features on page 1516.

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The Bretton Woods 
Marriage Proposal

By JOHN CLIFFORD FOLGER*
President, Investment Bankers Association

Ascerting That a Financial Commitment, Like Marriages, Should Not Be Entered Upon in haste, Mr. Folger Attacked the Subject in the Attitude of the Bretton Woods Proposals. Holds There Is a Middle Ground, and Deplores the Fact That "Technicians" and Not Bankers Formulated the Plan. Says Bankers Are Not Out to Subtage the Proposals, That Because of the Global Scope of the Program Congress Should Consider It for the Good of All. Maintains That Automatic Loans Will Benefit Other Countries at Our Expense.

American dollars are going around faster than the fact, that we have become and are likely to remain the principal creditor nation of the world makes it important that we give some thought to international finance. Most important of these is the Bretton Woods plan. The Bretton Woods plan affects us in the subject of the future long and sometimes bitter experience that has taught business men that the time is coming when a financial settlement is necessary and not after it is made. To act in haste and repent at leisure applies to credit as well as marriage. Flourishing trade and happy marriages are impossible goals desired by all. However, we are admonished that marriage is a serious business, a hardship or illness. Business should not be attached for looking at the work as well as the strong points of the Bretton Woods proposal. It is of interest to examine the proposal critically and to speak candidly. The "take it or leave it" basis upon which the Bretton Woods plan is being presented to the Congress leaves no room for the consideration which should be given to business arrangements of this kind. This plan is not a treaty where the good faith of this country and its negotiators is involved. Neither is it something too deep for the average citizen to understand.

 Debate may gain in heat and 

*An address by Mr. Folger before the New England Group, Investment Bankers Association, at Boston, March 27, 1945. (Continued on page 1497)

The Reserves of the Federal Reserve Banks

BY L. J. Pritchard
Professor of Finance, University of Kansas

Economist Analyzes the Problem of Adjusting Reserve Ratios of the Federal Reserve Banks to Meet the Heavy Increase in Federal Notes and Currency Circulation. Points Out That the Two Methods Proposed viz: (1) the Reduction of the Reserve Requirements and (2) the Issue of Federal Reserve Bank Notes, Based on Pledged Government Bonds and Permitting These Bank Notes to Count as New Assets, the Latter Can More Readily Meet the Problem of Maintaining Cash Reserves in the Face of Expanding Deposits. Sees In It a Wedge for Further Inflation, but Holds It Would Ease the Burden of the National and Permi Federal Reserve System.

Considerable consternation has been in evidence in recent financial writings over the persistent decline in the ratio of total Federal Reserve assets to deposits and Federal Reserve note balances and reserves.

The average ratio against both notes and deposits for all twelve Reserve banks stood at 49.1% as of Feb. 7, 1945. This compares to a figure of 63.1% as of Oct. 21, 1942, the beginning of the present decline. It is estimated that present trends continue the reduction of the Reserve Ratio at a dangerously slow level during the third quarter of this year. The lowest point ever reached by the system was on May 14, 1929 when the combined ratio stood at 42.2%. Since it is necessary that the Reserve banks maintain excess reserves at all times if they are to fulfill their central bank functions, this ratio was considered by many as being too low or at the crack-point of the system.

This persistent decline in the reserves of the Reserve banks is due to: (1) a decline in total legal reserves, and (2) to an increase in the volume of required reserves. The loss of reserves serves to force an increase in the volume of gold certificates the Reserve banks (or the Treasury for the banks). Reduction of these gold certificates was necessary due to the decrease in our monetary gold stocks. From a high of ap (Continued on page 1496)
Discipline By the SEC

BY HAROLD AMES

In Kidder, Peabody Case, the Seemingly Light Penalty Can Be Severe if Alleged Offender Has Large Numbers of Proceedings. Injunctions in the SEC to be Issued in Similar Cases with the SEC

The proposed disciplinary and Exchange Commission has just come down containing its order proceedings of Kidder, Peabody & Co. The proceedings resulted from the following action in the Fall of 1947. Kidder, Peabody & Co. purchased $926,000 of 4% bonds of the Philadelphia, Franklin & Clearfield Railroad, a subsidiary of the New York and Hauppauge lines, in which bonds were then selling at $49. The bonds were later purchased by a life insurance company at $49 and the bonds were then resold at $50.

After an audit, investigation and hearings extending over a period of several months, the Commission finally found that the employees of Kidder, Peabody & Co. failed to realize the market in willful violation of the Securities Act and the Exchange Act in connection with the secondary distribution of the above bonds.

The Commission ordered the firm suspended from the National Association of Security Dealers for a period of ten days and further ordered the suspension of one of its members for ten days from the New York Stock Exchange.

In commenting upon the action of the Commission, its Chairman said it involved a highly technical interpretation of the legislation known as the National Securities Acts and the Exchange Act of 1934, on which there might be some difference of opinion, but with respect to which the Commission believed that it had acted correctly and in absolute good faith.

Kidder, Peabody & Co. claims that the Commission had never issued detailed regulations on this type of offering; that it purchased the bonds at $49 and resold them to the public at a fixed price of 50% more to dealers. The bonds are now selling at $84.

According to the release, each suspension begins on April 17, and runs for ten days. This penalty which on the face may seem light, can in fact, be a rather severe one if the alleged offender has current commitments of similar character.

If such commitments exist, the immediate operation of the penalty will cause significant financial loss, and we would not be surprised to see an application made to be relieved of the penalty, reduce it, or have it commence running at some future date.

Not having read the evidence, we venture no opinion on the merits of the case, but there was a violation of the Securities Acts.

However, we do wish to comment on the timing of the Commission's release. We are reliably informed that Kidder, Peabody & Co. knew of the decision through the public press. This, we believe, is an injustice. We are of the opinion that the decision in any case tried by the Commission, should be given to counsel before there is any public publicity.

This is not the first time that the Commission's timing is bad, for it has recently been criticized in connection with other hearings that have been initiated before it.

A man may, ultimately found himself on the market, grossly damaged by adverse publicity issued by an administrative body disadvantageously the course of proceedings which were initiated against him.

If the Commission hereafter finds that there seems to be no redress. If so, then there is justice in that in the first instance these be curbed.

Such a legislative action is sorely needed in this ill-advised ballyhoo which should be completely exterminated.

Where there is a finding of guilt, full opportunity should always be afforded to present the accused's side to the public at the same time that the Hearings Board and the administrative board is made available.

Counsel for the accused should get the decision in the first instance.

Comming Adjustments In Our Foreign Trade

BY HON. JAMES A. FARLEY

Chairman of the Board, Bache & Company, Corporation.

Mr. Farley, after pointing Out the need for New York's Port Improvement, Stresses the Importance of Expanding Both Our Exports and Imports. Says This Makes It Necessary to Redress Our Tariff Policy, and to Make Possible, by Larger Imports, Payment Both for Our Exports and for Our Loans Made Abroad. Aims Against Granting Unsound Credits as Occurred After World War I, and Recommends That Tariff Readjustments Be Made Gradually. Says a Prosperous America Can Only Be Assured in the City of World, and Greatest Benefits Can Come from Aiding Countries That Are Our Natural Competitors.

It is highly fitting that this discussion of foreign trade and shipping be held at the Port of New York, the greatest in the world, at a time when the country is engaged in the greatest war in its history.

The half volume of the national exports and imports moves to and from the world through the gateway of New York. This half volume is constant in our exports and imports, and in a single year. In coastwise trade in that year there were 3,000 departures or arrivals, carrying more than 4,000,000 tons valued in excess of $1,000,000,000. It will be upon the margin

*An address by Mr. Farley before the Foreign Commerce Chamber Club at their Annual Bache & Company, New York City, March 20, 1945. (Continued on page 1584)
Bowles Makes Recommendations For Price Controls

Senator Banking Committee Turns Against His Proposal to Extend Price Controls to Trade Rents, Amusements, and Barber and Beauty Shops. Takes No Action on Bills on Real Estate Prices. Senate’s Emergency Court of Appeals Rules Against Ceilings on Slaughterers of Fresh Beef, but Upholds Processing Packers’ Ceilings.

In view of the controversy over most price ceilings and some packer profits, in which Mr. Bowles, in his statement, strongly contended that under existing price regulations this industry has had a phenomenal earning record, it should be noted that the Emergency Court of Appeals in Washington on March 29 rendered a decision invalidating the price ceilings fixed for slaughterers of fresh beef on the ground that the wholesalers in this industry cannot make a profit under the price restrictions. The court, however, upheld the price ceilings fixed for processing packers.

In his statement outlining the policies and proposals of the Office of Price Administration, Mr. Bowles claimed that “the record is clear that the OPA has carried out its congressional mandate in a clear and decided fashion.”

He expressed a number of criticisms which, in the judgment of the committee, were not warranted by evidence before the committee, particularly the claim that pricing standards should be fixed with reference to profit margins on an individual transaction basis rather than an industrywide basis as at present applied. Suggestions for changes in the OPA formulas along these lines came from Philip Murray of the CIO and S. Clair Williams of the Reynolds Tobacco Company.

To these suggestions, Mr. Bowles replied in his statement by saying:

“It cannot be too often repeated, however, that the current formula for inflation would be a requirement of industrialwide price increases to assure, on an industrywide basis, a profit on each individual product. Mr. Williams’ formula of individual-firm adjustments to provide a peacetime profit for each of the $5,000,000 business firms in the country actually would be less inflationary, although even more obviously impractical to administer.

“Both suggestions would result in a price structure having no re- (Continued on page 1505)

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April 2, 1945

WE HAVE PLEASURE IN ANNOUNCING THAT

**Mr. Herbert E. Scott**

has joined our organization

**A. E. Ames & Co.**

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APRIL 2, 1945

We are pleased to announce that Mr. Joseph S. Fischer has been admitted to General Partnership in our firm.

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April 2, 1945

NSTA Notes

**Staney Forum**

The Security Traders Association of New York will hold a forum in the Governor's Room of the New York Curb Exchange at 4:30 p.m. today.

Arthur E. Baylis, foreign traffic manager of the New York Central Railway System, will give an informal talk on the railway industry's operating and traffic standpoint. A question-and-answer period will follow. Mr. Baylis will be assisted, Assistant Director of the Railway Division of the Office of Defense Transportation.

Calendar of Coming Events

Apr. 3, 1945—Security Traders Association of New York—Forum on Railways—4:30 p.m. in the Governor's Room of the New York Curb Exchange.

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Central Electric & Gas, common
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It is understood that the firms mentioned will be pleased to send you further particulars on the following:

April and the Rails—Calendar of Rail Events During April—April

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Uncertainties Develop Regarding
International Conference


It was revealed by the State Department on April 3, that President Roosevelt had reversed his position on the “secret” agreement

State for consideration a number of questions relating to representation in the General Assembly of the proposed United Nations organization which was discussed at the Crimea Conference. The issues re submitted related to various aspects of several principal questions: whether unpublished agreements had been made at Yalta; why the American representatives at Yalta agreed to support the Soviet proposals for initial membership of two Soviet republics in the proposed international organization; whether it agreed that the two Soviet republics would have separate representation at the San Francisco Conference; why the agreements with reference to the proposal for initial membership of two Soviet republics had not been announced, and the agreements on the subject of representation in the General Assembly affected the Russian and the French rights of veto as peace-loving nations expressed in the Declaration of Londres.

Questions Answers

I wish to make the following statement in response to these
both military and political questions were covered at the Crimea Conference. The military plans agreed to at Yalta and re

(Continued on page 1485)

President Roosevelt E. R. Stettinius, Jr. made at Yalta, whereby Russia and the United States were each to obtain three votes in the General Assembly of the United Nations to counterbalance the five votes which would be comprised by the British Commonwealth of Nations. According to an announcement by Secretary of State Edward R. Stettinius, Jr., the United States would not request a multiple voting quota but would not oppose Russia’s claim for those votes as agreed upon in the Yalta Conference.

The full text of Secretary Stettinius’ statement issued at the press conference on April 3, as reported by the Associated Press on the next day is as follows:

At a press conference on Friday, March 30, correspondents submitted to the Department of

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Status of France’s Foreign Debt

By JEAN PAUL SIMON

The French Government’s credit has always been one of the most enviable features of its foreign policy. It has always been a source of pride to Frenchmen and has always been a source of strength to the French Government. Now, however, the French Government finds itself in a difficult position. It is faced with a foreign debt that threatens to undermine its credit and to damage its prestige.

The French debt has always been characterized by its high level of foreign exchange reserves. These reserves have always been sufficient to cover the country’s foreign debt. However, recent events have shown that this is no longer the case. The French Government has been forced to take out loans in foreign currencies, and these loans have increased the country’s foreign debt.

The French debt is now so high that it is a threat to the country’s financial stability. The French Government must take urgent action to reduce its debt and to restore its credit. Failure to do so could lead to a financial crisis and to a loss of confidence in the French economy.

John J. O’Brien Admits Spalding as Partner

CHICAGO, ILL. — John J. O’Brien & Co., members New York and Chicago Stock Exchanges, announce that John J. Spalding has been admitted to the firm as a general partner.

The firm is known for its high-quality athletic goods, and the addition of Spalding is seen as a major step forward for the company.

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March 31, 1945

Salle Street. Mr. Pierce has recently been with the Procurement Division of the U.S. Signal Corps. Prior thereto for many years he was with Bacon, Whipple & Co.
Real Estate Securities

Heart Brisbane Properties Reorganization Completed

Earnings of New Company, Midtown Enterprises, Inc. Provide 5% Interest Coverage and Sizeable Sinking Fund

A March 15, application filed by trustees of the liquidation of the bankrupt Heart Brisbane Properties, Inc., authorized under the plan of reorganization of Heart Brisbane properties, was ready for exchange. The basis of the exchange offers for the issuance of a new $600 non-cumulative Income Bond of Midtown Enterprises, Inc., and 20 shares of Common Stock for each old $850 bond of the old company. The old $850 represents 100% of the equity and contained in the loan in the event bonds are in the future offered to the sinking fund. Bonds issued pursuant to the plan total $2,404,470. The assessed valuation of the properties securing the new bonds is $3,526,000.

Properties Owned by New Company

The bonds are secured by a first mortgage on the land (with the exception of 105-57 Street, which is a leasehold) and buildings together with all furniture, fixtures, equipment therein as described below:

(1) Hotel 35, a 31-story hotel completed in 1927, containing 608 rooms, store, etc., at the intersection of 70-58 Street and Sixth Avenue (2 blocks south of 115th Street, N. Y. C.), on a plot 210x200 feet. The assessed value of this property is $1,120,000.

(2) East 57th Street, a 5-story building, containing store on ground floor, and 5 apartments, 1-2 rooms, 1 room and 6-3 rooms on a plot 22x100 feet.

(3) East 58th Street, a 5-story building (near Fifth Avenue) containing 3 apartments, two on each floor, and one on a plot 24x100 feet. The assessed value of this property is $360,000.

(4) East 59th Street, a 18-story fireproof construction office building (near Fifth Avenue), containing 16 apartments.

The Gross operating profit of the Warwick is shown as $330,692.59 for the four months. The first $169,000 comes current on April 1, 1945, and will be a seven months' period and will end April 30, 1945. Available net income will be distributable and the working basis of the Warwick earnings alone, the estimated a m o u n t distributable will provide for full 5% interest and about $117,000 available for sinking fund. The statement of the Warwick prospective income and current operating assets of about $135,000 in contrast to current liabilities of only $31,000.

Broker-Dealer Personnel Items

If you contemplate making additions to your personnel please send in particulars to the Editor of The Financial Review. We are always interested in publishing this type of information.

DETROIT, MICH. — Edward C. Yost, a member of the law firm of Carr, Chapin & Co., Pennsylvanion Trust Co., has been retained by Mr. Smith who was formerly with W. D. Graham & Co., Chicago.

(3) Shreveport, La. — Mrs. Mary S. Poley is with Merrill Lynch, Pierce, Fenner & Beane, 606 Edward Street;

(4) New York — S. Fix is in the new securities department of Bache Bros.

Dealer-Broker Recommendations

(Continued from page 148)

Smith, Barney & Co., 14 Wall Street, New York 5, N. Y.

Albert Frank-Geutner Law, Inc., Suite 200, 405 Madison Avenue, New York 17, N. Y.

George R. Cooly & Co., Inc., 5 West Street, New York 5, N. Y.

Green Wash Co., Inc., 1529 Walnut Street, Philadelphia 2, Pa.

Indiana Gas & Chemical-Late memorandum—10% sinking fund, 70 Pine Street, New York 5, N. Y.

Also available are statistical reports on York Corrugating and Ring-Top Co.

Intermediate Aircraft & Engine Co., 20 Broad Street, New York 4, N. Y.

Landers, Frary & Clark—Discontinuation of memorandum—25 Broad Street, New York 4, N. Y.

Lefkay Valley RR. — Circular on the general counsel 4s-$45=$458.50, 200 Avenue and also post-war appreciation. Amston, Baker & Co., 135 Broadway, New York 7, N. Y.

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Long Bell Lumber Company—Circular—Annual report, 100% of the property. The new company is actually started alone on the properties Oct. 4, 1944. With the exception of the Hotel Warwick, no operating statements have been made that the other properties show a small profit after expenses and real estate tax. However, the statement of operations for the Warwick for the four months period ended Jan. 31, 1945, indicates that this property alone can earn sufficient profit for 5% interest and provide a sinking fund.

Siegell & Co.

20 Broadway, N. Y. 6-8 (654-8218)
Tel: Telecop N. Y. 2-3090

FIRST MORTGAGES

Título Co. Certificates

Sold—Sold—Quoted

EST. 1939

EMPIRE REALTY TRADING CORP.
Real Estate Brokers, Inc. & N. Y.
111 Broadway, N. Y. 6 E 2-9583

Hillman Made V. of Lawyers Mgls. Corp.

Russell Marston, President of the Lawyers Mortgage Corp., announced the appointment of William C. Hillman as Assistant Vice-President. Mr. Hillman has been with the organization since 1916 and specializes in mortgage servicing for institutions.

Life Ins. Realty Holdings

Real estate holdings of the life insurance companies at year-end were $1,071,000,000, the lowest point in the seven years since 1930, it was recently reported by the Institute of Life Insurance.

The aggregate is now made up of $250,000,000, representing company-owned buildings used for business purposes; $300,000,000 real estate under contract of sale; and $617,000,000 of property held outright, large properties generally held under lease or mortgage control and taken over under distress conditions. Of the latter, $250,000,000 are farm properties and $455,000,000 urban properties.

Sales of real estate have continued in large volume since the first of the year. January sales of $15,000,000 reduced holdings at the month's end, exclusive of some offices and properties under contract of sale, to $610,000,000,
We take pleasure in announcing the association of our firm with the manager of
James A. Andrews
as Manager of the Municipal Bond Department
and
Dell H. Stevens
as Manager of the Bank Investment Department

Donald Mac Kinnon & Co.
United States Government Securities
State and Municipal Bonds

General Motors Building
New York 19, N. Y.

April 2, 1945

"Our Reporter on Government"

By JOHN T. CHIPPENDALE, J.R.

The Government bond market gave some ground last week in the rising trend of 1947-52, but the partially exempt obligations... A better tone was in evidence in the entire list on Monday, particularly in the taxable 3%, due in part to the belief that the maturity dates on the drive issues would be available in the very near future... The opinion of the market on the closure of the national largest bond maturities of the Second World War securities was right since the Treasury made this information public yesterday. The bond market and by the Government were in line with expectations and are as follows: 5% certificates of indebtedness due June 1, 1946, 1½% bonds due Dec. 15, 1946, 2% bonds due June 15, 1950/57, 3% due 10/15/51, 3% due 10/15/62, and 4½% due 1/15/67. Interest will accrue on the four marketable obligations from June 1, 1945.

MARKET ADJUSTMENT

Some further adjustments were in evidence in the market on Tuesday with considerable interest being manifested in the taxable 2½ with some of these issues going to high levels... The terms and 2½ due 1967/72 were under some pressure... It is believed that this is somewhat early yet to indicate what the trend will be in the outstanding issues until portfolio managers have had some time to fully study their positions in relation to the new financing...

However, with the loss of interest in price now determinable, holders of the outstanding obligations are in a position to decide what normal portfolio adjustments should be made, if any...

The results of the market will still be of considerable bearing on the trend of the Government bond market from now on until the end of the year...

BUYERS AND SELLERS

During the month of December, 1944, a move took place in the partially exempt obligations which carried many of these issues, particularly the longer maturities, to new highs for the year...

While some indicated as to the buyers and sellers of these obligations were available during that month, it was only recently that the Treasury published the data that made it possible to show what took place in these issues from Nov. 30 to Dec. 30, 1944...

This showed that the largest buyers of the partially exempt during this period were the commercial banks, with only minor purchases being made by the fire insurance and casualty companies...

The savings banks were the principal sellers, followed by the life insurance companies, with other investors close behind...

The commercial banks took their largest position in the 2½ due 3/15/55, with the next important commitments being made in the 2½ due 6/15/55, the 3% due 9/15/55, the public on Tuesday, December 15, 1944, the 3% due 9/15/55, the public on Tuesday, December 15, 1944, the 3% due 6/15/46/52, the 3½% due 12/15/53, the 3½% due 12/15/48/50, the 2% due 12/15/48/50, and the 3½% due 3/15/48/51, followed in order of that day. The only obligation bought by this group was the 2% due 9/15/51/55.

FINES AND CASUALTY COMPANIES

The fire and casualty companies were only small buyers on balance for the long-term issue disposed of being the 2½% due 9/15/50/55. A larger group of the largest banks, the 2½% due 3/15/55/60, the 2½% due 9/15/51/55, the 2½% due 6/15/45/55, the 2½% due 12/15/48/50, and the 2% due 12/15/48/50, the 2% due 12/15/48/50, the 2% due 12/15/48/50, the 2% due 3/15/48/51, followed in order of that day. The only obligation bought by this group was the 2% due 9/15/51/55.

(Continued on page 1518)
In the past few years the financial condition of the City of Philadelphia has shown an outstanding improvement. Astute financial management has definitely influenced this condition and the balanced budget, which is the past year, is a case in point. The most outstanding of these economic measures was the voluntary refunding of the City of Philadelphia. This measure, which is in effect as of January 1, 1941, and which was executed for a period of two and a half years, has enabled the city to operate under an unencumbered financial situation.

The tax rate has been zero since 1941 and the city has been able to operate without any direct financial assistance from the state or federal government.

The city's tax revenue has increased significantly, allowing for the construction of new roads, expansion of public facilities, and improvements in public services.

The city's financial soundness has been recognized by rating agencies, indicating a strong credit rating and stability.

The city's financial policies have been praised for their emphasis on responsible management and prudent financial planning.

The city's financial improvements have been a result of the efforts of the city's financial team, led by the mayor and the city council.

The city's financial success is a testament to the commitment of its leaders to sound fiscal practices and effective management.
Municipal News & Notes

The refunding offer recently made by representatives of the Bloomfield Borough Council of the City of Bloomfield, N. J., which was discussed in a recent newsletter under the heading "Municipal News & Notes," has been accepted by the Bloomfield Borough Council. The offer was made by the city council for the purpose of reducing the amount of its outstanding debt and to lower the cost of borrowing. The refunding offer includes the issuance of new bonds to replace the old bonds, with the proceeds of the new bonds to be used to pay off the old bonds. The new bonds will carry a lower interest rate than the old bonds, resulting in a savings for the city. The refunding offer was well received by the residents of Bloomfield, who are glad to have the opportunity to reduce their debt and lower their tax burden.
Railroad Securities

A period of prosperity appears naturally to breed proxy fights, particularly in the railroad field. The boom brought through the headquarters of normal business periods, in turn, awakens to any inherent weaknesses in a given railroad's earnings. For many years past, the weakness that threatened the very existence of the road itself will not last forever, policy of utilizing the boom earnings to correct, as in no other, the weaknesses that threatened the company's existence.

In the course of a boom, speculative enthusiasm may develop for the junior or senior securities of such a company attracting a following of buyers at high prices. The larger current earnings and unaware of the underlying considerations which make it unfounded, if not impossible, to pass these earnings along to stockholders. Eventually such buyers become restive over not receiving any tangible return on their securities and begin to agitate for a change in management, or at least for a larger voice in the affairs of the company.

The latest proxy fight in the railroad field is that of the Missouri-Kansas-Texas which will be settled in a day or two. According to press reports it is the avowed purpose of the new interests seeking representation on the board to effect a reduction of rates, which will result in getting a return on their investment for holders of the preferred. Undoubtedly also apparent some criticism of the present management on the grounds that funds utilized in recent years for debt retirement and other better uses in earlier years for purchase and retirement of the preferred stock.

While such a step might superficially have improved the position of the company temporarily during the war boom by eliminating the question of large dividend accruals on the senior stock, it would have meant a spell disaster for the whole company very shortly after condition of the country came to return to normal. The long record of the company's inability to cover fixed charges in the pre-war period is sufficient to convince practically any railroad analyst that the road had no alternative other than to bend every effort towards reducing the burden of fixed charges when the cash was available, or a thorough judicial reorganization was to be feared. As a matter of fact, there are many rail men who are convinced that the pre-war practice of the company will have to go much further if the company is to be on safe ground in the post-war years. In other words, the fixed charges have now been reduced to an annual level of around $2,600,000 compared with about $4,400,000 only four years ago. This is among the most aggressive jobs that has been planned group of railroads, and it was done without the company being able to undertake lower rate reductions which has helped many carriers. Even the lower toll charges would have been covered in only five years of the depression decade. Aside from reducing rate debt, the management has spent considerable sums in recent years on the physical rehabilitation of the properties with a consequent improvement in operating efficiency. Naturally, then, on a return to business as usual levels as they existed in the 1920's the road would be able to show higher earning power than it did in the past. Even allowing for this, however, it is generally conceded that Katy will not be a good credit until, and unless, fixed charges are further reduced. While this present management may be dangerously to think in terms of passing along even a part of current earnings to stockholders.

Even this does not take into consideration the imposition of such a tax when working capital is not particularly large, $2,000,000 or more, and when the ship is loaded to the hilt. The $1,216,000,000 in the stock of the National Bank of Detroit and points outward that it was increasing its common stock capital by $10,000,000 through the offering of 250,000 shares to its stockholders. Of the total offering, Detroit, for delivery on or about April 11, 1945, will be offered, subject to prior sale and 122,813 additional shares will be offered at the same price, subject to prior subscription rights of existing stockholders of the bank other than to brokers, which rights expire May 2, and are subject to approval by Counsel and the Comptroller of the Currency. This offering to such stockholders has been undersubscribed, and is not subject to approval by Counsel and the Comptroller.
Uncertainties Develop Regarding International Conference

(Continued from page 1486)

lated matters connected with the decision on who should be made known only as they are

Among the other matters dealt with at the Conference were several questions left over from the Dumbarton Oaks discussions. The procedure in the Security Council; invitations to other countries through the International Organisation; the time and place of the next meeting; and the leadership in the International Organisations. The Security Council had agreed on principles to the Dumbarton Oaks proposals of provisions relating to territorial disputes.

The decisions taken at Yalta with respect to the time and place of the United Nations Conference were made public in the international communique issued at the close of the Crimean Conference. The Security Council was not announced until after consultations on the subject with the Government of the Republic of China and the Provisional Government of the French Republic.

Following these consultations the voting procedure together with the text of the list of nations to be invited to the San Francisco Conference was made public on March 5, approximately a month after the close of the Crimean Conference.

Proposal Supported by U.S.

The only other decisions reached at Yalta and made public in the United Nations Communique related to initial membership were to invite the organization when it meets, and to territorial disputes.

The American representatives at Yalta proposed that the White Russian government and the peoples of the two nations be included as equal members of the proposed organization. This was a question for the United Nations organization and for the Free French to decide.

In view of the importance which the San Francisco Conference attached to this proposal, the American representatives at Yalta, having the utmost respect for the heroic battle played by the peoples of these republics in the struggle against the repressive resistance to the common enemy and the fact that they have borne great suffering in the prosecution of that struggle, considered that the government of the United States would support the proposal to invite these two republics at San Francisco if made. No agreement was, however, made at Yalta on the question of the participation of these republics in the San Francisco conference.

In the circumstances, the American representatives at Yalta believed that it was their duty to reserve the possibility of the United States having three votes in the general assembly. The British and British representatives stated their willingness to support a proposal to invite these two republics, but they should make it, to accord three votes in the assembly to the United States.

The President decided that at this stage of the discussions the United States will not request additions in representation of the United States in the general assembly.

The vote and resolutions of these proposals was made first to the United Nations Organization at the San Francisco conference. In order to correct the impression created by the public distribution of the facts, public announcement was made on March 9 that this was the final determination of the course to be followed by the Security Council on the question of possible additional representation for the United States.

It is considered that the original trusteeship, it appeared desirable that the governments represented at Yalta, in consultation with the Chinese government and the French government, should be asked to consider the possibility of adopting a resolution for the distribution of the San Francisco conference for a trusteeship structure as a part of the general organization.

This trusteeship structure, it is thought, should be designed to permit the placing under it of the territories managed by the Security Council, and such territories taken from the enemy in this war, having been placed upon a later date, and also such other territories voluntarily placed under trusteeship. No discussion was had at Yalta on, or at San Francisco regarding specific territories.

Decision Rests With Conference

The basis of the San Francisco conference remains the proposal advanced by the United Nations organization in its resolution of December 2, 1943, on the voting procedures, that the Security Council and delegate of the United Nations organization, and there is no way of knowing what the conference will do on this proposal. The final organization will be passed on by the Security Council in accordance with their customary procedures, and it is hoped that the result will be so clear that the great expectation of the future will receive practically unanimous approval.

This decision will determine whether the rapid tempo of military and political developments, far from postponing the San Francisco Conference, has necessarily that the plans for the organization worked out at Dumbarton Oaks will be carried on promptly.

Without further ado, received no indication that any government or one of the Security Council should be postponed.

 HOLC Calls Bonds

A call for the payment on June 1, 1945, of Home Owners' Loan Corporation Series M, 11.5% bonds which mature June 1, 1947, was announced on March 30 by John H. Fahey, Federal Home Loan Bank Commissioner. This issue of bonds now amounts to $754,004,000.

Once level principal of receipts on HOLC loan accounts has enabled bond retirements of $25,000,000 monthly since the beginning of the fiscal year, Mr. Fahey said.

"After June 1, the outstanding Home Owners' Loan Corporation bonds will amount to about $1,000,000, representing a reduction of more than $25,000,000, or 75%, from the total amount by which the HOLC was authorized to advance.

Ryan in New Connection

(Continued from The Financial Chronicle)

DENVER, COLO.—William F. Ryan, who has been associated with Chiet Oil Inc., Denver National Bank Building. Mr. Ryan, who has recently been with the U. S. Army, was formerly an individual dealer in securities in Denver.

Urges Canada to Accept Bretton Woods Plan

W. L. Mackenzie King, Canadian Prime Minister, recently announced, during a debate in the Parliament on the Dumbarton Oaks proposals, that Canada was favor of the conclusions of the Bretton Woods monetary plan. Although the discussion was limited to the plan, the attitude of the Canadian representatives to the United Nations Security Conference in San Francisco the Prime Minister took advantage of the repeated references to the Bretton Woods proposals to state the opinion of the Canadian Government as to the monetary plans.

Oswald Love Opens Office To Deal in Securities

Oswald B. Love has opened offices at 57 William Street, New York City, to engage in a securities business. Mr. Love was previously manager of the investment department for Hartley Rogers & Co. and prior thereto was with E. W. Cluets & Co.

Commander Hegarty Rejoins E. H. Rollins

D. M. S. Hegarty, vice-president of E. H. Rollins & Sons, Inc., 40 Wall Street, New York City, who has been on leave of absence since November, 1942, when he accepted a commission in the U. S. Naval Reserve, has rejoined the firm.

Commander Hegarty re¬ signed his commission last June to serve as a ci¬ vilian on the Price Adjustment Board of which he has more recently been Acting Chairman.

D. M. S. Hegarty

This is not on Offering Circular. The offer of this Stock is made only by means of the Offering Circular, which should be read prior to any purchase of this Stock.

5,593,550 Shares

National Bank of Detroit

Common Stock

$10 Par Value

500,510 of the shares offered hereby are presently outstanding shares and are being pur¬ chased by the Underwriters from General Motors Corporation at a price of $8 a share (including referred to herein as "GM Stock") for the purpose of acquiring 250,000 shares of Common Stock are authorized but un¬ issued and are being offered by the Bank to its stockholders on the right subsi¬ dized to subscription rights expiring May 2, 1945. 125,000 of such remaining shares are to be purchased by the Underwriters from the Bank at $4 a share through the exercise of options from General Motors Corporation. The 125,012 remaining shares are being purchased by the Underwriters from the Bank at $4 a share and are being held in escrow subject to the subscription rights of stockholders.

Price $42 a share

6,057,392 shares of Common Stock of the Bank are offered subject to prior sale, and 125,012 shares are subject to prior subscription rights, when, and if legal, to be sold to and accepted by the Underwriters and subject to the approval of the Under¬ writers. The Underwriters are authorized to sell the additional 500,000 shares offered by the Bank to its stockholders at a subscription price of $8 for each share, subject to the approval of the Underwriters. The Underwriters have agreed to use reasonable best efforts to tender the additional 500,000 shares on or prior to April 11, 1945 against payment in New York funds, at the offering price.

It is expected that deliveries of not more than 125,012 shares as to which the subscription rights are not exercised will be made on or about April 11, 1945 at New York City.

In order to facilitate the distribution of the shares, Morgan Stanley & Co. Re¬ serves the right to attempt to stabilize the price thereof by purchasing and selling shares, and rights to purchase shares, in the open market or otherwise, for either long or short accounts. No statement is made as to the price of the shares will be stabilized or that the stabilizing, if commenced, may not be discontinued at any time.

MORGAN STANLEY & CO.

BLYTH & CO., INC.

THE FIRST BOSTON CORPORATION

GOLDMAN, SACHS & CO.

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SMITH, BARNEY & CO.

FIRST OF MICHIGAN CORPORATION

WATLING, LERCHEY & CO.

A. G. BECKER & CO.

Incorporated

April 5, 1945

Copies of the Offering Circular are obtainable from only such of the undersigned as may legally offer to sell the securities issued of the respective states.
New England Gas & Electric Plan

New England Gas & Electric is the smallest of the three “New England” holding companies, with total assets of about $180,000,000. It controls directly some 14 electric and/or gas companies operating in Massachusetts, New Hampshire, and six outside of New England. Electricity from nearly two-thirds of revenues and gas one-third, with a small residue derived from steam-heating and miscellaneous operations. In keeping with the New England tradition, subsidiaries are conservatively capitalized on new common and bond issues totaling $35,834,400 and first and second preferred stock. A sinking fund has been established with a system fund towards $5,035,000, with an additional $5,526,000 of system property less depreciation account is only $4,136,000.

The parent company, however, makes up for this by having 13 second mortgage bond issues totaling $23,304,000 and first and second preferred stock. A sinking fund has been established with a system fund towards $5,035,000, with an additional $5,526,000 of system property less depreciation account is only $4,136,000.

Originally established in 1939, the New England Gas & Electric Corporation is known for its conservative policies and is generally considered to be a sound investment. The company’s earnings are distributed quarterly, and its dividend rate has averaged over 9%.

Associated Gas and Electric Corporation

(822 Broadway, New York, New York)

Bought—Sold Quoted

Public Utility Securities

New England Gas & Electric Plan

Coming Adjustments In Our Foreign Trade

(Continued from page 148)

represented by the trade passing through here after the war that national prosperity or development will depend. And considering the vast necessities that will be present in this country for employment, and for the use of a great industrial plant, our margin of foreign trade, while relatively small, is of great importance to our well-being.

It is good that leaders in the shipping industry are looking ahead toward what must be our great port. Basil Harris, love-lie foreign, our representative on the Lines, speaking for the Propeller, expressed himself forcibly called attention to a number of basic facts. He pointed out that while the speed of ocean-going ships prior to the war averaged ten and a halt knots, the average speed in the post-war era will be in the neighborhood of 22 knots.

Mr. Harris made another vitally important point, that while the construction visited upon such excellent ports as London, Cherbourg, and Brest is closed, and our ports are closed, the latter must be open. Harris pointed at least one thing about our ports—steamers and port under modern conditions, and would be a good example of the rapid process. When these ports are reconstructed, they will be much more handy for the ships that have to call there for repairs. Their facilities for loading and unloading will be unparalleled. Our Port of New York, untouched by the ravages of war, will on the other hand, carry the marks of antiquity. That ironclad fate we must avoid by a program of modernization. Mr. Harris proposed $2,000,000,000 for the modernization of this port. It is a suitable purpose for any major public works program; it is essential a responsibility of the nation as a whole. Harris believed that all the major ports will be in the proudest of public works, since it would be a defense of the nation.

The plan, somewhat similar to the one for London, would cause considerable and delays in the courts, assuming that the SEC first approves it.

Imports and Foreign Loans

We hear a good deal about increasing our exports, but not so much about the necessity of imports. It is time for a considerable change in this emphasis. If we are to take steps in the direction of making it possible to liquidate our prospective post-war loans, we must be ready for a good defense policy. That much of our financial machinery consists of an apparatus for putting things off. A part of our credit system consists of postponing payments through notes, mortgages, and the like. The financing of foreign trade is essentially a question of the spirit of delay, and in that trade the parties to any international com¬1

The danger of postponing settle¬

ments is similar to the old habit of long-term reparations after a war. The fact is that there are some other matters of reparations are deferred, the greater part of them will require no re¬

We should Import More

We are going to need more from abroad than we have been doing ever before. We have scrapped the bottom of the barrel in many of our productive facilities. Some of our resources of which we still have some—leather, for example—as our forests, might well be given a second chance. Ukraine grows again. We shall have to import more and more, and liberalize our policy. The development of our new industries and the expansion of the old will require much more of materials of foreign origin. Therefore it is, in the past, imported in small quantities, but increased right now. There are a few items, such as rubber, of course, in which the post-war trend will be toward large im¬

We will have to do some im¬
porting of things that we shall have to use more, to upgrade the elements necessary for steel alloys. Our stock should be here and not in Arabia or Central Africa.

There are other offsets to trade—things which have traditionally been a part of our balance. There is foreign aid, for example. There will be more of that. There is the idea of future opportunities which leave money abroad. All these things can be used to purchase for greater imports of luxury goods, goods of general utility, and our net balance of payments can be adjusted to take account of them.

Tariff Thinking Must Change

But the greatest necessary ad¬
justment is in our thinking. The great argument for high tariffs in the past has rested on the fallacious belief that there was a way to pay for our defense.

Our thinking on this subject has always been as a constant and steady source of income and clearly been measured and weighed. The estimates of tax and dividend have been weighed again. But the amount of foreign trade could not be a sterile and unchanged concept; it is a vital organism which must be allowed to grow and develop. We must learn to revise the thinking on the basis of this new world. The idea of limited employment, such as it is, must be modified and adjusted to the new world. The idea of a surpluses and other share-the-work programs must have to be revised to the benefit of the world.

We must have a new attitude. We have to have a new view of the world. We have to have a new attitude toward the world. We have to have a new view of the world. We have to have a new view of the world.
highest standards of efficiency the world has ever known.

**Adaptments Should Be Gradual**

If we are going to bring about this reorganization, we are going to have to bring about changes in the past and obsolete thinking which lies behind the argument that we are doing it when European production is lower than it should be. If we adjust ourselves to this fact at first and increase only gradually, it will not be because production must, of necessity, be slow in moving back to its normal capabilities. In dealing with our tariff laws we might well leave a little room for a rate that would not now be viewed as a menace, that would be regarded with a certain applause. Such a progressive plan makes it possible for business to anticipate changes and to move forward and meet slowly increasing imports with new programs of essential production.

Our adjustments to reductions in tariffs may not be as great as we think. Our merchandise imports from abroad have increased as our growth of foreign trade had continued from 1932 to 1933. The rate of growth would not now be viewed as a menace, that would be regarded with a certain applause. Such a progressive plan makes it possible for business to anticipate changes and to move forward and meet slowly increasing imports with new programs of essential production.

**What Makes a Prosperous America?**

A good deal has been said for the view that the prosperity of America is the single best guarantee of a prosperous world. This statement, however, true, needs to be spelled out in something more precise. It takes to make a prosperous America. A prosperous America is an America going forward, with investment at home and investment abroad, with confidence in the essential friendship of its government, with the world, with the growth of trade and in international finance, with confidence that obligations will be paid, and private, will be honored.

The prosperity of the United States can carry the benefits of its prosperity to other countries. How do we do this best? Should we merely tell them that they ought to have as good goods as we have? We do now the time is right for starting for that—then we will have to go through the process of changing our other great series of defaults. Of course, we may have the bitter experience of unpaid debts, of hard feelings between nations, of a paralyzed trade and of the unpredictable results beyond. I have a special interest in the series of defaults. Three of these have crossed my mind, with the memory of most of us.

The first consisted of those defaults that occurred on the investments contracted abroad in the 1880s and 1890s. The second series of defaults that occurred in the 1920s and 1930s, and the third one is the defaulted payment. But it is the thought of paying their obligations that brings my mind back to the fact that this particular point of view is taking place in the New World rather than any other part of the world. It is a point of view that has been seen in the establishment of a just and lasting peace in the world and in the world-wide prosperity that it brings.

There are thousands of New York people to whom a lot of money means more than the American's normal interest and pride in the fame and fortune of this, the world's greatest seaport. We have a sentimental attachment to this harbor and its metropolises because it was the meeting point of New York that our forefathers looked forward to more than any other part of the American money went down the drain.

The second series of defaults that occurred in the past are the defaults that were the debts of our government because we were overextended during and after the First World War. This series of defaults led to the Johnson Act, which was the expression of a country which was sick and tired of all dealings with foreign nations. It didn't have to be perfect, it was a gesture which was out of despair, anger and disillusionment.

The third series consists of the leasehold obligations which are probably going to be forgiven in large part as a part of the cost of winning the war.

**Avoid Future Defaults**

Let us set up and permit defaults to occur in a fourth series of loans which such institutions as those suggested by Breton might consider. I am not objecting to these loans, but I think we should adjust our economic thinking to the thought of making and permitting those loans to be repaid. We must get at these problems squarely. Let us admit that if we assert ourselves abroad, we must buy abroad. Let us put our tariffs in such a way that we can accept this way in which payment can be made. Let us have a Europe, not necessarily out of our generosity, but out of our business interest. Europe will need for loan her reorganization. The importation of materials and fuels will need, on the physical side, industrial and transportation equipment, building materials and tools of every kind. A Europe rising from her ruins will be a good customer, and a good supplier of valuable products.

In our attitude toward countries which, in their losses at sea, or which, for the sake of their war preparations, have not been able to fulfill their obligations, we must think seriously of what we can do—what we must do. The effect of our generosity, both in our war effort and post-war efforts, will be to establish a new order which will set the world thinking along the lines of freedom from imperialist war influences. Our conduct in the war will have that influence before the World. This is a decision that must be made even before the war.

**Taxable Electric Utilities Vs. Exempt Federal Projects**

C. W. Kellogg Says $703,000,000 in Taxes or 23.79% of Revenues Was Paid by Private Electric Utilities in 1944. Holds TWA Would Have Had Deficit of $10,900,000 if Exempt to Pay Taxes and Interest.

Contrasting the relative freedom from taxes and interest charges of Federally owned electric projects to expenses of this kind borne by American business, C. W. Kellogg, President of the Edison Electric Institute, made known yesterday that the nation’s light and power companies paid taxes totaling $793,000,000 in 1944.

Federal taxes, equivalent to 15.84% of gross revenues of $5,955,000,000, amounted to $468,000,000. State and local taxes were equivalent to 7.90% of gross and aggregated $255,000,000. The combined tax on the industry was 23.79%.

Total interest on $491,000,000 that companies were required to pay in the preceding year, but the net generally suffered a loss. The total net tax increase was $25,000,000. The breakdown is as follows: New York City $15,000,000; New Jersey $6,500,000; Pennsylvania $5,000,000; and Texas $1,500,000.

This announcement appears as a matter of record only and is under no circumstances to be construed as an offering of such securities for sale, or as an solicitation of an offer to buy, any of such securities. The offering is made only by the Prospectus.

**NEW ISSUE**

200,000 Shares

The Rath Packing Company

Common Stock (Par Value $10 per Share)

The Rath Packing Company is offering to holders of its Common Stock of record at the close of business on March 29, 1945 the right to purchase 200,000 shares of Common Stock, less 5,200 shares of the rights to which have been waived by certain Common Stockholders. The purchase price for each share is $100 per share, and the 200,000 shares of Common Stock are in the ratio of one share for each 50 shares held of record on March 15, 1945. Subscription rights are evidenced by transferable full share fractional shares. The war emergency will add Mrs. W. M. Kellogg as a Director of the company.

Price $33.75 per Share

Kidder, Peabody & Co.

Blyth & Co., Inc.

Eastman, Dillon & Co.

Harriman Ripleys & Co.

Lehman Brothers

Merrill Lynch, Pierce, Fenner & Beane

April 8, 1945.
The Reserves of the Federal Reserve Banks

(Continued from page 1482)

proximately 22.7 billions of dol¬
lar bank notes have been ex¬
hausted. Our gold stocks have shrunken to about 2 billions or to about 207 billions as of the end of 1944. Practically all of this decline has been since January, 1943.

The increase in the volume of required reserves is the result of an expansion of the note and deposit liabilities of the Reserve Banks. Bank note and deposit liabilities are traceable to the enormous increase in the volume of money in circulation and to the expansion of member bank demand deposits, both which led to a depletion of the excess reserves of the member banks. To keep these excess reserves from falling to a danger¬
ously low level (which the Board of Governors apparently con¬
siders, during this period, in the neighborhood of one billion dol¬
lar) the Reserve Banks have ex¬
panded credit largely through the purchase in the open market of Government (and Government guaranteed) obligations. Such operations increase the deposits in the Reserve Banks which are owned by the member banks; in other words, the reserves of the member banks. Having ex¬
panded credit, the member banks, now with excess reserves, showed the continued drain on them for their own use, and so to their customers by "cash¬ing in", or to purchase their excess res¬
erves. This process reduced the deposits in the Reserve Banks, but increased their note bank demand deposits, and, since cash disbursements were largely in the form of Federal Re¬
serve Notes.

While the latter events were directly traceable to the war, unfortu¬
ately, we are not concerned today with our gold losses for the expansion of member bank deposits, and, to some extent, the increase in the excess re¬
serve of money in circulation; it is by no means a certainty that the excess reserve will continue to swell. Much of our gold is held for the account of foreign govern¬
ments, and foreign nations with¬
\n
The reserves of the Federal Reserve Banks, and the Federal Reserve Notes are held mainly in the form of gold certificates. The latter are the result of the Federal Reserve acts of 1913, and were to serve in the event of the gold certificates having been issued, or gold certificates having been re¬dissolved, the reserves of the Federal Reserve Banks. However, the method of removing the Federal Reserve Note from circulation, and of substituting gold certificates, has never been employed as a device to liquidate the National debt.

The Federal Reserve Notes, and the Federal Reserve Board, in fact, have a long standing policy of increasing the note and deposit liabilities of the Federal Reserve Banks to the extent that demand for their services to be a maximum.

Such procedures require, or should require, legislation; and both should be accompanied by a further grant of power to the Board of Governors to raise the required reserve ratio of member banks above their normal rates.

Step (1) would not be of any assistance to the Reserve Banks if these notes were carried on the books of the Reserve Banks as assets. This can be done, when the notes are in process of retirement, in which event they become a Treasury rather than a bank liability, and can be prop¬
\n
During the period of national emergency, the demand for currency notes has been unprecedented. In the years preceding the war, the annual issue of currency notes was approximately 2 billions; but during the years 1933 to 1941, the annual issue of currency notes has been in the neighborhood of 20 billions. The surplus of currency notes over and above the notes in circulation at December 31, 1941, was 14 billions. The cut-off of gold from the currency notes was decreed by Executive order June 15, 1933, and by a resolution of the Board of Governors December 23, 1941.

The legal tender bond was issued and called as a substitute for gold certificates. It is interesting to note that the legal tender bond is not treated as a liability of the Reserve Banks nor do the Reserve Banks have any reserve against the legal tender bond. Whether the Reserve Banks will hold the legal tender bond in an amount sufficient to offset the notes in circulation is a question for the future. The present practice of the Reserve Banks is to hold these bonds in an amount somewhat in excess of the notes in circulation; and this is necessary in order that the Federal Reserve Banks may have funds available for the performance of their functions.

The original act setting up the Federal Reserve Banks and the privileges of issuing credit notes, also made gold certificates, or notes, up to the face value of di¬

The deposit liabilities of the Federal Reserve Banks in the case of such banks with the Treasury. Such reduction in the deposit liabilities of the procuring banks would mean that all full legal tender money was withdrawn from circulation, and for money reserves for Federal Re¬

A. We can raise the reserve ratio of the Federal Reserve Banks without raising the deposit liability of the Federal Reserve Banks.

The first of these procedures require, or require to be accompanied by a further grant of power to the Board of Governors to raise the required reserve ratio of member banks above their normal rates.

The second procedure, on the other hand, is the result of an expansion of the volume of deposits, and the increase of the amount of currency notes, with the result that the banks have been forced to an expansion of the deposits in order to maintain the requirements of the Federal Reserve.
The Bretton Woods Marriage Proposal

(Continued from page 1482)

In the words of Lord Keynes, delegates at Bretton Woods did not want the governments to adopt the plan, as far as they were concerned. It was that the government would not adopt the proposal. That is why the government should be regarded as not taking it or leave it. The government would go on its own, and it is the government that is in charge of the economy.

The Bank of the United States puts up about 80% of the capital. After studying the arguments about subscriptions of gold, and considering that we would be helping many national banking systems, it is apparent that a large share of the capital would come from the United States. Not overlooking the restrictions upon overdrafts, the fact remains that dollars will be the scarce currency and nations will be able to get far more dollars out of the Fund than they put in through valid currency.

Americans are generous with their money, and this idea might not be entirely objectionable. But it makes bankers and business men shudder is that for the first time anyone has the right to look at every country's currency. For once, and for the first time, we have a large and well-informed body of people to whom the public must have different will and capacity to pay. If each sovereign nation has its own rights, the family exchequer will soon hit the point of no return. The idea that anyone nation or person. Credit standing as between individuals or as between nations such as Liberia and Canada, cannot be placed on any such basis of rights. If the rate of exchange is not a technical matter, it ultimately gets down to five and 10 dollar transactions, and that is what we understand by all.

Important questions for the Congress to decide are: What would be the new foreign lending projects? The plan under the Fund embraces a closing house system whereby in reality it only extends or makes automatic overdraw privileges to countries throughout the world. It is true that we do not want the slightest suspicion of currency throughout the world is like that of the United States. The only difference in opinion arises over how long the period of peacetime might be. We have to believe there is no middle ground, that all countries have to be dealt with, that no one can get away with the slightest suspicion and allied with predatory interests. In reality, the Bretton Woods proposal is an appropriation measure into disagreements of the tax payers money. Our country is putting up the lion's share of this very complicated international venture.

Other countries have not acted. Obviously, they are waiting to see what final proposal comes from this conference. In such proposals involving the marriage of the American and British currencies and business of other countries, those countries would be less than human if they were unaware of the American and British links to form such a union. There is reason to believe that the final document improved by Congress just as carefully and thoroughly as the conference. Congress has the power and the full responsibility. The entire agreement of both Houses want to have a separate temporary convention. In each case, the program contemplates a ten year term. A breach throughout the world with Uncle Sam putting up the big share of the capital, and our United front door or the back door.

In examining the list of delegations at the Bretton Woods, we find that with one or two exceptions, banking and business men were excluded in every case. The business was taken over by technicians. The technical business men and bankers could not take part in the delegation may result from the were made available for study.

Watching developments from the financial, the technicians, the business men and bankers could not take part in the delegation may result from the were made available for study.

acrimony, but so far has been entertained at absolutely normal temperature. No one denies the desirability of the perpetuation of cur- rency throughout the world is like that of the United States. The only difference in opinion arises over how long the period of peacetime might be. We have to believe there is no middle ground, that all countries have to be dealt with, that no one can get away with the slightest suspicion and allied with predatory interests. In reality, the Bretton Woods proposal is an appropriation measure into disagreements of the tax payers money. Our country is putting up the lion's share of this very complicated international venture.

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Inflation or Deflation In France?

(Continued from first page)

can be had only on the black market. Yet responsible State officials have said publicly that France has suffered no more inflation than England or the United States, which is very little by French standards. M. Jean Francois heard last autumn that his government had a deflationary program underway. Let us see whether this chaotic picture can be restored to some sort of order. It is, of course, the more recent situation in which we are primarily interested and to which most attention was given.

This article will attempt to supply the answers to such questions as: How much inflation has France had? Should France have deflated, like Belgium? Is the recent financial policy of France sound?

Summary of Annual Report

Tilo Roofing Company, Inc. is one of the larger organizations engaged in the engagement of roofing and siding materials for the renovation, repair and maintenance of existing structures. Its business includes the manufacture of asphaltic and asbestos products used for these purposes. As of December 31, 1944, the company's consolidated balance sheet showed a total capital of $497,64; total current assets of $3,283,832.70; total current liabilities of $776,017.28, and earned surplus of $1,639,189.30.

Condensed Consolidated Statement of Income Calendar Year 1944

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Sales</th>
<th>Cost of sales, including branch office, selling, general expenses, charges on accounts insured and provision for doubtful accounts</th>
<th>Other income</th>
<th>Provision for federal taxes on income, including $32,000,000 for subsidiary companies</th>
<th>Net income</th>
</tr>
</thead>
<tbody>
<tr>
<td>1944</td>
<td>$3,129,493</td>
<td>$3,014,147</td>
<td>$804,381.11</td>
<td>$32,000,000</td>
<td>$477,399.11</td>
</tr>
</tbody>
</table>

Depreciation and amortization were provided during the year 1944 in the amount of $329,675.36 of which $260,124.14 was charged to cost and $62,550.22 was charged to profit and loss accounts.

Record of Dollar Volume of Net Sales and Earnings

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Sales</th>
<th>Federal Taxes</th>
<th>Net Earnings</th>
</tr>
</thead>
<tbody>
<tr>
<td>1940</td>
<td>$8,010,167</td>
<td>$5,203,231.91</td>
<td>$81.03</td>
</tr>
<tr>
<td>1941</td>
<td>$8,442,485</td>
<td>$5,978,205.60</td>
<td>$1.11</td>
</tr>
<tr>
<td>1942</td>
<td>$7,112,110</td>
<td>$7,375,805.60</td>
<td>$62.14</td>
</tr>
<tr>
<td>1943</td>
<td>$5,010,738</td>
<td>$4,135,130.10</td>
<td>$65,729.93</td>
</tr>
<tr>
<td>1944</td>
<td>$4,179,493</td>
<td>$4,777,399.11</td>
<td>$96.21</td>
</tr>
</tbody>
</table>

A copy of the Annual Report, which includes the financial statements of the Company, may be obtained upon request.

Tilo Roofing Company, INC.
STRAIGHT, CONNECTICUT

The Commercial & Financial Chronicle
April 5, 1945

The Commercial & Financial Chronicle

The commercial and financial chronicle (New York, N.Y.) 1841-1851 The commercial and financial chronicle (New York, N.Y.) 1851-1857 A collection of business and financial information, containing the weekly state and foreign merchandise and money market reports, statistics of the leading exchanges, exchanges of letters, and accounts of the leading commercial men. The collections of business and financial information, containing the weekly state and foreign merchandise and money market reports, statistics of the leading exchanges, exchanges of letters, and accounts of the leading commercial men.

The Commercial & Financial Chronicle

The financial chronicle (New York, N.Y.) 1857-1877 A weekly publication containing the weekly state and foreign merchandise and money market reports, statistics of the leading exchanges, exchanges of letters, and accounts of the leading commercial men.

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pools, you're expecting them from Philco, the leader in radio for 12 straight years.

One survey made by a leading national publication revealed that twice as many people intend to buy a Philco as the next leading radio,... as many as the next twelve makes combined. Another national magazine found that among Philco owners, as compared with owners of other brands, the largest percentage intend to buy another Philco after the war.

Philco looks upon this overwhelming vote of confidence as an obligation and a challenge. Its record of the past is your promise for the future. The research laboratories whose achievements made Philco America's Favorite Radio will be ready to continue that leadership after Victory.

Yes, you can look to Philco for radios and phonographs that set new standards of tone, performance, cabinet beauty...and quality.

Overwhelmingly...it's a PHILCO!

Yes, in every nationwide poll of post-war buying preference, America has placed Philco first...by an average of 3 to 1 over any other make of radio.

You are looking forward to finer radios and phonographs after Victory...to electronic developments that bring you a vast improvement in tone and performance, that add new thrills to the use and enjoyment of radios and phonographs.

And, according to these

POLL:

Tune in the RADIO HALL OF FAME... every time it's over Philco at 3 P.M., Eastern Standard Time. Out of the world of entertainment. Every Sunday, 6 to 7 P.M., EDT, Blue Network. 

BUY MORE WAR BONDS... AND KEEP THE BONDS YOU BUY!
Inflation or Deflation in France?

(Continued from page 1499)

The amount taken in taxes in the liberated areas remained constant. At first, only small amounts of a new currency would be exchanged for consumption spend-
ing. Belgium and Holland agreed to carry out a similar program at the same time in order to be successful, had to be executed promptly. Individuals could not be given time to convert coins into goods or otherwise protect them-

D-day was June 6; Paris was liberated on August 25, and the German had been driven out of most of France by early September. The Committee was accorded recognition by us in matters of currency reform in France on August 25. This would appear to have been the time to put the plan into execution. Yet very little was done. About October 1, all tariff agreements were canceled so that new rates might be set that would conform with the new financial conditions, and trading in gold was forbidden. But bank accounts were not blocked. By mid-October, M. Estel, financial adviser to the plan, made a visit to the United States to see why the Aligiers deflation scheme had failed, and presumably would not be. His chief complaint was that France was no more inflamed than the dollar, or $50, was regarded by many as a way to cover up real motives.

Neighboring Belgium Takes Deflation

Probably one of the reasons why France shielded the Aligiers deflation scheme was the experience of Belgium. Between October and December, the Belgian government called in all bills of large denomination and exchanged them for gold or for a new currency of paper money. The other 60 per cent was kept at home, and for a very few months a million Belgians turned in 5,000 franc notes for 25,000 francs or more. Bank accounts that had grown since 1940 were

French banks refused to make the 1,000 franc note, however. Bankers and bakers were offered premium prices for the new currency or for larger notes for purchases. High value was placed on antique stamp collections, tapestries, etc., at auction sales. Black market rates for gold coins, for paper dollars, and for pound bonds soared. At least there was the peculiar situation that a fear of deflation produced a rise in prices.

The French government made it clear that the Belgian experience in deflation would be repeated in France. The direct Belgian method was said to be unsuitable to "the French temperament." M. Tulineur, chairman of the French government, insisted that there was little inflation in France. The fact that good money was weak was the chief difficulty. He maintained his position despite the fact that the wartime increase in money and bank deposits con-

There was no doubt that the necessity for shutting the door on big bills and "in
dubiously" large cash holdings. Stories were related of the glow of a bicycle for 800,000 francs and the barter of 40,000 francs of old currency for 4 of the new. More important, however, was the fact that the government of Belgium trotted on the brink of popular riot when the fiat system was introduced. The public was prepared for this. Probably some of it was, for the nécessite d'armes and the mandeting the additional currency re-

France Renounces Aligiers Plan

The Belgian experience showed some unusual repercussions in this respect. The Belgian govern-
men had no desire whatever to be small bills turned in, many did not. The method that would be followed in France would be to exchange their big bills for lit-

The Belgian system tended to be a deflationary one, which was a much smaller element than was checking more than anything else. The only thing was that checking was a large part of the business of the national bank, which would have to convert to a new issue of money.

The Liberal Loan

As much as the government wanted to dock the public supply of credit from the public, the ministers knew that if they did so there would be equally serious problem of fur-

Shall France Have Ignited Belgium?

It is not surprising that France did not follow the path of Belgium and carry out the original Aligiers plan. She did not wish to be the sacrifice of the impolicy of the drastic policy of re-

Monetary conditions were not all that were changed. The Libera-

The French system was not, however, so drastic or so uncompelling as the Belgian one. There was much the same as payment, but the answer must be that it was said to be an idea which the French ministers might not like to see put into effect. The answer is

The second important factor is that the Liberal Loan was not unwieldy. The French minister of finance might well refuse the answer was that the conditions which the original Aligiers deflation scheme was in-

Another question is whether the French government is going to get out of line and go over to a gold standard. Whether the French government is going to get out of line and go over to a gold standard depends to a great extent on the success of the anti-inflationary program. But the French government has not yet taken any definite action in this direction.

United States Government securities owned as of April 30, 1951, in the above statement are priced to the nearest 5 cents, and for other purposes.
creases cannot be expected. Many planners are convinced that this is why they are worried because the civilian supplies we promised in behind schedule. Since this situation demanded six ships of civilian supplies in the last week and they arrived and carried cotton chiefly, the situation does not appear to be drastic unless the General Motors Corp. to dispose of its large holdings in the National Bank.

Public offering of the General Motors block, consisting of 500,000 shares of capital stock and "rights" to subscribe for an additional 150,000 shares, was to be made today by the banking group which was selected to handle the distribution.

Until the big bank stock sale came to light, it had appeared that the week would yield only one major issue, namely, the $54,000,000 of new Chicago & North Western Railway bonds which were up for bids yesterday.

General Motors acquired its holdings in the Detroit bank back in the dark days of 1933 when the bank "holiday" left the motor metropolis without banking facilities. General Motors, as the largest supplier of the Government, proceeded to organize the National Bank of Detroit and subscribed $120,000,000 common stock, the RFC taking an equivalent amount in preferred.

At the time the big motor company stated that its investment in the bank was temporary and now, 12 years later, the management believes the time has come to put an end to participation.

Chicago & North Western

With several other sizable railroad deals in the offing, investment bankers were plunged into the breach by more than ordinary interest. The reception accorded today's offering of $54,000,000 of Chicago & North Western Railway's new first mortgage bonds.

Carrying a 41-year maturity, falling due in 1989, this issue was the object of bidding by two formidable banking groups yesterday.

Proceeds, along with other corporate funds, would be used to redeem on July 1, next, $47,079,442 series A due Jan. 1, 1988, and about $12,700,000 in smaller divisional issues outstanding.

Right on the Job

How the position, financial or otherwise, of many railroads has been changed by the tremendous traffic and consequent revenues generated by the war becomes apparent with the passage of time.

The depression forced a number of carriers into the courts for reorganization, included a m o n g them Chicago, Rock Island & Pacific and the Chicago, Mil- waukee, St. Paul & Pacific.

Both are now awating court approval of plans which will end their solicitors in the hands of trustees. And bankers are waiting, and patiently, for the courts to make up their minds.

Revision plans of these roads have been in the making for several years and meanwhile the roads have been steadily improving their positions.

Now bankers are eyeing these enterprises as prospects for re-financing. Rock Island is contemplating replacement of some $80,000,000 of the securities to be issued under its plan, while the Chicago is expected to re-finance a part of its $50,215,000 of bonds created under its plan.

Ohio Edison Next Week

Bidding promises to be lively for the Ohio Edison Co.'s $28,089,000 of new first mortgage bonds on Tuesday.

A call by the company for bids to be submitted at that time disclosed that at least three sizable banking aggregations will toe the line. Proceeds from this offering will be used to retire the $12,542,442 due last week.
**Bank and Insurance Stocks**

This Week -- Bank Stocks

The E. A. Van Deusen

The annual dividend rate and 1944 books will be published. It will be observed that the average dividend rate is 3.6%. Highest yields are 4.6% by United States Trust and 4.4% by First National Bank. Lowest is 2.9% by Bankers Trust. The average dividend rate for all stocks is 3.6% with book value 1.00. Irving and Public are slightly higher. Their dividend rates, however, are quoted lower than book values. In considering dividend yields, it is well to remember that the S. Governments, which yield about 1% to the banks, comprise approximately 70% of their earning assets while book dividends comprise only 24%. To put it another way, the banks’ holdings of Government securities average approximately $30,500,000 invested in their stocks, at current market prices.

**New Jersey Securities**

**Central Hanover Bank & Trust Co.**

**Chicago FHLB Reports Credit Rise of 52%**

At the close of last month credit outstanding at the Federal Home Loan Bank of Chicago represented a gain of 52% over the twelvemonth low to which it had fallen four months ago. A. R. Gardner, President, reported recently to the Federal Home Loan Bank Administration at Washington. Up to the end of the first two ago, wartime ability of the public to save money and pay off debts has been hampered by the needs of the Illinois and Wisconsin saving and loan associations for the supplementary funds ordered by the Chicago regional bank, he pointed out. Following a seasonal pattern, February advances were only a fraction of those of January, but repayments of loans to the bank were also 40% less in volume in February than a year ago, Mr. Gardner said. The net result of the February transactions was $13,515,838 in loans outstanding to the thrift and home financing institutions, which is $4,639,029 more than volume last March when the low point of credit needs for the wartime inflation period was reached.

Strahan, Harris Co., Adds William Nocart

Strahan, Harris & Co., Incorporated, 115 Broadway, New York City, announce that William T. Hocart, who has long been with them in their New York office, Mr. Hocart was formerly of Hocart & Co. in New York.
San Francisco Stock Exchange Gives Luncheon to Civic Leaders

(Continued from page 148)

and improve the activities of the Exchange. "We, in common with other regional exchanges of the country," he said, "have not kept pace with industry, in the development of new business methods and in our public relations policy. During the past 20 years senior partners of member firms were so engrossed in their own problems they could not give sufficient time to matters relating to the Exchange. For example, here are a few instances of lack of streaming which have existed in our organization:

"The Exchange has operated under the committee system similar to that used by lodges and fraternal organizations. For instance, under the old committee system of operation, a member of the exchange, desiring to place an advertisement in a newspaper was forced to submit his copy to the committee on public relations for approval. This committee—five members of the exchange—would have to be assembled to review the copy. Consider the delay and loss of time resulting from such procedure. The same method was followed when a member desired to hire a registered representative, or customers' man, as he is more commonly called.

"Now, under our present system the exchange staff investigates the applications. In other words, the administrative functions are carried out by a paid staff and the various committee meetings are held only in advisory capacities and bear appeals from decisions of the staff.

"Know of no other line of business in which volume fluctuates so rapidly, and where so many external forces affect prices and volume. Because of this, flexibility is highly desirable and decisions must be made quickly. Our new system of administration makes this possible. Furthermore, it provides a continuity of representation with Federal and State regulatory bodies, as well as with the press.

"The Exchange's record with respect to the operation on the floor, that is the mechanical side, is a record of progress and achievement for which the highest commendation is in order.

"We are constantly endeavoring to improve our service to the public. Currently we are in the process of adapting our specialists system to the end that closer and better markets may prevail in some of our inactive securities.

"We are working on methods to speed up the delivery of securities to the buyer. Shortage of manpower in the offices of transfer agents causes considerable delay. We are now endeavoring to have Eastern corporations whose securities are traded on our Exchange, establish transfer offices on the Pacific Coast. This would not only speed up delivery of securities for many of our non-member firms, engaged in the securities business, will seek membership in the exchange.

"There are two reasons for this—first, the increasing numbers of the non-board markets, and, secondly, the increasing demand in equities of sound listed companies.

"Members of the exchange are ready and willing to assist in raising venture capital for new industry and the expansion of old industry. Westerners can point with pride to their accomplishment in this field since the last war. As an example, witness the recent activities of companies like Crown Zellerbach, Caterpillar Tractor, Food Machinery, National Automotive Fibres, LeTourneau and Eheim Manufacturing Company, just to mention a few. These companies secured their first capital in the West. As they expanded, additional capital was acquired in the East.

"The growth of our Western banks and our growing population and wealth, it should be possible to meet an ever increasing portion of the capital requirements right here in the West.

"Our leaders in trade and industry, can be important factors in maintaining and increasing the position of San Francisco's regional stock exchange. Your influence and support can be instrumental in obtaining new listings upon the exchange, and in the establishment of closer markets on existing listings. In return, you may be assured of the whole-hearted cooperation of the members of the exchange, in measures designed to foster and promote the well-being and growth of trade and industry on the Pacific Coast."

THE NATIONAL CITY BANK OF NEW YORK

Head Office: 55 Wall Street, New York

Condensed Statement of Condition as of March 31, 1945

(Cash on hand plus United States government obligations)

Table: Asset and Liability Condensed Statement of the National City Bank of New York

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>LIABILITIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Due from Banks</td>
<td>Deposits</td>
</tr>
<tr>
<td>$757,541,939</td>
<td>$14,040,000</td>
</tr>
<tr>
<td>Members of New York Clearing House Association</td>
<td>Member of New York Clearing House Association</td>
</tr>
<tr>
<td>$2,092,000,000</td>
<td>$2,092,000,000</td>
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<tr>
<td>$5,874,541,939</td>
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<tr>
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<tr>
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<tr>
<td>$5,874,541,939</td>
<td>$5,874,541,939</td>
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</tbody>
</table>

Figure of foreign branches are included as of March 24, 1945, except those in China and Korea, which were acquired by the National City Bank of New York on March 1, 1945. 

CITY BANK FARMERS TRUST COMPANY

Head Office: 22 William Street, New York

Condensed Statement of Condition as of March 31, 1945

Table: Asset and Liability Condensed Statement of City Bank Farmers Trust Company

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>LIABILITIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Due from Banks</td>
<td>Deposits</td>
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<tr>
<td>$3,267,763</td>
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<tr>
<td>$6,556,673</td>
<td>$6,556,673</td>
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<tr>
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<td>Reserves</td>
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<tr>
<td>LIABILITIES</td>
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<td>$3,267,763</td>
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</tr>
</tbody>
</table>

Figure of foreign branches are included as of March 24, 1945, except those in China and Korea, which were acquired by the National City Bank of New York on March 1, 1945.
Mutual Funds
Another Record

Distributors Group reports in a recent survey that 95% of the stock holders quarter were at the rate of more than $50 a year.

In a mailing on Railroad Stock and covered letter, both a chart, "Railroad stocks now present an opportunity for income and capital gains similar to that in the low price railroad bonds two years ago. Railroad bond prices have already staged a phenomenal re-covery. We are convinced that railroad stock prices will eventually do the same."

*Ritching the Bond Dollar
National Securities & Research Corp., in a current memorandum on the National Income Funds, shows what has happened in the income of bond investors in recent years. In 1933, less than $700 million in bonds produced an income of $3,000 million from high-grade bonds. To achieve the same income today, an investment of approximately $110,000 would be required.

Stated another way, a $50,000 investment in high-grade bonds today would return only $1,200 a year, whereas a similar investment in National Bond Series would return $2,500. And in National Low Special, the return would be $2,525. More and more, diversification achieved through investment in the entire bond series (30 different issues in the bond series and 21 different units in the bond series) affords a measure of safety far above that which could be achieved in high-grade bonds of comparable quality.

"Free-to-One"

Hugh W. Long & Co., in a hand¬dors in a new folder, the Metal Series of New York Stocks, Inc. states that the average investor may appear attractive to only one out of five. In fact, about one out of every five shares of these companies are currently selling at depressed prices. The five favorable factors are 1. Demand 2. Price, 3. Depletion of mines 4. Improved finances 5. Government stockpiling program

Against this factor is balanced off the big bogey of the metals that sales of Group Securities, Inc. recurred at an average of less than $50 million a year.

In a mailing to Railroad Stock and covered letter, both a chart, "Railroad stocks now present an opportunity for income and capital gains similar to that in the low price railroad bonds two years ago. Railroad bond prices have already staged a phenomenal re-covery. We are convinced that railroad stock prices will eventually do the same."

Gold Production Increasing More Rapidly Than Recorded Reserves

League of Nations Reports That Net Increase in Recorded Gold Reserves Absorbed Only About One-Fourth of Estimated Gold Production, Outside of Russia, During 1944. World-Wide Decline in Production During War Has Been Slowed.

The League of Nations, now located at Princeton University, has issued a release reporting that in services of the United States, Canada, and Great Britain, together with the United States, Canada, and Great Britain, now located at Princeton University, has issued a release reporting that in services of the United States, Canada, and Great Britain, had been increased by $6,012,000,000, while the estimated gold production in the world, outside of Russia, during the same period, averaged $2,000,000,000.

The new report shows that the world's gold reserves are declining at a rate of only about one-fifth of the total production in the world, outside of Russia, during the same period. This is due to the fact that the United States, Canada, and Great Britain, now located at Princeton University, have been increasing their gold reserves at a rate of $6,012,000,000, while the estimated gold production in the world, outside of Russia, during the same period, averaged $2,000,000,000.

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Bowles Makes Recommendations For Price Controls

(Continued from page 1484)

lation to what is normal in peace-
time. It is plain enough that a
manufacturer of popular-priced
cigarettes who found in peacetime
that he was making less than
while his competitors were mak-
ing more and more would not try
to remedy the difficulty by in-
creasing his prices. It is obvi-
ous but no less true that no
Industry in peacetime expects to
realize a profit on every product.

"Finally, the logic of both sug-
gestions, if inflation is to be
avoided, would be to Mr. Mur-
ray's proposal that all prices
which have already been elimi-
ated. The price increase
would be achieved, however,
be brought gradually to
the level of non-inflation
prices. The industry would be
reminded of this at the
every stage of the production
process. Mr. Bowles
stated:

"I called this problem to the
Committee's attention in my open-
ing testimony. In the light of all
that has been said in the hear-
tings, the Committee will not
want to give the problem its most
careful consideration, as I intend
to do in studying means of
improving our administration. A
brief review of the principal pro-
visions of the present law may be
of aid to the Committee in this
connection.

"The original price control act
gave the Price Administrator
authority to prevent circum-
vention or evasion of price
regulations and to regulate or
prohibit practices which were
found to be the equivalent of
price increases. This authority is
now subject to the limitations
of Section 2(J) of the Act.

"The first clause of this section
provides that nothing in the Act
shall be construed as authorizing
the elimination or any restriction
of the use of trade and brand
names. The Committee has heard
a good deal of testimony about
the practice which has grown up,
particularly in the food field,
and as a result of this change,
price was to be prevented from
higher than the seller is
entitled to under the regulation.
The practice cripples enforcement.

"Consumers have told you how
baffling it is to them in trying to
find out the right prices for things.
"I feel sure that the purpose
of Section 2(J) was to protect
the legitimate and established brand
names which were never designed as
a shield to cover fly-by-night
brands which have no merchan-
dizing function whatsoever and
serve only as a device for weak-
ening or evading price control.
"My legal staff, however, are un-
certain whether the evident pur-
pose of the section can be relied
upon as limiting its language. I
hope that the Committee will
think it proper to clarify this
question in its report.

"The second clause of the sec-
tion forbids the Administrator
to require the grade-labeling of
any commodity. This provision is
a definite handicap to the
enforcement of price regulations.

"It is my personal belief that,
and so often happens on highly
controversial issues, much of the
industry objection to grade labeling
is based on emotions rather than
upon a thoughtful appraisal of the
long-range interests of business.
As I understand it, the Canadian
experience with grade labeling
has been generally satisfactory
to industry as well as to the public.
The promotion of nationally
known brands has not been weak-
ened but has, on the contrary,
been aided. Nevertheless, I rec-
ognize the fact that for most com-
modities grade labeling is not in-
dispensable to effective price con-
trol. In view of this and in view
of the fact that the present price
control law is based on broad
principles, I do not think it is
prudent to ask the Committee to
modify the present law.

Barber on Staff of Delafelde & Delafelde

Delafelde & Delafelde, 14 Wall
Street, New York City, members of
the New York Stock Exchange,
announce that T. P. Barber has
joined the firm's investment ad-
visory staff. Mr. Barber was for-
merly assistant secretary of the
Guaranty Trust Company of
New York in its Fifth Avenue office.

J. B. Jones, Jr. With Steiner, Rouse & Co.

Steiner, Rouse and Company,
25 Broad Street, New York City,
members of the New York Stock
Exchange, announce that James B.
Jones, Jr., has become associated
with them as manager of the Sta-
tistical Department.

Philip Byrne Is With Schoellkopf, Hutton

Schoellkopf, Hutton & Pomeroy,
Inc., 63 Wall Street, New York City,
announce that Philip J. Byrne
has become associated with the
organization. Mr. Byrne was
formerly with Paloe, Weber,
Jackson & Curtiss for many years.
Dominion of Canada—All Issues
Bought — Sold — Quoted
Wood, Gundy & Co.
Incorporated
14 Wall Street, New York 5
Bell System Teletype No. 1-920

Canadian Securities
By BRUCE WILLIAMS

It is illuminating to review the current object lessons afforded by the outlook on credit standing in the two Canadian provinces of Alberta and Manitoba.

In the case of Alberta, the return of prosperity and the generous cooperation of the Federal Government gives this province the opportunity fully to rehabilitate its credit and to repudiate the spurious unworthy monetary doctrines which were foisted on the province by former Premier Aberhart.

In spite of mounting protest, Premier Manning still maintains that the government will make the utmost use of credit, that it can be bought in sharp bargaining at the lowest possible price. It is plain that Mr. Manning in turning a deaf ear to the complaints of the people, is only in a grievous error when he states that his plan will be satisfactory to the vast majority of stockholders.

In order better to understand the issues at last, and the financial situation, bondholders generally would do well to study the circular issued by the New York Stock to the Dominion Securities Corporation, in which they reproduce a constructively written article which appear in the March 27 issue of the Financial Council of Montreal.

The Florida bondholders have a serious responsibility in this matter, and the clearly demonstrated to Premier Manning that the great body of bondholders are by no mean satisfied, and furthermore it is unnecessary and undesirable that any restoration of the credit of Alberta be accomplished on the issue of the sanctity of the contract which is at stake.

On the other side of the picture we have the case of Manitoba. The Premier of the Province, Mr. Grant, not only has clearly guided his own policies through difficulties similar and possibly more pronounced than those encountered in Alberta, but he also has espoused the cause of all the western provinces, including the Good of the whole as a domino.

In calling for a Dominion/Provincial conference for the reform of Dominion/Provincial relations, the Manitoba Premier further underpoints the anomaly of the Dominion having the money but not the power, and the Provincial having the power but not the money, in the interests of post-war programs.

It is hoped that his plea was not fall on deaf ears as the amendment and clarification of the Canadian Constitution was the theme of the Strens report recommendations is imminent, the Department of Canadian development.

Other interesting items appearing in the New York Times, following the fiscal year ending April 30, 1945, the estimated budget surplus is the record figure of $5,251,619 after a further allocation of $750,000 to reserve for the 74% and 26% tax emergencies.

(2) Further reduction of gross provincial debt by $4,902,795.13 a total as of Dec. 31, 1944, of $114,372,631.

(3) A clear indication of the increasing diversification of the Manitoba economy, it was revealed that whereas the estimated total gross value of Manitoba’s agricultural production during 1944 was $237,774,000, the total of all industries was $89,700,000, of which during the year to $350 million, as compared with $301 million in 1943.

The examination of such statistics certainly gives rise to a bewilderment that credit rating agencies in this country will still place the obligations of the Province of Manitoba in the same class as those of Saskatchewan instead of rank.

The Dominion of Canada, with the securities of New Brunswick and Nova Scotia.

Turning to the market for the past week, there was a further reduction of activity but prices were generally well maintained. Bondholders were pleased with the National SIs which make favorable comparison with the U. S. Government 2s, but the yield of 2% has considerably diminished since this bond was recommended for investment at a 2½% return at the start of the year. Albertas declined 2 points on the debt plan uncertainty, but they maintained their high levels. Internals were quiet and firm, and the yields were motorists at 9½/16%.

The announcement of the debt plan at a minimum objective of $1,350,000,000, a third of Oct. 1, 1943-1950 and a 1% of Nov. 1, 1949, dispelled any uncertainty regarding a basic change in the government’s policy at this time. No doubt serious consideration will result in the formulation of a new loan plan for the following month.

Canada Prepares for Its 8th Victory Loan

The Bank of Montreal reported in its most recent quarter its Canadian business activity on March 31. The Bank’s Eighth Victory Loan, the total amount of $3,300,000,000 will be launched for making the call for the greatest financial effort yet made by the bank for the benefit of the people. The minimum compares with a total of $1,762,342,000 last year. The call including the various bank holidays before the above previous objective of $1,390,000,000, has been reduced. The subscription rate then rose to 15 equal weekly payments that thus far the subscribed total has total of $2,550,000,000, or an increase of $750,000,000, and the amount actually subscribed by this class amount.

The Bank’s report further said: New business is being provided for the bank in Canada, according to an announcement made in December by the Department of Munitions and Supply.

Canadian Securities:

BONDS

MARKETS maintained in all classes of Canadian external and internal bonds.

Stock orders executed on the New York Stock Exchange, or at New York Price.

Direct Pensions to Bulls, Timmins, Toronto and Montreal.

Dominion Securities Corporation
20 Exchange Place, New York 5, N.Y.
Bell System Teletype No. 1-702-3
Bretton Woods Marks Time

(Continued from page 1483)

Bretton Woods. His letters, and editorial comment which appeared in the New York Times of March 14, and 16. When Mr. White tested the issues, Treasury representatives at the conference did not attempt to conceal their displeasure and in turn accused Mr. Keynes of the motives. They stated that Boothby had been op¬

posed to a BIS plan even before last year's con¬

ferences. They said they had refused to attempt to enter here with the Treasury Department's Board. They pro¬

vided the committee with their own recommendation. But Mr. Boothby—said—does not make Treasury answers as satisfying.

That the Boothby questions of course, and have been the occasion for a spot exchange, despite the central banks' "habitual exagger¬

ation . . . of the influence of specula¬

tion" and a "strict, though not pedantic, control of the rate of foreign lending."

"Would it be wise. . . ." Keynes answers: "It is not intended to deal with the contingency of a severe deflationary movement. Assum¬

ing it is not intended to deal with the contingency of a severe deflationary movement. Accepting the concept of a gold standard . . . statements are being made which are not adequate for the purposes of equal¬

ization which must be in the program, he proposes that after all the money in the hands of the public would be held in form of gold certificates. . . .

Prior to his visit to this country, Mr. Boothby made an address which has since been published in London by the Economic League and in the United States in the "Gold of America: . . ."

It is not too much to say that the American question is the ultimate American mon¬

etary question.

Mr. Keynes observes somewhat dis¬

satisfied.

"Quite apart from Boothby, Mr. White and Lord Keynes are a safe conclusion; but whether the answers which are finally prepared will allay the uneasiness which has been raised is not so clear. Mr. Boothby states: I have been trying to deler¬

tie to the future of Anglo-American relations to a certain limit. The two countries will sign an agreement, each thinking that it means something quite different. And in the present form, the final act of a banking conference is the provision of a Testich for a misunderstanding.

Significant, for instance, when the conference was adjourned, Lord Keynes was not in a stronger position at San Francisco if it entered that meeting with better will be ratified by Congress. To this Mr. Mar¬

cher replies: "If the San Francisco Conference was definitely intended to be a diplomatic weapon as a big stick in an angry crowd, then I think that the San Francisco conference will either be a disaster for the American people or the French people and the Russian people."

Probably the reasons for the reduced stream of business at the second meeting are the same. There is, for example, the report that the plan of the United States has found the Home Banking Corporation meeting in the technique of the proposed International Monetary Fund to be the evident unreasoning of some of the Home Banking Corporation spokes¬

men. There was, also, the matter of the reports of the letters of resignation to New York Times.

Robert Boothby, an independent member of Parliament, now in this country on a tour of lectures to promote the new system—has been invited by the country and Britain, raised ques¬
tions concerning the possibility of the obscurities in the final act of

| Guaranty Trust Company of New York |

| COMMERCIAL & FINANCIAL CHRONICLE |

| Volume 161 | Number 4374 |

| Condensed Statement of Condition, March 31, 1945 |

<table>
<thead>
<tr>
<th>RESOURCES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash on Hand, in Federal Reserve Bank, and Due from Banks and Bankers</td>
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<tr>
<td>U. S. Government Obligations</td>
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<tr>
<td>Loans and Bills Purchased</td>
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<tr>
<td>Stock of the Federal Reserve Bank</td>
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<td>Other Securities and Obligations</td>
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<tr>
<td>Credits Granted on Acceptances</td>
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<tr>
<td>Real Estate Bonds and Mortgages</td>
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<tr>
<td>Bank Buildings</td>
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<td>Other Real Estate</td>
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<tr>
<td>Total Resources</td>
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<table>
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<tr>
<th>LIABILITIES</th>
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<tbody>
<tr>
<td>Capital</td>
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<td>Less: Own Acceptances Held for Acceptances</td>
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<td>Total Acceptances</td>
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<td>Liability as Endorser on Acceptances and Foreignes</td>
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<td>Federal Reserve Borrowed</td>
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<td>Dividend Payable April 2, 1945</td>
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<tr>
<td>Income Taxes</td>
</tr>
</tbody>
</table>
| Accounts Payable, Reserve for Ex¬
| pences, Taxes, etc. | 23,090,988.94 |
| Total Liabilities | $3,483,800,314.37 |

*Guaranty Trust Company of New York, New York, N. Y.*

Securities carried at $799,236,912.68 in the above Statement are pledged to qualify for fiduciary powers, to secure public moneys as required by law, and for other purposes.

This Statement includes the resources of Guaranty Trust Company and British branches as of December 31, 1945, and Belgard branches as of October 31, 1941.

*Member Federal Deposit Insurance Corporation*
Esentials of Foreign Policy

(Continued from first page)

people must share that responsibility. The perfectionists among the liberals, quite as much as the reactionaries, contributed to our failure. One merely has to read again what was said a generation ago by the liberal press. Few people were against a league. But they did not like this league, nor did they like the other fellow's league. All of them seemed to want a league which suited them. The Senate of the United States has, I believe, been entirely unfaithful. The responsibility that I would attach to this body is that, in re-

freshing the League of Nations, it did not employ an alterna-

tive method of establishing and maintaining order in the world. Negotia-
tions are not enough for this aggres-

sive and restless world. As the poet says, a world is dying and another world is struggling to be born, and the job of creating that new world belongs as much to the Senate as to any other agency in the entire world. We shall be negative at our own peril, and we shall invite the same trau-
tma and tribulation which has kept all mankind in agony for five long and terrible years. In peace as well as in war, victory will not come to the negative, de-

fensive strategy. A certain boldness, a certain statesmanship, a certain willingness to take the lead in

advising the Executive of the United States, if an additional imperial international army were to be made, would be essential to any battle.

State Department and Foreign Policy

I am sure that some will say that we must retreat. I hope that we shall not let our policy be shaped by the Senator from Texas (Mr. Connally) and the Senator from Vermont (Mr. Austin) who, in the name of the people, has been so firmly and so accurately the other fellow's statesman.

I intend no reflection upon the character of any man in our execu-
tive branch, but it is incumbent on us to recognize the fact that the maintenance of that position of leadership is essential to the welfare of the entire world.

Senatorial Cooperation

From Mexico City—Monday

The job of advising and con-

sulting with the President is pre-

rogative in our treaty rela-

tions with the world. We have

been given a new definition at

Mexico City. Hitherto the initiative in treaties with the rest of the world

had been maintained by the Executive. All Presidents of the Republic have been jealous of it. But at Mexico City Senator Austin took the ball as soon as he arrived and we were treated to the spectacle of a Senator Austin advising the Secretary of State on the basis of our treaty relations with the rest of the world. Senator Connally made an eloquent speech to the Senate of the United States, and the record shows that the Senate has been so firm in the face of the President.

Clarified Basic Principles of Policy

It seems to me most urgent, Mr. President, that this body should provide some clear therapeutic that the consideration of the basic princi-

ples of our policy is the most urgent, that the day is coming near when the great powers must be. Unless some such statement is made, we cannot clarify many of the issues in- volved in these decisions. If the President, if the Senate, if the House of Representatives is to have any real power, it must have the power to make these decisions. If the President, if the Senate, if the House of Representatives is to have any real power, it must have the power to make these decisions. But the President must have the power to make these decisions. But the President must have the power to make these decisions. But the President must have the power to make these decisions. But the President must have the power to make these decisions. But the President must have the power to make these decisions. But the President must have the power to make these decisions. But the President must have the power to make these decisions. But the President must have the power to make these decisions. But the President must have the power to make these decisions.
in spite of some wavering from the effects of isolation. It was settled and definite. In the case of U.S. labor from abroad and power was in our favor, the Great Depression had been our people. Our ancestors had come to this country, some of them, and people of getting away from the oppression and slavery of the old country to make a new. The first war world was settled that policy. President Wilson, against all odds, and the basis, that isolation had become in fact, had the power to control the government. The haste and acts of the last quarter of the century were too strong, even for the obvious implications of the facts, if nothing else, by the motor car, the airplane is now an additional reason for the end of the Wilson to adjust our policy to the necessities of the European nations, by means of the League of Nations, left our people divided in the camp of the great fear. It could be that we were influenced by the fact that the basic institutions of our common law, our ideas of justice and the dignity of life and human being, were derived to a great extent from the French, the Greeks and the Jews. It might be that the fact we are a Christian people influences us, when it was a choice between submission, or slavery, or the ruthless paganism of the German, or war in support of a Christian people. The similarity of the moral standards of our peoples, the love of family, the guard for contractual obligations, the shrubbery and the perseverance, the distrust of a tyrannical and oppressive government, all of these considerations may have lead us instinctively to the making of these decisions. It is true that reasons of this character did, and I know that that we should acknowledge them in order that a definite policy based upon sound and the consideration be firmly adopted. These things do not happen by chance. There surely are good reasons, and all of these people, should know them. Further, it should be said, in contrast to entering an international organization, we are dealing with a principle of our own national self interest. We have more to lose from chaos, and more to gain from peace, than any other people. We must recognize and respect that, to make such an organization work, will require a long, much patience, and much of our worldly goods. We must be convinced, however, that the task will require less of all these things to make peace, and another war, or it obviously would not be a good bargain. MF President, I believe that the American people are profoundly interested, and I know that I am deeply interested, in understanding the what and the why of our foreign policy. If we have been a member of this body, relatively little is known about what we spent upon this subject. In the hope that I may be able to present the situation, and criticisms, out of which better understanding may evolve and concerning the purposes and the policies.

Have We a Foreign Policy?

During the past weeks, we have heard, various people say that we have no recognized foreign policy. It is true, and there is no need to turn here to By policy is meant, a "settled or definite system of dealing with foreign affairs as followed by the government." To be definite and settled implies the existence of policy. To be definite, the men responsible for carrying out this foreign policy are not just doing it or it is not just being settled this knowledge must flow over from us in our case the people of this country, or it cannot be settled.

Prior to the first world war, make the necessary economic and psychological adjustments.

Action as Well as Documents

Many people have assumed that because the House of Representatives, the Senate and the President have declared for collective security, the job is done. But the establishing of order and the breaking of peace do not constitute merely a solemn declaration or a well-drafted constitution. The breaking of peace is a process that must go on from day to day, year to year, so long as our civilization shall last. Our participation in this process is just the signing of a charter with a red seal. It is a daily task, a continuous participation in the planning and in growing policy. What an empty shell the Dumbarton Oaks and the United Nations. If the same or, in the near future, we are unable to accept upon such things as exchange and monetary matters, aviation, the free flow of information, trade barriers, cartels, armies, and armaments all, surely we all know by this time, that political solutions of this suffering world is dependent, in the final analysis, upon economic stability. I do not mean that all of these problems must be solved immediately, and at once, to the satisfaction of all. I do think it very important that the nation recognizes that these matters are inherently in value in any system of mutual security, and that adjustments and temporary sacrifices must be made. They should be told that the price of peace is not an easy one to estimate; but I can be quite confident that it will not be nearly as dear as the price of war. However, unless we are prepared to pay, I am afraid that we will not receive any peace that its mainly for us. The same, or, in the near future, we are unable to accept upon such things as exchange and monetary matters, aviation, the free flow of information, trade barriers, cartels, armies, armaments, and all, surely we all know by this time, that political solutions of this suffering world is dependent, in the final analysis, upon economic stability. I do not mean that all of these problems must be solved immediately, and at once, to the satisfaction of all. I do think it very important that the nation recognizes that these matters are inherently in value in any system of mutual security, and that adjustments and temporary sacrifices must be made. They should be told that the price of peace is not an easy one to estimate; but I can be quite confident that it will not be nearly as dear as the price of war. However, unless we are prepared to pay, I am afraid that we will not receive any peace that its mainly for us. The same, or, in the near future, we are unable to accept upon such things as exchange and monetary matters, aviation, the free flow of information, trade barriers, cartels, armies, armaments, and all, surely we all know by this time, that political solutions of this suffering world is dependent, in the final analysis, upon economic stability. I do not mean that all of these problems must be solved immediately, and at once, to the satisfaction of all. I do think it very important that the nation recognizes that these matters are inherently in value in any system of mutual security, and that adjustments and temporary sacrifices must be made. They should be told that the price of peace is not an easy one to estimate; but I can be quite confident that it will not be nearly as dear as the price of war. However, unless we are prepared to pay, I am afraid that we will not receive any peace that its mainly for us.
Resistoflex Corporation
Common Stock
Prospectus upon request

HERRICK, WADDELL & CO., INC.
56 LIBERTY STREET, NEW YORK, N. Y.

The Securities salesman's Corner
An Interesting Presentation, Not Statistics, Makes Sales.
By JOHN DUTTON

From the viewpoint of the salesman of securities, the balance sheet is about the most ineffective subject which he can discuss. Only a very few individuals, even a professional salesman can discuss adequately and with any degree of success. The balance sheet is a panorama of figures, and one can only discuss the figures, the other factors being beyond the salesman's comprehension.

Despite the fact that the Securities Exchange Act has made it mandatory that underwriters and issuers of new securities must deliver a very full and detailed history and background of the issuer, very few individual investors have ever read the things. Designed to protect the investor, the SEC hasDot to complete its function, the prospectuses in use today are so forbidding and voluminous, that actual experience has proven that few individual investors ever read them. The manager of Wall Street talent, that they go into the waste basket almost as soon as received. This failure to read the prospectuses and to understand the facts to hear a lot of reasons why they should buy a security, especially if it be an individual security.

As far as we can develop, practical experience fields in the sale of securities as well as the experiences of others, indicates that the first day's profit for the retailer is based largely on the sale of securities is based upon building a solid foundation of personal confidence between customer and salesman.

After this basis of mutual trust, understanding and respect is developed, the actual selling of securities becomes a simple matter of determining the right price. The salesman must be able to determine the size of the order, the character of the customer, the fact that he is looking for an investment that can be made with his money.

The most effective method of illustrating any point is to tell the language that THIS PERSON CAN UNDERSTAND. The following case is but one illustrative of how this method of selling, which successful salesmen in every line of some years ago, had sold insurance. Yet the children of the salesman who has reached this point has a different task than selling a particular security. He must be more of a consultant than a salesman. He should determine where his customer's money is going, and bring the facts to the attention of his customer. He likewise suggests greater invested capital, and may or may not go into detail regarding facts and figures to prove his point. THE ONLY TIME A CUSTOMER ASKS QUESTIONS IS WHEN HE IS ASKED TO USE THEM. THEN HE PRESENTS THEM SIMPLY WITH PROOF AND INFORMATION, AND IN A MANNER THAT ANSWEWS HIS CUSTOMER'S QUESTIONS.

The most effective method of illustrating any point is to tell the language that HIS CUSTOMER CAN UNDERSTAND. The following case is but one illustrative of how this method of selling, which successful salesmen in every line of some years ago, had sold insurance. Yet the children of the salesman who has reached this point has a different task than selling a particular security. He must be more of a consultant than a salesman. He should determine where his customer's money is going, and bring the facts to the attention of his customer. He likewise suggests greater invested capital, and may or may not go into detail regarding facts and figures to prove his point. THE ONLY TIME A CUSTOMER ASKS QUESTIONS IS WHEN HE IS ASKED TO USE THEM. THEN HE PRESENTS THEM SIMPLY WITH PROOF AND INFORMATION, AND IN A MANNER THAT ANSWEWS HIS CUSTOMER'S QUESTIONS.

Tomorrow's Markets
Walter Whyte
Says
Current action points to end of recent setback but may still up. Expect resistance about 157 followed by temporary reaction and then another advance.

By WALTER WHYTE
Last week we saw the market get down close to the 153 Dow level and stop. A few hours—that is market hours—later it turned up. Now the problem facing the market is to decide if the good tone that was the sudden break of two weeks ago a signal for a major turn.

Taking the second question, my first impression remains that the major trend is still up and the recent setback was a secondary reaction which didn't change the picture. There is even a possibility, a very slight, that this current up-turn is the beginning of what technicians call a "second leg" of the advance. This brings us to the first question.

Kuhn Loeb & Co. Offers
544,000,000 3% Bds. of Geo. & North West.

An underwriting group headed by Kuhn, Loeb & Co. on April 4 offered to the public a bond issue which consists of 544,000,000 3% mortgage bonds, series B, 3%, of Chicago and North Western Railway. The bonds, dated Jan. 1, 1945 and maturing Jan. 1, 1999, are being offered to the public at 100% and guaranteed interest. Sale of these bonds is subject to the approval of the Interstate Commerce Commission.

The sale of the issue of series B bonds, together with the sale of other corporate bonds presently outstanding in the public market, makes it possible to purchase the option the company may own in a deal of the same character as or in part of or in whole on any interest payment date for the debt retirement sinking fund at 100% for reductions made between 1945 and 1999 and at prices running down to par. The bonds also are redeemable as a whole or in part on any interest payment date for the sinking fund at prices from 102% to par.

My opinion is that the market will feel the effects of this offering of stock at approximately 157. From that point, I expect the market to bounce back, and if the support is not taken, unless the thing is demand is great. A great many market tops are made in just that fashion.

Assuming enough strength is generated in the near future, the 161-13 level, as it stands today, will be the top advance. How long it will remain a barrier depends on still other factors, but certainly not be gone into here. But given market conditions such a top must be approached and broken before it is penetrated.

LAMBORN & CO.
99 WALL STREET
NEW YORK, N. Y.

SUGAR
Exports—Imports—Futures
Dated 4-7-1945

Established 1858

H. Hentz & Co.

New York Sugar Exchange
New York Cotton Exchange
New York Coffee Exchange
New York Orange Juice Exchange
New York Cocoa Exchange
New York Tobacco Exchange
New York Coffee, Cocoa & Sugar Exchange

Gentlemen,

We are informed by our New York correspondents that there is a marked change in the New York sugar market. The market has moved up to a level of 4.8 cents, which is 5 cents above the low point of last month. This upward movement is due to the fact that the sugar is running out, and the supply is not expected to increase in the near future.

We expect this upward movement to continue in the near future, and we recommend our members to buy sugar at the current prices. We also recommend the sale of sugar at the current prices, as we expect the market to continue to move up in the near future.

Sincerely yours,

H. Hentz & Co.
Essentials of Foreign Policy

(Continued from page 1599)

ECONOMIC AND POLITICAL \chng
THE COMMERCIAL & FINANCIAL CHRONICLE
1571

Volume 161 Number 4374

Voluntary}

NATIONAL BANK AND
AND TRUST COMPANY OF NEW YORK

Main Office, 37 Broad Street

Public Bank and Trust Company of New York

RESOURCES

Cash and Due from Banks $30,525,666.43
U. S. Government Securities 253,268,726.24
State and Municipal Securities 6,056,568.59
Other Securities 2,086,357.09
Loans and Discounts 310,579,618.65
Customers' Liabilities for Acceptances 968,986.33
Stock of the Federal Reserve Bank 501,000.00
Banking Houses 1,963,176.72
Other Real Estate 40,143.66
Accrued Interest Receivable 334,847.62
Other Assets 267,127.52

Total $148,418,988.35

LIABILITIES

Capital $7,000,000.00
Surplus 9,000,000.00
Unpaid Dividends 4,117,374.09
Dividend Payable April 2, 1945 165,000.00
Unearned Discount 268,621.49
Reserved for Interest, Taxes, Contingencies 3,472,354.08
Acceptances 2,062,165.89
Other Liabilities 701,783.45
Deposits 422,786,359.69

Total $148,418,988.35

Securities carried at $32,854,654.64 are pledged to secure Federal Reserve Notes, Federal Home Loan Bank Notes, and Federal Home Loan and Federal Reserve Bank Deposits of $36,785,662.22 and other public and private trusts, and for other purposes as required or permitted by law.

Member of: N. Y. Clearing House Association • Federal Reserve System

25 Offices Located Throughout Greater New York

Rath Packing Company

Offered Publicly

Henry M. Pebbley & Co. and associates on April 3 offered, subject to prior subscription rights of common and preferred stockholders, 200,000 shares of common stock (par $4) to Rath Packing Co. at $53.75 a share.

Common stockholders of record March 28 will have the priority to subscribe at $37.75 a share for the shares of new common stock in the ratio of one additional share for each 1/3 common shares held. The company also is offering holders of its 20,000 outstanding shares of 6% cumulative preferred stock the right, during the same period, to subscribe at the same price for the new common stock in the ratio of one additional share for each 100 common shares held. The subscription privilege expires April 9, 1945.
Great Britain's Post-War Problems

(Continued from first page)

and £50 million. She met this in the main, by the sale of foreign assets. What brought about so drastic a change in her trading position? Two things. First, a sharp decline in the world markets for her traditional lines of exported goods. For instance, her exports of cotton and wool textiles fell from £287 million to £184 million; of coal and coke from £78 million to £67 million; and of iron and steel and manufactures thereof from £74 million to £45 million. Second, the failure of British industrialists to maintain a fair share of world trade in their expanding markets. There was an increase of about £20 million in the exports of machinery, road vehicles, and electrical goods. This was quite insufficient to offset the decline in the traditional exporting industries, which bore the brunt of recurrent depressions, and carried the main load of unemployment.

Since the outbreak of the present war the government of Great Britain has undergone further marked change, and, in some aspects, a return to the past. She is no longer a creditor, but a debtor nation. In 1940, under the cash-and-carry arrangement, she was obliged to realize over £1,000 million of her foreign assets in order to pay for the raw materials and goods she required for purposes of waging war. So far as the U. S. A. is concerned this process ceased with the introduction of Lend-Lease. But Great Britain has continued to bear heavily for war purposes from countries within the sterling area. At the conclusion of hostilities the sterling balances in London, representing British short-term indebtedness to the Dominions, India, Egypt, and the Argentine, will amount to something in the neighborhood of £4,000 million. This will exceed the total of British foreign assets. In the meantime they are blocked.

What will be the position of Great Britain be in respect of her balance of payments after the war? Here we enter the realm of speculation. We do not yet know with any degree of accuracy what our foreign trade will be after the war. In the meantime we can only assume that our invisible exports from all sources will be of no cir-
cumstances fall below £150 mil-
million. This being the case, and taking into account the fact that Great Britain will have to increase her imports of raw materials to the figure of £400 million to £600 million, or more, in order to get our goods out, this leaves a gap of £200 million to £400 million to be filled by other means. As against this we may expect an annual increase in home food production. The Ministry of Agriculture has announced that there will be an increase in the production of foodstuffs of 21,000,000 tons. This, if it is actually achieved, may result in a smaller proportion of the total sterling imports being devoted to the purpose of export. Whatever the results of this investigation are, there can be no doubt that the conditions of Great Britain's post-war economy will be more complex than those of the present.

Two Major Problems

Great Britain will therefore have to face two major problems: to find a way to face and solve when the war is over. The first, in the solution of which we have to obtain from abroad a sufficient volume of raw materials to maintain her standard of life, and to ensure the smooth running of her industrial activities, of its available factors of production, and of the sterling balances in London. These problems, the solution of which, if the basic problem of exports is not successfully tackled, for it is with goods alone that Britain can discharge her post-war obligations, and pay her way in the world.

In considering this question, it is necessary to bear in mind that an export trade on the same scale of purpose of trade now dominates economic thought in Great Brit-
ain. To build up an export surplus is no longer regarded as an oriented, indispensable, and desirable goal. On the contrary, it is held to be essentially an unseemly and humil-
ifying to the world economy as a whole. For export surpluses do so much nothing to increase the real wealth of the world, or to decrease the total volume of unemploy-
ment. They merely serve to extend and turn into foreign assets, in the form of gold or weak cur-
rencies, the national wealth of the country, in order to purchase something. In the contemporary British system, the real purpose of trade is the mutual advan-
tageous exchange of goods between countries, and the raising of the general standard of living of all the people. This means the real wealth of the world by the application of the principle of the international division of labour, which makes a given country the producer of those goods for which it has the greatest number of factors of production. Value for value should therefore be taken as the aim of the international trade, earning all trade, and a balance of trade is desirable only for the reasons of national security or to meet the needs of extraordinary emergencies. In order to achieve a balance of payments after the war, Great Britain will have to increase her production, and to develop more changes in her national economy. She must cease to be a predomi-

nantly agricultural country, and become, to at least as great an extent, an industrial country. The transformation will be as im-
portant as the war itself, and will have far-reaching effects as the industrial revolu-
tion itself. In the long run, it is hoped to achieve a better balanced and healthier system. As has already been pointed out, British home food production will never again be capable of maintaining her position since the war. This can be main-
tained if Britain reverts to a planned system of mixed rotation farming, which would probably in- crease still further the already very high portion of agricultural land now used for airfields and the swing-over from cereals and sugar beet to dairying and to the production of high quality meat. The meat industry will also be developed and extended. These are foods necessary and of high quality. What will Britain's import requirements be under these new conditions? Wheat, sugar, coffee, tea, and what are known as the 'luxury' commodities, may still be bought in large quantities. But teas into hitherto—frozen—beef and mutton, bacon, cheese, and dairy produce, if obtained, will be bought in quantities of a smaller proportion of the total trade. Much more will be devoted to the purpose of export. The export trade will be a necessary and important part of any new exchange system.

Conclusion

Turning to industrial production, Britain is recapturing her traditional markets in textiles and ship and (heavy) iron and steel after the war, there is still a hope that she may do, permanently, after this. Never before has she must produce goods which are wanted abroad in order to live. What goods are clearly in the production of which the practical skill and experience of British workers give her an undoubted advantage? The future will show what she can do. The following examples may be given as prospects: production of engineering equipment, precision machinery including machine tools, rayon, other synthetic materials, rubber, leather goods, Scotch woolens, plastics, chemicals, paper products, cardboard, cardboard paper, cutlery, pottery, glass, china, porcelain, v i s t o , ch o c o l a t e , a l u m in u m, b r o n z e . These are the basic, specialized goods of high quality. They are the type of commodity which, if the world demand for the necessi-
ties of the export trade, is satis-

fied with, will produce a demand for lux-
uries is met. With this object primarily in view, these goods are the subject of reciprocal trade agreements. Such agreements will relate both to the terms of trade, the quantitative and qualitative terms, and to the trade itself. More than this, the terms of sales and purchase of goods are the subject of trade agreements. In the new order of things, they are a condition of the maintenance of the balance of trade and the abolition of the old and unjustifiable system of exchange rates and tariffs, which have been the cause of so much international friction and misunderstanding. These controls were in existence from the beginning of the war, and have been retained as a permanent feature of her national economy. They will be designed to ensure that the export point of view is in that they produce the maximum amount of foreign exchange per unit of labour.

Economic Controls and Reciprocal Trade

In order to reestablish her agriculture and her export trade on a sound basis, to achieve the nec-

essary balance of payments, and to ensure that she is able to, of her own accord, import the necessary raw materials, Great Britain will have to negotiate a measure of control over import of food and raw materials by all her foreign trade partners. These controls came into existence with the object of preventing the export trade from prevailing as a permanent feature of her national economy. They will be designed to ensure that the export point of view is in that they produce the maximum amount of foreign exchange per unit of labour. The Sterling Balances

The Sterling balances represent the balance of payments in London. They are a method by which Great Britain could make debt payments, either singly or in combination. She can to continue to block them indefinitely, until her general eco-
nomic position has improved. She can fund them. Or she can trade them within the framework of a system in which debt would deleteriously affect her economic position. She could deleteriously, but subject to definite conditions, permit the debt to increase, in which case she would be unable to meet the interest charges which would subsequently be required of her. She could also negotiate a system by which she can scale down the totals by lease-
age, or by negotiated agreements with her creditors, and to replace the balance of the current short-
term debt by a system in which would permit of gradual reduction. The period might be considerably shorter at a slightly higher rate of interest. Great Britain's foreign trade can be paid in goods. It is therefore to the third world's advantage, and to the advantage of the direct and indirect benefits which have the effect of increasing consumption and therefore production.
Status of France's Foreign Debt

(Continued from page 1847)

on the one hand, never abandoned the gold clause. On the other, the issue Con¬
vention of 1864, the rate of exchange, that the two countries of France and
and interest are calculated in gold. At the present time, for a time limited by
France will never amount to more than the amount of their foreign gold de¬
Although, however, the service of the loan was continued in Canada through

II. Loans Issued in Great Britain

Vichy having followed diplomatic relations with Great Britain in July 1940 and payments on French bonds issued in that country will continue.

III. Loans Issued in Switzerland and in the Netherlands

The bonds sold in London were, therefore, bought at a discount and may be described as will-o'-the-wisp debt.

Plan Structure of Revised World Court

Sponsors of Security Conference to Formulate Set-Up

According to an Associated Press dispatch from Washington, the State Department has invited representa¬
tives of the United States, Great Britain, China, France and the United Nations to meet in Washington on April 9, to con¬
fer with representatives of the United Nations. The conference is expected to last for the next five days. There are, how¬
ever, no facts available to indicate the extent to which the conference may be regarded as a step toward the reform of the Security Council.

When France and Great Britain negotiated the Armistice at the end of the war, the question of the future of the Suez Canal was closely watched. The two powers had agreed to divide the control of the canal between themselves, with Great Britain having the majority of the shares.

The armistice was signed on November 21, 1940, and the canal was placed under the joint control of Great Britain and France. This arrangement remained in effect until 1956, when the United Nations General Assembly approved a resolution calling for the formation of a new international organization to manage the Suez Canal.

The new organization, known as the Suez Canal International Commission, was established in 1957 and is still in operation today. It consists of representatives from Egypt, Great Britain, France, and Israel, and is tasked with managing the canal and ensuring its peaceful use.

In 2013, a dispute arose over the control of the Suez Canal, with Egypt requesting that the international community intervene to support its position. This led to a diplomatic crisis, but ultimately the parties involved were able to reach an agreement that allowed for the continued operation of the canal under the control of the Suez Canal International Commission.

The Suez Canal is one of the world's most important waterways, connecting the Mediterranean Sea with the Red Sea and providing a vital shipping route for trade between Europe and Asia. It is also a key source of revenue for Egypt, with tolls from container ships and tankers contributing significantly to the country's economy.
NEW FILINGS

List of new registration statements filed less than twenty days ago on which registration statements will be filed later this week. A plus (+) indicates the corporation has accelerated the date at which registration statement will be filed.

THURSDAY, APRIL 5

NEW FILINGS

Deere & Co., on March 31 filed a registration statement for 100,000 shares of $1 par value preferred stock, 5% cumulative. Offering—The offer price to the public will be $100 per share. Underwriters—Goldman, Sachs & Co., and Kuhn, Loeb & Co. Inc. Filed Friday.

FOOD MANUFACTURING CORPORATION on March 31 filed a registration statement for 100,000 shares of $1 par value common stock (40). Offering—The offer price to the public will be $10 per share. Underwriters—Goldman, Sachs & Co. Filed Friday.

SATURDAY, APRIL 7

OAK MANUFACTURING CO., on March 19 filed a registration statement for 1,000,000 shares of $.01 par value common stock, par $.01. Offering—The offer price to the public will be $1 per share. Underwriters—Paul H. Davis & Co., is named principal underwriter, with the names of others to be filed by amendment. Filed Friday.

KENNEDY-NAHAY NATURAL GAS Co., on March 30 filed a registration statement for 400,000 shares of $.05 par value common stock, par $.05. Offering—The offer price to the public will be fixed by amendment. Underwriters—Central Supply Corp., Cottin & Burt, Inc., Standard Oil Co. of New Jersey, First Trust Co. of Illinois, Nesbitt, Beazley & Co., and Paine, Webber, Jekle & Co., Inc. Filed Friday.

UNIVERSAL CAMERA CORP., on March 30 filed a registration statement for 800,000 shares of $.01 par value common stock, par $.01. Offering—The offer price to the public will be fixed by amendment. Underwriters—The underwriters are Central Supply Corp., Cottin & Burt, Inc., Standard Oil Co. of New Jersey, First Trust Co. of Illinois, Nesbitt, Beazley & Co., and Paine, Webber, Jekle & Co., Inc. Filed Friday.

SUNDAY, APRIL 8

CENTRAL ILLINOIS ELECTRIC & GAS Co. on March 30 filed a registration statement for 250,000 shares of $.01 par value common stock, par $.01. The dividend rate will be fixed by amendment. Underwriters—Goldman, Sachs & Co., and First National City Bank of New York, as representative of the underwriters. Filed Monday.

MAY DEPARTMENT STORES CO., on March 31 filed a registration statement for 500,000 shares of $.05 par value common stock, par $.05. The dividend rate will be fixed by amendment. Underwriters—The underwriters are National City Bank of New York, as representative of the underwriters. Filed Tuesday.

TUESDAY, APRIL 10

FREEZEL ELECTRICAL MANUFACTURING CORP., on March 28 filed a registration statement for $50,000 of 6% first mortgage bonds due 1960, $1000 each. Offering—The offer price to the public will be $1000 per bond. Underwriters—Dean, Witter & Company, Inc., as representative of the underwriters. Filed Wednesday.

MONTANA-KALIS CS UTILITIES CORP., on March 28 filed a registration statement for $700,000 of 6% first mortgage bonds due 1957, $1000 each. Offering—The offer price to the public will be $1000 per bond. Underwriters—Dean, Witter & Company, Inc., as representative of the underwriters. Filed Thursday.

DEWEY AND ALMY CHEMICAL CO., has filed a registration statement for $500,000 of 5% convertible preferred stock due 1965, $100 par. Offering—The offer price to the public will be $100 par. Underwriters—Jobson, Stanley & Co., as representative of the underwriters. Filed Thursday.

WEDNESDAY, APRIL 11

BRENNER-HOLLMAN LABORATORIES, INC., on March 28 filed a registration statement for 200,000 shares of $.01 par value common stock, par $.01. The dividend rate will be fixed by amendment. Underwriters—Hoffman & Company, as representative of the underwriters. Filed Thursday.

ANDERSON, CLAYTON & CO., on March 27 filed a registration statement for 225,000 shares of $.01 par value common stock, par $.01. The dividend rate will be fixed by amendment. Underwriters—Morgan Stanley & Co., as representative of the underwriters. Filed Thursday.

SUNDAY, APRIL 15

WILSON-GAY CORP., has filed a registration statement for 136,000 shares of $1 par value common stock, par $.01. Offering—The offer price to the public will be $2 per share. Underwriters—Parker, Witter & Stone Co., as representative of the underwriters. Filed Friday.

ATLANTIC CO., on March 23 filed a registration statement for 250,000 shares of $.01 par value common stock, par $.01. Offering—The offer price to the public will be fixed by amendment. Underwriters—Folger, Weeks & Co., as representative of the underwriters. Filed Friday.

MCGARY-NORRIS MANUFACTURING CORP., on March 24 filed a registration statement for 20,000 shares of $.01 par value common stock, par $.01. Offering—The offer price to the public will be fixed by amendment. Underwriters—Kohls, Garach & Co., as representative of the underwriters. Filed Friday.

CALIFORNIA WATER & TELEPHONE CO., has filed a registration statement for 7,000 shares of $10 par value cumulative preferred stock, par $.75. Offering—Price to the public will be fixed by amendment. Proceeds from the sale of 75% of the preferred stock sold. Underwriters—Courts & Co., Atlanta, is named principal underwriter.

WEDNESDAY, APRIL 17

NEW FILINGS

DEWEY AND ALMY CHEMICAL CO., has filed a registration statement for 125,000 shares of $.01 par value common stock, par $.01. Offering—The offer price to the public will be fixed by amendment. Underwriters—Jobson, Stanley & Co., as representative of the underwriters. Filed Friday.

TUESDAY, APRIL 17

REGULATORY

REGULATORY

FISHDOWN FUND, INC., filed a registration statement for 200,000 shares of $.01 par value preferred stock due 1945, $100 par. Offering—The offer price to the public will be $100 par. Underwriters—Fred D. DAVIS & Co., and Chil¬"
TUESDAY, APRIL 19

THE OFFERING—The stockholders of the TOPEKA-CENTRAL RAILWAY COMPANY have authorized the management of the company to offer for subscription, at the rate of 6% per annum, $18,000,000 of 6% cumulative preferred stock, par value $100,000,000, to the public.

The offering price is $100 per share.

The offering will begin on April 22.

The stockholders are urged to subscribe to as much of the stock as they may desire.

The offering will be conducted by Allen & GREGG, 30 Battery Place, New York City.

The stockholders are requested to mail their orders to the company at 211 West 28th Street, New York City.

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"Our Reporter on Governments"

(Continued from page 1489)

The life insurance companies followed closely behind the savers banks as the holders of the partially exempted bonds. With the principal payments made in the 2% due 12/15/49, the 2 1/2% due 3/15/50, the 2 1/2% due 6/15/51, the 2% due 9/15/52, the 2% due 12/15/44 and the 2% due 6/15/46.

These institutions did not make any purchases of the partially exempt bonds. * Other investors made their highest commitment in the 2% due 9/15/49, the 2% due 12/15/45 and the 2% due 6/15/47. The largest sales made by this group were in the 2% due 12/15/41, the 2% due 3/15/50, the 2 1/2% due 6/15/51, the 2 1/2% due 9/15/52 and the 4% due 10/15/47.

GOVERNMENT AGENCIES

U. S. Government agencies, trust funds, and Federal Reserve Banks reported no changes in their holdings during this period. It had been previously pointed out that the advance that was taking place in the partially exempted last December was on light volume.

The amount of securities that changed hands during last December, as shown by the Treasury statistics used in this study, bears out that observation.

ADDITIONS BY NEW YORK CITY BANKS

New York City member banks for the week ended March 20, purchased, excluding the bonds, added $81,600,000 of these securities to their portfolios, while disposing of, bills, certifies and notes, . These institutions are still lengthening maturities, which suggests the possibility, after the war, that the Treasury may be inclined to put out consols to satisfy this demand, if it still exists at that time.

PARTIAL EXEMPTS BELIEVED VULNERABLE

Some of the more astute students of the Government bond market believe that the fact that they are somewhat under their highs for the year, can be sold at these levels for a trading turn. Although they are fully aware that based on a 1% yield curve these obligations can still advance, they point out that the ending of one phase of the war, discussions of, and new tax plans, together with any weakness in the general market, as well as the fact that dealers have no desire to position themselves at these prices, could result in a sizable shake-out in these securities.

It was noted that these bonds went up on light volume and they came down on equal light volume.

WAIT AND SEE

With reference to the 1 1/4% yield curve, which is now being used in place of the 2% curve to figure out the prices at which the newly issued security may sell in the secondary market, it appears to be some scepticism over the validity of accepting such a yield curve until the market has demonstrated its ability to hold such a level over a longer period of time. It was pointed out that all the bankers that will have to be done in the future before the budget is balanced will give the market ample opportunity to fully test this new yield curve, and then it can be decided whether or not it will be the one to be used in forecasting future prices.

House Votes to Extend Life of CCC for Two More Years

The Commodity Credit Corporation, which has a life of 2 more years and its borrowing powers increased by $2,000,000,000 to $4,750,000,000 by House action, reported Associated Press 

The agency supports farm commodity prices. Definite ceiling on commodity subsidies are written into the new legislation, including $568,000,000 under the dairy production program for the fiscal year ending June 30, 1946.

The House passed a separate bill authorizing the Defense Support Program. The bill provides continuing subsidies payments on flour in an amount not to exceed $100,000,000 during the fiscal year ending June 30, 1946.

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