Final Edition
ESTABLISHED OVER 100 YEARS
In 3 Sections—Section 1

The COMMERCIAL and FINANCIAL CHRONICLE

Reg. U. S. Pat. Office

Volume 162 Number 4418 New York, N. Y., Thursday, September 6, 1945 Price 60 Cents a Copy

F. W. Gehle to Manage Victory Loan Drive In New York State

Secretary of the Treasury Fred M. Vinson has appointed Frederick W. Gehle to head the Victory Loan drive in New York State. Mr. Gehle, Vice-President of the

Frederick W. Gehle

Chase National Bank, was chairman of the New York War Finance Committee during the Sixth and Seventh War Loans, resigning in July, at the close of the Seventh drive. Under his direction New York State in the Sixth and Seventh loans yielded $13,900,000,000 to the Treasury, an amount five times greater than any other state, and during the Seventh War Loan New York was the only eastern industrial state to achieve its E-Bond quota.

Index of Regular Features on page 1064.

Raising Our Sights

By HON. FRED M. VINSON*
Secretary of the Treasury

Asserting That Works With Government Help Must Solve Problems of Reconversion and Peace, Mr. Vinson Avers That the Primary Objective Is to Raise Living Standards Under a Sound and Expansive Economy, With High Income, Full Employment and Abundance of Goods and Services. Sees No Substantial Tax Reductions Ahead, but Looks for Simplification and Elimination of Inequities. Holds Interest Rates Must Remain Low and That U. S. Must Cooperate in World Economic Rehabilitation.

Tonight not only are we celebrating Peoria's 100th Anniversary as a city, but also we are honoring the men and women of this city who by their work provide materials, products and services for all of us. Three months after Labor Day, 1941, this country was attacked. Labor Day in 1942, 1943 and 1944 was not a holiday. Labor was making its contribution to the war effort as on other work days. And what a tremendous contribution that was.

Secretary Vinson

The workers of this country must now make goods and services for a high American standard of living. They must do more than that, however. They must help us solve the problems of reconversion and peace. They cannot do this alone, as the Government cannot do the job alone; but

*An address by Secretary Vinson at Peoria, Ill., Sept. 3, 1945.

(Continued on page 1049)

Full Employment—Wages and Democracy

By PHILIP CORTNEY
Vice-Chairman of the Board and Treasurer, Coty Inc.

Writer Asserts That We Are Confronted With the Dangers Inherent in the Full Employment Dogma Since World War I. At the Root of Unemployment in a Free Society He Finds the Wage Problem and Credit Mischief. He Is Convinced That We Cannot Avoid Going Into Experimentations and Therefore Advocates the Provision of Safeguards for the Private Enterprise System, Democratic Processes and Our Liberties. He Makes Some Tentative Suggestions of a Method of Approach to the Provision of Safeguards.

This article means to be an exhortation to foresight, wisdom and intelligent thinking. It means to be an appeal to both labor and free enterprise for the preservation of democracy and our cherished liberties. I wish everyone would understand that the full employment issue could be called more aptly "democracy or some form of totalitarianism."

Philip Cortney

I had better state at the outset what I wish to prove. It is my contention that, full employment bill or no full employment bill, we are already confronted with the dangers which the defenders of the free enterprise system ascribe to the adoption of the bill. Therefore, in this article, I am advocating safeguards against the dangers al-

(Continued on page 1058)

More Special Articles In NSTA Supplement

Along with this issue of the "Chronicle" we have prepared a special supplement covering the 12th Annual Convention of the National Security Traders Association held at Mackinac Island, Mich., during the period Aug. 28-30, inclusive. This supplement includes a number of special articles and papers which will undoubtedly be of great value and interest to our readers. Accordingly, we deem it appropriate to enumerate these special articles herewith, as many of them would ordinarily be given in this particular section of the "Chronicle." In the tabulation below we list the titles and authors of these discussions, as well as the page number on which they appear in the NSTA Supplement:

(Continued on page 1044)

From Washington Ahead of the News

By CARLISLE BARGERON

Correspondent Holds That Full Employment Bill Will Pass Even Though Congress Is Dominated by Conservatives, but Points Out That While New Dealers Are Trying to Create Impression Measure "Doesn't Mean Anything," It Is Full of Mischief. Points Out Past Failures and Deceptions of Public Officials in Forecasting Economic Conditions. Contends Bill Sets Up "a Vehicle for Continuous Agitation" and That Instead of Setting Up a Balanced Economy "It Will Keep Us in a Stew." Says Local Communities Are Willing and Financially Able to Undertake Many Needed Public Improvements but Find Themselves Handicapped by Federal Government. Predicts States Will Control Unemployment Benefits, Regardless of Cost to Be Borne by the Government.

The indications are that Congress will pass some sort of a so-called full employment bill, as well as to increase, probably through Federal grants to the States, the unemployment payments. The heat is on. There seems to be too much agitation for even a Congress dominated by Conservatives to resist.

Carlisle Bargeron

Also, on behalf of the full employment bill, a rather subtle campaign is being conducted that it really doesn't mean anything. It will be up to Congress to enact any implementing legislation, it is argued, and such legislation will be designed to help business, because the bill proclaims loudly and repeatedly that everything must be done under the private enterprise system. If the bill doesn't really mean anything it shouldn't be passed. However, it is a fact that in itself it is a pretty hollow thing. At the beginning of the year the Administration's statisticians attempt to predict how much money will be spent by industry and Government the ensuing 12 months; how much employment this will give; then whether that it is too much employment or too little. It will recommend legislation accordingly. This legislation may be to forestall a boom that is foreseen. It may be to forestall unemployment. But Congress, cf course, doesn't have to follow these recommendations. This is what is meant when it is said that the bill in itself doesn't mean anything.

There can't be any escaping the

(Continued on page 1045)

Edwin Herzog Partner In Lazard Freres Co.

Edwin H. Herzog, until recently a colonel in the Air Corps on the Air Staff in Washington, has been admitted as a partner in Lazard Freres & Co., 44 Wall Street, New York City, members of the New York Stock Exchange.

Mr. Herzog has been in the investment banking business since his graduation from Princeton in 1921. Before his entrance into the Army Air Forces in June, 1942, he had been a partner of Shields & Co.

His admission to partnership in Lazard Freres & Co. was previously reported in the "Chronicle" of Aug. 23.

No Conflict With Free Enterprise In Full Employment Bill

By HON. HENRY A. WALLACE*
Secretary of Commerce

Secretary Wallace Gives Wholehearted Support to "Full Employment" Bill Stating That It Recognizes the Right of the Worker, the Businessman and the Farmer to Prosper "in a Climate of Full Opportunity." Denies That the Bill Is "Planned Economy" and in Conflict With Private Enterprise, But Holds That Business Management Should Not Be Saddled With Maintaining Full Employment. Says Government Must Maintain Level of Sales, But Denies Bill Is a Spending Measure. Concludes Objective Will Not Be Attained Without Cooperation of Business, Agriculture, Labor and Government.

Mr. Chairman and members of the Banking and Currency Committee:

I appreciate the invitation of this Committee to appear this morning and testify on the Full Employment bill.

Henry A. Wallace

I am wholeheartedly in favor of the passage of this bill. I consider it a most essential step in making a living reality of the Economic Bill of Rights so clearly set forth by Franklin Delano Roosevelt. The Economic Bill of Rights embodies the fundamental aspirations of all our citizens, which our great production potential will allow us to realize if only we have the vision, the courage, and the will to take the necessary action.

The Economic Bill of Rights in essence recognizes the right of the worker, the business man and the farmer to prosper in a climate of full opportunity; the right to a decent living; the right to a decent home; the right to adequate medical care; the right to social insurance, and the right to a good education. These basic rights have taken their place in the hearts of the American people alongside of the original Bill of Rights.

The Full Employment bill would give legislative recognition to the most essential economic right—"the right to a useful and remunerative job in the industries or shops or farms or mines of the nation." Under this measure the Federal Government would, for the first time, recognize its over-all responsibility for

(Continued on page 1055)

*A statement of Secretary Wallace before the Senate Committee on Banking and Currency, Aug. 28, 1945.

The COMMERCIAL and
FINANCIAL CHRONICLE
Reg. U. S. Patent Office
William B. Dana Company
Publishers
25 Park Place, New York 8
REctor 2-9570 to 9576
Herbert D. Seibert,
Editor and Publisher
William Dana Seibert, *President*
William D. Riggs, *Business Manager*
Thursday, September 6, 1945
Published twice a week
every Thursday
(general news and advertising issue)
and every Monday
(complete statistical issue—market quotation records, corporation, banking, clearings, state and city news, etc.)
Other Offices: 135 S. La Salle St., Chicago 3, Ill. (Telephone: State 0613); 1 Drapers' Gardens, London, E. C., England, c/o Edwards & Smith.

Reentered as second-class matter February 25, 1942, at the post office at New York, N. Y., under the Act of March 3, 1879.
Subscriptions in United States and Possessions, $26.00 per year; in Dominion of Canada, $27.50 per year; South and Central America, Spain, Mexico, and Cuba, $29.50 per year; Great Britain, Continental Europe (except Spain), Asia, Australia and Africa, $31.00 per year.
Other Publications
Bank and Quotation Record—Mth. $25 yr.
Monthly Earnings Record—Mth... $25 yr.
NOTE—On account of the fluctuations in the rate of exchange, remittances for foreign subscriptions and advertisements must be made in New York funds.

"On the Beam"!

Securities Dealers Committee Refutes Contention That Proposed Compulsory Regulation and Regimentation of Salesmen and Traders Is Akin to Stock Exchange Practice. SEC Orders By-Laws Held in Abeyance Until Sept. 15.

On Sept. 1 last, the Securities Dealers Committee, 165 Broadway, New York 6, N. Y., sent a letter to numerous dealers calling their attention to various new items on the SEC hearing held on Aug. 29 on the new by-laws of the NASD which call for the compulsory registration of salesmen, traders and principals in firms and paves the way for limiting mark-ups and spreads.

"Stephen C. Thayer of Baker, Hostetler & Patterson, attorneys for the NASD, contended that the registration proposed was similar to the New York Stock Exchange's practice in this respect. Our committee contends this is not in accord with the facts since the Exchange puts a floor on commission rates and would discipline a member or a customer's broker that charged less. The NASD on the other hand under the new by-law set-up might discipline a dealer, salesman or a trader that did not confine his mark-ups or spreads to the whims of NASD officials.

"Our attorneys argue, too, aside from the fact that the new by-laws were improperly adopted, they would curtail the liberties of those affected and provide for unnecessary and further regimentation of the investment industry."

RIGHT "ON THE BEAM" WOULD BE THE PRESENT DAY VERNACULAR FOR DESCRIBING THESE PITHY PARAGRAPHS.

The SEC gave the Committee's attorneys, Edward A. Kole and A. M. Metz, of this city, until Saturday, Sept. 8 to file briefs in the matter. Since then the Commission has ordered that the new by-laws be held in abeyance until Sept. 15, 1945.

Twenty-four investment houses have authorized the Committee to represent them, the "Chronicle" is informed, and it is to be hoped that still more will permit the use of their names in this respect and that the various regional associations throughout the country will meet immediately to follow suit.

Financial aid should be freely proffered to the Committee by all in the securities business. This is the least they can do as a concrete expression of their appreciation to the men (Baron G. Helbig of Baron G. Helbig & Co.; B. S. Lichtenstein of B. S. Lichtenstein & Co.; William S. Baren of William S. Baren Co.) who have had the courage to spearhead this move and have so freely given of their time so that the investment business will not be further shackled.

The truth of the matter is that they are holding the torch for trade and industry generally, because if it becomes possible for a bureaucracy in the securities business to arbitrarily tell salesmen and traders in stocks and bonds

(Continued on page 1061)

Labor's Post-War Program

By WILLIAM GREEN*
President, American Federation of Labor

Denouncing Prophets of Gloom and Asserting That the A. F. of L. Has Faith in America and the American People, Mr. Green Lays Down as a Program for Prosperity (1) the Speeding of Reconversion by Private Industry; (2) the Immediate Increase in Wage Rates to Expand Purchasing Power; (3) a National Accord Between Labor and Industry; (4) a Shorter Work Week "When Conditions Settle Down," and (5) Legislation to Expand Social Security Benefits. Urges Passage of Full Employment Measure, Together With the Kilgore Bill Raising Minimum Wages, and Lauds Labor's Contribution to War Effort.

Every generation produces a man with wisdom far beyond his times, whose imagination lights a beacon along the road which humanity must travel in the future. Such a man was Peter J. McGuire, the father of Labor Day, whose memory we honor today. Sixty-three years ago he conceived the idea of a truly American national holiday to pay homage to the toilers of the earth who from raw nature "have delved and carved all the grandeur we behold." This struggling carpenter glimpsed the nobility of the common man and his work and sought to give it power and expression by joining with Samuel Gompers and other pioneers to form the American Federation of Labor. He became an official of the United Brotherhood of Carpenters and Joiners of America, one of the oldest trade unions in the nation. Through the Carpenters' union and the American Federation of Labor, of which it is a part, he won his campaign for Labor Day. There were other holidays, he said, representative of the religious, civic and military spirit, but none representative of the


William Green

*An address by Mr. Green at Camden, N. J. Sept. 3, 1945.

(Continued on page 1057)

Wages to Go Up But Not Prices

Stabilization Director Davis Says New Wage-Price Regulations Will Permit Wage Increases, but Insists Present Price Levels Be Maintained. Lays Down Plan for Voluntary Adjustment of Labor Disputes.

At a news conference on September 4, William H. Davis, Director of Economic Stabilization, announced that substantial wage increases will be permitted to aid better living standards and that these new regulations would not result in higher prices, but are to be absorbed by producers and distributors. Chairman Davis stated that the goal was to raise living standards 50% and at the same time keep consumers costs at present levels. He stressed the importance of preventing both inflation and deflation, and insisted that present price levels should be maintained so that the heavy national debt could be paid off at the same purchasing power levels under which it was incurred.


William H. Davis

Commenting on the means of carrying out this policy, the Stabilization Director stated that it would be the function of the OPA to determine whether a wage increase can be absorbed by producers and distributors or whether it is likely to result in an increased price to the public, and he maintained that the OPA would be required to cancel voluntary wage increases under the proposed new regulations, if any employer should later apply for permission to raise a ceiling price because of higher operating costs.

(Continued on page 1054)

More Special Articles In NSTA Supplement

(Continued from first page)

Sgt. Siegel on Furlough

Sergeant Sidney A. Siegel, partner of Siegel & Co., 39 Broadway, New York City, has just returned home for a thirty-day furlough. Sergeant Siegel has now been overseas for over three years and was wounded on D-Day plus one, June 7, 1944 on the Normandy beach-head. Now that peace has been declared, Sergeant Siegel expects an early discharge and is looking forward to taking an active part again in the affairs of Wall Street.

BOSTON

ST. LOUIS

Flint With Price, McNeal

Maurice B. Flint has become associated with the investment firm of Price, McNeal & Co., 165 Broadway, New York City.

DETROIT

GRAND RAPIDS

SALT LAKE CITY

From Washington Ahead of the News

(Continued from page 1042)

fact, though, that it is, to say the least, full of mischief. It doesn't take much imagination to see what will take place. The statisticians will never report full employment. They will comb the highways and the byways to get quarters of men, halves of men, all sorts of percentages. They have never hesitated to split men into many different pieces to satisfy their statistics. The fact that no two agencies ever agree on their statistics is of no moment. The AFL insists until this day that there were 10,000,000 unemployed when the war boom came on. The Labor Department used this same figure as long as it served its purpose, but during the '40 and '44 Presidential campaigns the Administration contended that unemployment had been reduced to slightly more than 7,000,000. The plain fact is that right up until Pearl Harbor both Madame Perkins and the WPA were telling tales of dire distress among the population in an effort to keep WPA going.

It is difficult to understand why any responsible person, after seeing the way in which General Hershey and War Manpower Commissioner McNutt balled up the manpower situation during the war, would want any more bureaucratic handling of anything. Hershey spent more time out of Washington making speeches, seemingly, than he spent at his desk, and up until a few months ago every speech outlined a different situation. There have been instances galore of men being drafted, inducted and discharged as many as three times under the changing draft regulations. Under McNutt we had the spectacle of men loafing in one plant, in some instances being unemployed, with a nearby plant begging for men.

What the so-called full employment bill really sets up is a vehicle for continuous agitation at Washington. Equally dangerous with the employment budget would be the disposition of the bureaucrats to keep the economy "balanced." Our experience with them by now should certainly prove that they aren't capable of keeping anything balanced. Their only accomplishment is to keep us in a stew. From priming the pump we switch to controls against inflation, and vice versa. More than 135 million of us run uphill one day and downhill the next, to the whip of men who in many instances can't raise their own families.

There is scarcely a community in the country today that doesn't have a backlog of needed civic improvements and the money with which to carry them out. They are prepared to do this work, not necessarily from any humanitarian motives, but because it needs to be done, if the Federal Government will just let them alone. We have always had public work programs, and always will have. But the movement, the contemplation of the full employment bill, is to organize everything and direct it from Washington on the basis of statistics. It is about the only remaining hangover from the New Deal, this push behind the bill. The New Dealers in retreat are seeking to make a stand on it. They have the Administration's support. Nobody can be against "full employment." So, as we said, the disposition in Congress seems to be to pass it, after weakening it as much as possible.

On the bill increasing unemployment benefits, the advocates of the States making the payments, regardless of whether the Federal Government pays the bill, seem to be in the ascendancy, and it is not unlikely that the pending bill will be changed to provide for local administration. This will break the heart of the CIO, because their purpose is to use increased unemployment benefits to keep workers from taking jobs at lesser wages than they have been getting in war plants. Local administrators of the benefits are not likely to feel so kindly towards unemployed who refuse jobs. Community feeling would not likely stand for it.

Wehmann Trading Mgr. for Adolph Lewisohn

In line with a development program inaugurated several years ago and which they are now accelerating with the coming of peacetime, Adolph Lewisohn & Sons, 61 Broadway, New York City, members of the New York Stock Exchange, announce that Gilbert H. Wehmann has joined them as manager of their trading department.

Gilbert H. Wehmann

Mr. Wehmann had been associated with the firm of Tucker, Anthony & Company for a number of years and prior to that had been with Brown Brothers.

T. S. Lamont Re-Elected V.-P. of J. P. Morgan & Co.

T. S. Lamont, who resigned as Vice-President of J. P. Morgan & Co. Incorporated in July, 1942, when he entered the United States Army, has been re-elected Vice-President as of Sept. 1 of this year.

It is certainly to be hoped that we don't get back to the days when the CIO would notify Harry Hopkins of an impending strike and he would arrange to put the strikers immediately on relief.

W. F. Taylor in Newark

NEWARK, N. J.—William Francis Taylor, Jr., is engaging in a securities business from offices at 227 South Eleventh Street.

Public Utility Securities

Public Power in the Northwest

Now that the war is over and the big aluminum projects in the Northwest are being cut back (with apparently small hope that the industry can survive by using local clay deposits), the question of how to dispose of the huge amounts of electric power produced by Bonneville and Grand Coulee is coming to the fore. Some power is already being sold at cheap rates to local utilities such as Portland General Electric and Puget Sound Power & Light but much more would have to be sold to provide an outlet for the large amount used in munitions production during the war.

Portland General Electric is already selling some electricity for house heating, and with electricity available around the level of one cent per KWH more could probably be sold. Whether other companies would follow this lead remains to be seen. Several years ago Bonneville was reported experimenting with long-distance transmission of current (now limited commercially to a few hundred miles) but with the war effort intervening, results have apparently not been very successful.

Advocates of public power in Washington, as well as locally, have been working for years to take over private utilities in the Northwest in order to obtain a distributing system for public power. It will be recalled that TVA fought with Mr. Willkie, then President of Commonwealth & Southern, over the acquisition of the company's Tennessee properties and was finally forced to pay a reasonable price after a strenuous campaign of rate-cutting, competitive building of transmission lines, etc. The fight in the Northwest has been conducted more quietly, but just as persistently.

But Congress thus far has been reluctant to finance such purchases on a wholesale basis, rejecting the Bone Bill for the creation of a $150,000,000 Columbia River Authority, and now MVA (Missouri Valley Authority) is getting all the publicity. Local public utility districts have been fighting for years to acquire pieces of Puget Sound but have been unable to pay the substantial prices required by jury awards in condemnation actions. The President of Puget Sound, Frank McLaughlin, has carried on a running fight with the PUDs and as he expressed it "PUDs are duds."

Early last year, however, a working combine was formed between the PUDs, the city of Seattle (which has a municipal plant competing with Puget Sound), and Bonneville. Paul Raver, Administrator of Bonneville and acting for all three groups, made a tentative offer to Puget Sound of $90,000,000. This would have paid off the bonds and preferred stock, leaving only about $8 per share for the common, plus the transit property and miscellaneous assets. The company termed this "grossly inadequate" and the deal fell through.

Recently, however, Guy C. Myers (who had successfully sold the Nebraska Power property) offered Puget Sound $18 a share for the entire property, including the bus lines. Various other concessions were made to "sweeten the deal," such as retaining officers for two years and retiring the preferred stock at 110, and apparently the directors are considering the offer.

A fly in the ointment, however, was the blast issued several weeks earlier by Representative Boren in Congress. He charged Mr. Myers with devising a scandalous scheme for the Wall Street bankers to buy up all the utilities and finance their sale to tax-free public power agencies, at a handsome profit to themselves. The sale figure for Puget Sound named by Representative Boren ($130,000,000) was equivalent to about $25 per share, while the actual offer made later by Myers was only $18 (the stock is currently selling at 15⅞).

Mr. Boren also charged that Myers, who had handled the Nebraska sale for American Power & Light, was planning to dispose of that system's three Northwestern properties—Washington Water Power, Pacific Power & Light and Northwestern Electric—by similar sales to public agencies. Apparently these deals (if they were really in progress) have been slowed down by the unfortunate publicity, and the right of way given to the Puget Sound. The PUDs have continued actively at work, however, in their efforts to acquire local sections of some of these companies despite their failure to enact a law (through a public referendum last November) to permit these agencies to combine for the purpose of financing their purchases.

Wall Street and the utilities have been opposed in principle to acquisition of private utilities by government agencies but because of the enormous tax advantages and easy financing methods enjoyed by these agencies it is a constant temptation to develop sales programs such as those on which Mr. Myers has been at work. However, the demand for tax-free bonds has abated (the municipal market received a sharp jolt on V-J Day) and if Mr. Boren acquires a following in Congress (with resulting pressure on the regulatory commissions which, however, have only limited powers to deal with these situations) the new method of diverting private properties to public power agencies may be definitely handicapped. Most New Deal agencies have apparently favored such sales in the past, and are probably now puzzled over the Boren attack. The solution would be for Congress to place all public power agencies on a similar tax-paying basis as the private utilities.

Knight to Head Bank Activities in V-Loan

W. Randolph Burgess, President of the American Bankers Association, announced the appointment of Francis M. Knight, Vice-President of the Continental Illinois National Bank and Trust Company, Chicago, Illinois, as Chairman of the A. B. A. Committee on War Bond Drives to head up activities of banks of the nation during the Victory War Loan Drive.


Francis M. Knight

Mr. Knight succeeds Tom K. Smith, President of The Boatmen's National Bank, St. Louis, Missouri, who was head of the committee during the seven previous War Loans. In announcing the appointment of his successor, Mr. Burgess said, "Mr. Smith made an outstanding success in directing bank activities in connection with the War Loans. His personal sacrifices in behalf of banking are greatly appreciated."

The new Chairman of the Association Committee, which is completing plans for opening of the Victory Loan on Oct. 29, 1945, has had wide experience during the war in the field of government finance. He is a member of the Research Council of the A. B. A., and in 1943 was on the faculty of The Graduate School of Banking of the Association, his subject being government securities. During the Sixth War Loan he was Chairman of the Drive Committee for Banks of Chicago and Cook County, Illinois.

Mr. Knight is a veteran of World War I, having enlisted in the Navy in 1917. He was commissioned ensign and later advanced to lieutenant junior grade and served on the destroyer USS Stringham in French waters.

He entered banking in 1915, specializing in securities, and became Vice-President of the Continental Illinois National Bank and Trust Company in 1933.

Will Seek Early Action on Pending Bill, Boren Advises NSTA

Congressman Lyle H. Boren, Democrat of Oklahoma, has advised the National Security Traders Association of his intention to seek Congressional action on the Boren bill the latter part of this month. Mr. Boren's measure is intended to establish beyond question the immunity of transactions in State and municipal securities from regulation and control of the Securities and Exchange Commission.

Tomorrow's Markets Walter Whyte Says—

Sharp advance cancels time element. Expect minor setbacks before resumption of rally. Obstacles now loom ahead.

By WALTER WHYTE

In the previous column I said the market acted higher and that within one to three months the industrial average would get to about 180. At the time that was written it had just crossed 171 and what public sentiment there was appeared to be bullish.

* * *

I haven't changed my mind about the 180 figure but I think I'm away off base on the timing. For, if the market took only five days to move up from about 162 to 172, the additional eight points would have to take at least 30 days to come within the time I set for it. If that is to occur, it is equally apparent that the subsequent statement which read: "Based on present ac-

(Continued on page 1056)

Robinson Admitted as Schwabacher Partner

Edward H. Robinson, for the past nine years manager of the New York office of Schwabacher & Co., 14 Wall Street, members of the New York Stock Exchange, has become a general partner of the firm.

Edward H. Robinson

In addition to the firm's head office in San Francisco, offices also are maintained in Fresno, Monterey, Oakland, Sacramento and Santa Barbara.

Prior to his association with Schwabacher & Co., Mr. Robinson was connected with the National City Company and was later assistant vice-president of Chase Harris Forbes Corporation.

Mr. Robinson's admission to the firm was previously reported in the "Chronicle" of Aug. 16.

Dimond With Estabrook

Estabrook & Co., Members New York Stock Exchange, announce that Renwick B. Dimond is now associated with them in their New York office, 40 Wall Street. Mr. Dimond was formerly with Wertheim & Co.

Allyn Laird Dies

Allyn V. Laird, 47, of 1036 West Sixth Street, Plainfield, N. J., died early Tuesday at Muhlenberg Hospital, Plainfield. He had undergone an intestinal operation about ten days ago.

Well known in Plainfield, and in New York financial circles, Mr. Laird had been an account executive with the Wall Street Office of J. Walter Thompson Company, advertising agency, since 1934. Prior to that time he had been with The National City Company, securities affiliate of The National City Bank of New York, starting in 1916. Later, he was in charge of the publicity and advertising department of The City Company of New York from 1933 until joining J. Walter Thompson Company.

He was an active member of the Grant Avenue Presbyterian Church, Plainfield, and was an elder in the church. For several years, he was active in Plainfield Community Chest activities.

Surviving are his wife, Mrs. Elsie Cullinan Laird; a son, Signalman 2|c Gordon W. Laird, U.S.N.R. now in the Pacific; two sisters, Miss Alma Laird of North Plainfield, and Mrs. C. F. Sims of Westfield, N. J.; and his father, Nathaniel Laird of North Plainfield.

Funeral services will be held Friday, Sept. 7, at 3 p.m. at the A. M. Runyon and Son "Home for Plainfield, N. J. The Rev. Roland Services" at 900 Park Avenue, Bahnsen, of the Grant Avenue Presbyterian Church, will officiate. Interment is to be in Hillside Cemetery, Plainfield.

Honor Blair Williams, 50 Years NYSE Member

About twenty-five friends of Blair S. Williams gave a luncheon yesterday at the Stock Exchange Luncheon Club in commemoration of his fiftieth anniversary as a member of the New York Stock Exchange.

Oliver C. Billings, another member of the Exchange, long associated with Mr. Williams in Stock Exchange affairs, acted as toastmaster.

Mr. Williams served as a member of the governing body of the Exchange for twenty-nine years and as a member of many standing and special committees. He is a partner of the firm of Blair S. Williams & Co.

A memento of the occasion was presented to Mr. Williams in the form of an engrossed scroll.

Correction

In the Financial Chronicle of Aug. 30th it was reported that Edward Griffin Ringrose, proprietor of E. G. Ringrose Co., 76 Beaver Street, New York City, had become an officer of The Federal Corporation. This was in error, as Edward Gerard Ringrose, son of the head of E. G. Ringrose Co., is Vice-President and Treasurer of The Federal Corporation.

Lehman Bros. Admit Bunker as Partner

Lehman Brothers, 1 William Street, New York City, members of the New York Stock Exchange, announce that Arthur H. Bunker has been admitted to their firm as a general partner. Mr. Bunker's admission to partnership was previously reported in the "Financial Chronicle" of Aug. 30.

Irwin Kranz Joins Dept. of Goodbody

Goodbody & Co., 115 Broadway, New York City, Members New York Stock Exchange, announce that Irwin Kranz has joined their investment sales department. Mr. Kranz was formerly with Craigmyle, Rogers & Co. and in the past was an officer of Swart, Brent & Co.

William J. Raber With Stewart, Scanlon Co.

(Special to THE FINANCIAL CHRONICLE)

SAN FRANCISCO, CALIF.—William J. Raber has become associated with Stewart, Scanlon & Co., 220 Montgomery Street, members of the San Francisco Stock Exchange. Mr. Raber was previously manager of the trading department of the local office of Merrill Lynch, Pierce, Fenner & Beane.

Miss Woods 25 Yrs. With E. H. Rollins in S. F.

SAN FRANCISCO, CALIF. — Miss Marjorie Helen Woods is celebrating her 25th anniversary with E. H. Rollins & Sons Incorporated, Russ Building. Her friends are wondering how she has stood being Tom Price's assistant in the trading department for so long.

Rousselot Resumes Duties At Orvis Bros. & Co.

Major Harold A. Rousselot has resumed his duties as a general partner of the New York Stock Exchange firm of Orvis Brothers & Co., 14 Wall Street, New York City, having recently received his release from the U. S. Army Air Force.

Real Estate Securities

Private home construction, in spite of war time restrictions still in effect, is beginning to show an increase, Commissioner Raymond M. Foley of the Federal Housing Administration reported on September 1st.

Applications for insured financing on new homes to be constructed under the provisions of Title II of the FHA program averaged more than 1,000 a week during the three month period from May through July. A substantial increase in this volume may be expected, Mr. Foley said, just as soon as remaining restrictions can be removed and building materials, especially lumber, become available.

In July of this year, the FHA field offices received applications from private financial institutions to insure mortgages to finance the construction of 5,035 new homes of which 4,224 were to be built under the peace time provisions of Title II.

During the same month in 1944, applications for FHA mortgage insurance totaled 2,792, of which all but 129 were to be built under the wartime provisions of Title VI.

"This is an indication," Mr. Foley said, "that the private home builders of America, financed by private lending institutions under the FHA program, are starting on their post-war programs to meet the nation's acute housing shortage. Builders have to have their plans ready when they apply for mortgage insurance."

The July record merely reflected the steady increase of applications for new home construction under Title II during recent months. The record since the first of the year shows 382 applications in January; 614 applications in February; 961 applications in March; 1,600 applications in April; 4,076 applications in May; 4,425 applications in June and 4,224 applications in July.

In addition, the FHA's operations in insuring mortgages on existing houses during the twelve month period ending June 30 was the largest in volume in five years.

Dealer-Broker Investment Recommendations and Literature

It is understood that the firms mentioned will be pleased to send interested parties the following literature:

Guide to Railroad Reorganization Securities—revised plan of reorganization of the Delaware, Lackawanna & Western Railroad Company—the first of a series of revisions being sent to holders of the "Guide" to amend the fourth edition—Pflugfelder, Bampton & Rust, 61 Broadway, New York 6, New York.

Hawaiian Stocks—study of **Alexander & Baldwin, Ltd.** and **Castle & Cooke, Ltd.**—Kaiser & Co., Russ Building, San Francisco 4, Calif.

Also available is a timely report on **Golden State Co.**

160 Stocks to Consider Now—lists of stocks divided into groups and arranged according to estimate of investment timing—$1.00 for lists, studies of each list and Standard & Poor's Investment Policy Committee's program for the near-term and the long-term—also three issues of **The Outlook**, a service for investors—offer open to new readers—Standard & Poor's Corporation, 345 Hudson Street, New York 14, New York.

Outlook for the Railroad Equipment Industry—eight page brochure, with comparative figures—H. Hentz & Co., Hanover Square, New York, N. Y.

Peacetime Outlook for Public Utility Stocks—descriptive information—Bear, Stearns & Co., 1 Wall Street, New York 5, N. Y.

Railroads in the Reconversion Period—study of the outlook for the railroads—McLaughlin, Baird & Reuss, 1 Wall Street, New York 8, N. Y.

Wall Street Commentator—a digest of current events in the financial markets of North America, with reviews and analyses of specific situations appearing to have exceptional investment and/or profit possibilities—Bennett, Spanier & Co., Inc., 105 South La Salle Street, Chicago 3, Illinois.

Also available is late memorandum on **Colorado & Southern Common.**

Baker-Raulong Company—Analysis of condition and post-war prospects—F. H. Koller & Co., Inc., 111 Broadway, New York 6, N. Y.

Also available are analyses of **Liquidometer Corp., Delaware Rayon and New Bedford Rayon.**

Bank of America, N. T. & S. A.—analysis—First California Company, Inc., 300 Montgomery Street, San Francisco 24, Calif.

Benguet Consolidated Mining—circular—F. Bleibtreu & Co., Inc., 79 Wall Street, New York 5, N. Y.

Also available are memoranda on **San Mauricio Gold Mines** and **Mindanao Mother Lode Mining.**

Bird & Son—memorandum—Buckley Brothers, 1529 Walnut Street, Philadelphia 2, Pa.

Also available are memoranda on **Eastern Corporation** and **Mastic Asphalt.**

Boston & Main Railroad—analytical study of current situation—B. W. Pizzini & Co. Inc., 25 Broad Street, New York 4, N. Y.

Boston & Maine Railroad—circular—Price, McNeal & Co., 165 Broadway, New York 6, N. Y.

Christiana Securities Company—analysis—Francis I. du Pont & Co., 1 Wall Street, New York 5, New York.

Consolidated Cement Corp. Class A—Bulletin on recent developments—**Lerner & Co.,** 10 Post Office Square, Boston 9, Mass.

Also available are circulars on **Central Iron & Steel, Kingan & Co.** and **Riverside Cement.**

Consolidated Gas Utilities and **The Chicago Corp.**—Circulars—Hicks & Price, 231 South La Salle Street, Chicago 4, Ill.

Consolidated Rock Products—Descriptive circular—C. E. de Willers & Co., 120 Broadway, New York 5, N. Y.

Also available is a memorandum on **Macfadden Pub. Inc.** and **Sterling Engine.**

Continental Aviation & Engineering—Study of outlook and possibilities for this company which is a factor in the field of jet propulsion—Ward & Co., 120 Broadway, New York 5, N. Y. Also available are late memoranda on:

Great American Industries; Electrolux; Brockway Motors; Scovill Mfg.; Alabama Mills, Inc.; American Hardware; Douglas Shoe; Southeastern Corp.; Detroit Harvester; Bowser, Inc.; Mohawk Rubber Co.; TACA Airways; American Window Glass; Continental Aviation & Eng.; Michigan Chemical and Purolator Products.

Dunningcolor—Descriptive circular—J. F. Reilly & Co., 40 Exchange Place, New York 5, N. Y.

Also available is a memorandum on **International Detrola.**

Durez Plastics & Chemicals—descriptive circular—Doolittle, Schoellkopf & Co., Liberty Bank Building, Buffalo 2, N. Y.

Also available is information on **Hotels Statler** and **Buffalo Bolt.**

Employers Group Associates—study of situation—Huff, Geyer & Hecht, 67 Wall Street, New York 5, N. Y.

Franklin Railway Supply Co.—Analysis—W. J. Banigan & Co., 50 Broadway, New York 4, N. Y.

General Industries Co.—Recent report—**Mercier, McDowell & Dolphyn**, Buhl Building, Detroit 26, Mich.

Also available a report on **National Stamping Co.**

Great American Industries—special analysis—Allen & Company, 30 Broad Street, New York 4, N. Y.

Hajoca Corp.—Circular on interesting possibilities—Hoit, Rose & Troster, 74 Trinity Place, New York 6, N. Y.

Also available is a memorandum on **Thermatomic Carbon Co.** and a new analysis of **Panama Coca-Cola.**

International Detrola Corporation—analysis of rapidly growing company in the radio and home appliance field—Wm. C. Roney & Co., Buhl Building, Detroit 26, Mich.

Long Bell Lumber Co.—detailed brochure for dealers only—Comstock & Co., 231 South La Salle Street, Chicago 4, Ill.

P. R. Mallory & Co., Inc.—Analytical discussion — **Steiner, Rouse & Co.,** 25 Broad Street New York 4, N. Y.

Midland Realization and **Midland Utilities Common**—Memorandum—Doyle, O'Connor & Co., Inc., 135 South La Salle Street, Chicago 3, Ill.

Midland Utilities and Midland Realization Company—A study of Values and Distribution, prompted by consensus of opinion pointing to near-term liquidation of utilities and realization companies—Fred W. Fairman & Co., 208 South La Salle Street, Chicago 4, Ill.

Also available are brochures and statistical information for dealers on **Garrett Corporation** and **Magnavox Company.**

Nashawena Mills—Circular—Du Pont, Homsey Co., Shawmut Bank Building, Boston 9, Mass.

National Radiator Co.—Analysis, for dealers only—**C. E. Unterberg & Co.,** 61 Broadway, New York 6, N. Y.

National Terminals Corporation—circular—Adams & Co., 231 South La Salle Street, Chicago 4, Ill.

Also available is a memorandum on **Howell Electric Motors** and **American Service Co.**

New England Lime Co.—Circular—Dayton Haigney & Company, 75 Federal Street, Boston 10, Mass.

Pittsburgh Railways — Current study—**First Colony Corporation,** 70 Pine Street, New York 5, N. Y.

Pittsburgh Railways Company—discussion of profit possibilities in certain system bonds and underlying stocks—F. J. Young & Co., Inc., 52 Wall Street, New York 5, N. Y.

H. K. Porter Company—analysis—Sills, Minton & Company, Inc., 209 South La Salle Street, Chicago 4, Ill.

Also available are statistical memoranda on **Liberty Loan Corporation,** and **Serrick Corporation.**

Public National Bank & Trust Company—Analysis—for dealers only—**C. E. Unterberg & Co.,** 61 Broadway, New York 6, N. Y.

Railroad Tax Credit Potentials—study with tabulation of comparative figures available to dealers—Vilas & Hickey, 49 Wall Street, New York 5, N. Y.

Also available is a memorandum on **Disposition of Wartime Railroad Earnings.**

Schenley Distillers Corporation—Brochure of articles they have been running in the Chronicle—write to Mark Merit, in care of **Schenley Distillers Corporation,** 350 Fifth Avenue, New York 1, N. Y.

Simplex Paper Corp.—report—White, Noble & Co., Michigan Trust Building, Grand Rapids 2, Mich.

Simplicity Pattern Co., Inc.—analysis for dealers only—First Colony Corporation, 70 Pine Street, New York 5, N. Y.

Van Dorn Iron Works common—report—Hughes & Treat, 40 Wall Street, New York 5, N. Y.

Ward Baking Company—memorandum on the Recapitalization with particular reference to the outstanding preferred stock—Stern & Co., 120 Broadway, New York 5, N. Y.

Wellman Engineering—descriptive memorandum — Wm. J. Mericka & Co., Union Commerce Building, Cleveland 14, Ohio.

Wellman Engineering Co.—Descriptive circular — Simons, Linburn & Co., 25 Broad Street, New York 4, N. Y.

Winters & Crampton—Up-to-date analysis on current situation—First Colony Corporation, 70 Pine Street, New York 5, N. Y.

Raising Our Sights

(Continued from first page)

they must help, as the Government shall help.

The sponsors of this Labor Day Centennial celebration—the labor organizations, the Association of Commerce, the officials of the city and county, and the civic organizations—are all to be commended on their contribution to the total war we waged, and they shall and must help the State and Federal governments with the problems of the future. All groups in this country must contribute to making this a land of milk and honey and peace, even as they worked together to win the war.

Now that the cease fire order has gone out around the world, what does the future hold for us? We can obtain some idea of what the future may bring by recalling some of the tremendous changes that Peoria has had in the past century. When we are celebrating a 100th anniversary it is easy to do some reminiscing about the good old days. Glancing briefly at the century between 1845 and 1945 we find many marked changes.

The first generation of that period saw the coming of the railroad to Peoria. When we remember what those first railroads were like and when we remember that was the only modern means of transportation, we realize we really had a frontier. Later, that generation saw the Civil War and the trying days of getting back on our feet. Toward the end of that rebuilding period some of that generation used the telephone.

The second generation of that century saw electricity come to Peoria. They reveled in the Gay Nineties. The Spanish-American War came, and the last of that generation saw the first automobiles.

The third generation of that century has seen the radio, good roads, and airplanes come to Peoria. They have lived through the insecure Twenties and have participated in two World Wars.

Summing up that century, we see one or more wars in every generation. That is a part of the picture that we must bend every effort to change. Wars are not inevitable, and we must stop their recurrence.

On the other hand, that century saw the development of the railroad, telephone, electricity, radio, automobiles, airplanes. Today we see the beginnings of television and of a new source of energy. We do not know the exact future of either of these developments, but the prospects seem interesting enough to stick around awhile and see what happens.

What the future holds for us is a big question. I do not propose to assume the role of a prophet and lay down a definite, accurate forecast. Nor do I assume that our future is predestined. In fact, we have decisions, and more decisions, to make. That very fact gives challenge and interest to our lives. What our future is will depend upon what we think and plan and do.

If we are to think constructively, if we are to act effectively, we must at the outset recognize that periods of war, peace, depression, or boom are not ordained for us. We have free wills. We have much freedom of action. By our objectives and by our deeds we shall affect our future.

That future must contain a good standard of living. A good standard of living means not only a high level of income and economic security, but also a social and political atmosphere in which we like to live. Many of the social interests that we desire, however, depend upon our own individual choices, providing that there is an economic level which permits their attainment. Hence, we have laid, in major part, the groundwork for good American living if we attain a sound and expansive economy.

What does a sound and expansive economy include? It includes a high level of income for every American; it includes a high level of employment so that no worker who wants a job will long be out of a job. It includes a high level of production; it includes a good market for our industrial and agricultural production.

A high level of production means that the goods and services that make life comfortable and worthwhile are available. A high level of production means high income so that each and every American can buy many of those goods and services.

These three simple objectives—high income, full employment, and abundant goods and services—require vigilance and action on many fronts. Industry must operate in an atmosphere that encourages expansion and development. We must have a tax policy, a loan policy, an anti-monopoly policy, that encourages expansion and development.

The workers of this country must have not only high wages but also economic security. To have economic security the worker must have assistance during periods of unemployment and must have protection against prolonged unemployment.

A program to alleviate unemployment should include the broadening of unemployment compensation both as to coverage and amount of payments; a service during reconversion to help the right man to be at the right place, at the right time, in the right job, and the coordination of public and private expenditure.

For the workers of this country to have high wages, industry must turn out a large volume at a reasonable profit. There must not be unfair competition leading to the cutting of wage rates. Collective bargaining must be effective and must be carried on in an atmosphere of cooperation and good faith.

In order that the farmer may have a high income, he must have a market at good prices for his produce. This means that industry must be running in high gear; this means that the workers must have full employment and good wages to be able to buy the products of the farm.

Here in Peoria we are in a particularly appropriate position to realize what full employment at good wages means to the farmer. The source of our great economic strength is the efficiency and productivity of our labor, industry and agriculture. Nothing could be more tragic than to have this enormous power wasted in industrial unemployment and in unmarketable farm surpluses.

This country is one big economic unit. Prosperity is national prosperity; depression is national depression. We have learned that no section of the country, no branch of industry or agriculture can escape the consequences of national depression; and we have learned that all benefit from national prosperity. Farmers and workers have a common interest in each other's well-being, for that is the only way they themselves can prosper.

This is plain common sense. The farmers of this country want to sell what they produce at prices that will give them a decent living. They know that their big markets are in the cities where American industry and American commerce thrive.

When the automobile worker in Detroit and the steel worker in Pittsburgh lose their jobs, the effect is felt by the cotton and tobacco farmers of the South, the cattle and sheep raisers of the West, the fruit growers of the Pacific Coast, and the corn and hog farmers of the Middle West. These farmers feel the depression through the sharp fall in prices and the accumulation of surplus crops.

That's what happened between 1929 and 1933. Employment in factories, mines and mills fell by 45%. Factory payrolls went down and down until they were little more than one-third of what they had been. And that is about the extent to which cash farm income went down—from $11,300,000,000 in 1929 to $4,700,000,000 in 1932.

The industrial depression aggravated the agricultural depression. Crops could not be sold. Five-cent cotton and 10-cent corn are part of the pattern of unemployment and depression. The farmers that were foreclosed and dispossessed, the farmers that struggled through years of poverty, were as much the victims of industrial depression as the unemployed and the poorly paid workers in the cities.

It is just as true that when jobs are plentiful and wages are high, farmers share in the prosperity through greater consumption of farm commodities at better prices. That's what happened between 1941 and 1944. As employment in industry rose in response to war needs, as payrolls went up, farmers found that the demand for their products steadily increased.

Despite the largest agricultural production by far in all our history, accumulated surpluses began to disappear and we were faced by shortages. We went from surpluses that glutted the market to rationing of food, because our people had the chance to eat like they should. Farm prices rose and cash farm income went up from $11,700,000,000 to more than $21,000,000,000.

There is nothig mysterious about this. Some of the food has gone abroad; but very little more than we customarily exported in the 1920s. The men in the armed forces have eaten more; but not much more than they would have eaten at home. These are minor factors. The real reason for the increased demand for farm products is that with plenty of jobs at good wages our people buy more food. Some of us have not been able to get as much meat, butter and fruits as we should like. Nevertheless, the people of this country are eating more food, and more of the protective foods. As a people we are better nourished than ever before.

This experience of the 1930s and 1940s shows clearly that a sound post-war farm program must start with plenty of jobs at good wages in industry so that our workers can consume the foods and fibers which our farms produce in abundance. Nothing can contribute to the prosperity of the farmer more than for labor to have full employment at good wages.

Labor, industry and agriculture will need some assistance from the Government to reach and maintain the high and expansive economy that all of us desire. In addition, we must bring millions of our boys back from overseas; we must provide for our sick and wounded with the full care that medical science affords. We must terminate our uncompleted war contracts. We must occupy and police the former enemy countries until they are ready to be received back into the society of nations. All of these things cost money.

Moreover, much of the cost of the war remains with us. Out of a public debt of about $265,000,000,000, some $220,000,000,000 represents the cost of the war that we have not paid as we went along. By July 1, 1946, even if we have no tax reduction at all, the public debt is likely to be around $275,000,000,000. At existing rates of interest, the annual carrying charge will be about $5,500,000,000. This represents about 2¾% of our present annual product.

If the value of our national product after the war is lower than it is now, and if interest rates remain at their present levels, the carrying charge of course will be a higher percentage. In that event it will be more difficult to pay our expenses.

We must be determined, therefore, that our national product and our national income shall be as high as our human, natural, and technical resources can make it. With a high product and income, our financial problems will be simplified. Without it, they will be magnified.

Interest rates determine the real burden of the debt. They should continue low for a long time to come. It is self-evident that this is in the interest of people as taxpayers. Not as evident, but just as valid, is that low interest rates—what the economists call a "cheap money policy"—benefits the people as consumers, as workers, and as citizens. Low interest rates, for example, will be an important factor in making possible the better homes, the better industrial plants, and the better public facilities which will make our country tomorrow more productive and a better place to live in that it was yesterday.

Our necessary expenditures and our carrying charge on the public debt will require a large budget. For a long time to come our expenditures, even after demobilization and reconversion, will probably be around $25,000,000,000 per year. To meet this budget we must have sizable taxes. Although we may be able to make some reductions in tax rates, taxes must

(Continued on page 1050)

Raising Our Sights

(Continued from page 1049)

remain relatively high. But high taxes are easier to pay with high income than low taxes with low income. Even if the Government takes a larger slice of a bigger pie, there will be more nourishment left for the taxpayer than if the Government took a smaller slice of a still smaller pie.

In considering the cost of the war and our future taxes, it is not to be forgotten that the willingness to spend money at the proper time for the proper item may repay us many times. For example, the development of that new phenomenal weapon of war, the atomic bomb, cost us, the War Department reports, $2,000,000,000. Even though we have become accustomed to big figures, that's still a lot of money. Two billion dollars represented one-half of our national budget per year in the 20s. In contrast, the war was costing us about $90,000,000,000 a year, or about $250,000,000 a day. That means that if the atomic bomb shortened the war by nine days, we were more than repaid its development cost. But even more, we have saved thousands of American, British, Russian and Chinese lives. Moreover, we have developed a principle in the creation and harnessing of energy that can find many uses in peace-time production for the benefit of each and every one of us. The expenditure of money on the development of the atomic bomb was an excellent investment. Often our expenditures are not simply liabilities of today, but are investments for tomorrow. Many expenditures will repay us many times in money, in health, in welfare and in material goods that we can use day by day.

Although taxes will remain high, there will be improvements in our tax system such as simplification and the elimination of inequities. The modernization of our tax structure is a basic factor in the program to reach and maintain full employment.

To meet our needs, to have a sound tax policy and to aid full employment, taxes should be levied in such a way as not to deter business investment and the creation of jobs, because productive employment is the source of a high standard of living and of the revenue the Government requires.

Business investment, however, will be profitable only if the great mass of consumers take home enough money in their pay envelopes to buy the products of our expanded industrial machine. Taxes should be levied so as not to burden mass markets and mass purchasing power, which are essential to prosperity for all of us.

Tax burdens must be equitably distributed among all people in accordance with the taxpayer's ability to pay. Tax programs must be integrated with an over-all fiscal policy designed to prevent inflation and deflation.

We must meet the future with a high and expansive economy. This requires the recognition and the resolution of many problems in this country. But what the future holds for us is not limited to what we do about our local problems.

I suppose in this fine, peaceful, Midwestern city with its diversified activities that on occasion some have held the thought that we can live unto ourselves alone. We can not. The war proved conclusively what we really knew for some time.

The atomic bomb is a graphic illustration. When we first dropped the atomic bomb on a city of 325,000, apparently we destroyed a population the equal of this entire city. When we are able to reach half way around the world and with a single bomb wipe out a population equivalent to that of this city, how can the thought be longer held that we can live without concern of all international problems?

We are a great factor in the world today. Other nations recognize it. The question is whether we shall fully realize it and take the responsibility and the leadership it entails.

This leadership and responsibility is two-fold. First, we must build upon a sound foundation at home. Recently, many have said that the world's economy must be stable or we can not have a sound expansive economy at home. With that I agree, but I add and emphasize that the world does not stand a chance of attaining a stable economic system unless this country has a sound, high-level economy.

Second, we must participate in the world's economy. To do so is in our self-interest. We must work with the other nations of the world to establish a healthy economy that encourages a full flow of trade between nations. This will give us markets abroad. Without such markets we can not have the high standard of living that we desire for our own people.

The necessity for the nations to work together for the benefit of all has been dramatized by the atomic bomb. There is a truism in military history and in football strategy that every new offensive will eventually lose its power because ways and means will be found to counteract it. Some sober military writers in this country and elsewhere, however, express the fear that man has at last found in the atomic bomb an offensive for which no adequate defense will be found within the foreseeable future.

Meanwhile, whatever the outcome of the military search, the answer to the atomic bomb—the only answer we have today—is lasting peace through genuine international political and economic cooperation.

You and I can face the future with the knowledge that not only have the nations of the world learned that their security depends upon effective international political and military cooperation, but equally important, they know now that their prosperity demands sound international economic collaboration. Not only have we learned this lesson, we have acted upon it.

The road ahead already has the familiar landmarks of Reciprocal Trade Agreements, the Export-Import Bank, the United Nations Relief and Rehabilitation Administration, the International Food and Agricultural Organization, the Social and Economic Council of the United Nations Security Organization, and the Bretton Woods Agreements establishing the International Monetary Fund and the Internnational Bank for Reconstruction and Development.

Today we are so close to the scene of the actual birth of these great international economic institutions, born as they largely were during the throes of the greatest war in all history, that I question our capacity to comprehend their true significance. In the perspective of history I believe that these economic landmarks will be recorded as the point where man turned from the bloody path of international strife and self-destruction to the broad road of true international cooperation and lasting peace.

These trail-blazing measures, together with others, offer us concrete assurance that the nations of the world are determined to get to the core of those international economic problems which so profoundly affected world security and prosperity between the two World Wars. No man today, of course, can guarantee that these measures will be adequate or effective. While they are probably the best that could be agreed upon in advance of actual trial, I have little doubt but what experience will disclose many avenues for improvement. But the important thing to remember is not that they may have faults, but if they do have faults, you and I and others like us all over the world are determined to correct those faults and make the international economy work. While we will be patient and sympathetic if mistakes are made, we will not tolerate, we can not tolerate, failure.

If we have the same unity in peace as in war, if we work together at home and abroad, I am optimistic about what the future holds for us. To solve the problems of the future, we must be able to grow. Just as an individual becomes old in mind and spirit as he loses the ability to grow, so our communities, our countries, and our world will grow old only if we lose the capacity for growth.

Peoria, which has grown from a city of 2,000 in 1845 to a city of well over 100,000 in 1945, is symbolic of this country's capacity for growth. I realize that you folks in Peoria have to put up with a lot of stale jokes about your city. When a jokester lays an egg, doesn't he invariably say, "They loved me in Peoria"? Your only rival, I believe, is St. Joe. But these jabs are, in a sense, compliments. They are recognition of your bustling spirit; they are recognition that you have had growing pains rather than dry rot. I think you folks can grow; I think my folks in Kentucky can grow; I am confident that this entire nation can grow. With that capacity for growth, I do not worry about our future.

If we handle the problems of the future as well as we have met the series of historic events of the past few weeks, we can look forward with high optimism. Remember, it was less than five months ago that our great wartime leader, President Roosevelt, died in the service of his country. There was much concern about the future when that man of vision left us. Even those who had said that they did not like that man in the White House were shocked.

At that time some did not know President Truman well. Today the world knows him well. They know him as the man who has taken the torch from President Roosevelt and that he carries it forward and carries it high. We know him as a frank, decisive, energetic, experienced and capable leader of men. We are proud of this Midwesterner.

Have you recalled recently what has happened since the day he took office? On Apr. 25, the San Francisco Conference opened. May 8 was V-E Day. On June 18, we welcomed General Eisenhower back for a job well done. On June 26, the President closed the successful San Francisco Conference. On July 17, the Potsdam Conference began. On July 20, the Bretton Woods Monetary Agreements were overwhelmingly approved by Congress. On July 28, the United Nations Charter was approved by the Senate, with only two dissenting votes. The Potsdam declaration was on Aug. 2. On Aug. 5, the first atomic bomb was dropped. In accordance with its previous agreement, Russia declared war on Japan on Aug. 8. On Aug. 14, Japan stated that she was ready to accept our surrender terms.

Through all of this history, President Truman has been a courageous, a stable but imaginative leader. With a record like this, with this kind of leadership, with God's help, we can raise our sights and see a bright future.

Leo J. Doyle Buys O'Connor Interest in Doyle, O'Connor

CHICAGO, ILL.—Leo J. Doyle, President of Doyle, O'Connor & Co., 135 South La Salle Street, has purchased the interest of James J. O'Connor in the firm and will later change its name to Doyle & Co.

Mr. O'Connor has established the new firm J. J. O'Connor & Co., formation of which was reported in the "Chronicle" of Aug. 30th.

Doyle, O'Connor & Co. has also announced that Leonard H. Kasbohm, treasurer, who has been associated with the company since its formation, has been made a vice-president.

Nordberg Rejoins Rollins as V.-P.

CHICAGO, ILL.—H. Gerald Nordberg has been elected a vice-president of E. H. Rollins & Sons, Incorporated, the corporation announces. He will be located in the Chicago office, 135 South La Salle Street, and his activities will include the handling of institutional accounts and developing new business. Mr. Nordberg was formerly with the Rollins organization and was granted a leave of absence in 1942 to become a lieutenant in the Navy. He has recently been released from active duty.

Urge Simplified SEC Procedures

Executives Complain of Amount of Information Required, Excessive Costs, Delays and Liability.

Fear that omission of some minor detail in preparing prospectuses or registration statements will subject corporation officials and directors to heavy penalties under the Securities and Exchange laws and regulations involves applicants in tedious and costly preparation and overlong presentation, according to a survey of industrial and utilities' executives just made by the National Industrial Conference Board.

The executives generally consider the acts and the SEC procedures as basically sound and desirable, but hold that reports can and should be simplified. "As it is now," said one executive, "management is apt to dig up and report a lot of things that it really considers trivial but is afraid that the SEC or some court might feel otherwise about."

Objections to the acts and their administration frequently mentioned in the replies were the following:

(1) Too much information is required; (2) the information sometimes required is of such a character that publicity in regard to it would damage the corporation; (3) disclosure of salaries of officers and directors is undesirable; (4) the costs of compliance are too great; (5) excessive liability is imposed on directors and officers; (6) too much delay is entailed in completing the financing program; and (7) the SEC attempts unreasonably to regulate corporate business.

Many of the executives contend that prospective investors do not need and do not read much of the voluminous statements, descriptions, exhibits, forms, amendments, and so on. Since the prospectus is primarily a selling document, it might be more effective if it were only a few pages in length. Yet a brief summarization of the material facts would not conform to the requirement that complete disclosure of information be provided to every potential investor.

Fears were also expressed that disclosures may harm both stockholders and the corporation seeking funds because "it forces the company to disclose to competition gaps or omissions in its domestic patent structure." In cases where the new money is to be used to acquire a going business, public disclosure of all the details might well upset the entire transaction.

As to the revelation of corporate salaries in proxy statements, one executive complains that: "We doubt if certain sections of the American public will ever realize that any executive is worth more than $5,000 a year, and the requirement which is forced on us by the SEC to set forth this information leads to constant misunderstandings on the part of our own stockholders."

One executive criticized the length of a proposed plan of reorganization, running to 111 pages, which he had received as a stockholder. Another referred to proxy statements of 31, 33, and 34 pages, which he believed to be a pure waste of printed matter for the average stockholder. "A synopsis," he said, "would be all that is necessary, although the information should be available to each stockholder on request."

Costs of Complying

The attitude of executives toward costs of complying with SEC requirements depend largely on the size of the issue or the corporation. In general, it is held that costs are excessive for small business that does not have the accounting or legal staffs needed to prepare the statements and prospectuses and must hire costly outside professional help for the purpose. Some of the opinions expressed were:

"The SEC regulations and requirements are such now that they offer a serious handicap to the formation of new small business." "The legal fees necessary for preparing the data required by the SEC on a small issue which we floated three years ago amounted to 7½% of the cash which we ultimately received from the issue, and, on top of this were the brokerage fees."

Among the smaller businesses, small mining developments are apparently being frozen out by the stringent SEC requirements. One correspondent reports that: "More and more, the development of mining companies is being done by the large, well-financed mining companies already in existence. The result is that the little fellow is shut out, and, in a measurable period of time, mining will be carried on only by a few large companies. The mine financing business has been overly policed and regulated until only the fearless and well-financed attempt to engage in its work."

Suggested Improvements

Specific suggestions for simplifying and improving financing through the SEC include the following:

1. Reduction of the number of details as to location and construction of plants and the principal contracts and stock holdings.

2. Changing the requirements "so as to give the investor the chief facts rather than a long and highly involved prospectus which very few investors will read and even fewer will understand." This might be done through a summary prospectus, with a statement that it is incomplete and therefore not a basis for possible claims against officers and directors. The complete document could be made available upon request.

3. Exemption of corporations listed on the New York Stock Exchange or some equally reputable body, which requires the filing of financial details.

Hemphill, Noyes Offers Colonial Stores Preferred

A group headed by Hemphill, Noyes & Co. is underwriting 50,000 shares of Colonial Stores, Inc. cumulative preferred stock, 4% series, $50 par value. The group is offering 7,522 shares at $50 a share, plus accrued dividends from Sept. 7 for delivery after that date, and will purchase from Colonial Stores and offer to the public any of the remaining 52,478 shares not taken by holders of the company's 5% cumulative preferred stock, Series A, on a share for share exchange basis.

The exchange offer made by Colonial Stores to holders of its Series A preferred expired at noon Sept. 4, and shares not deposited for exchange will be redeemed on or about Oct. 8 at $52.50 per share and accrued dividends. Nondetachable warrants for the purchase of common stock attached to certificates for the old preferred will become void at the close of business on the redemption date, if not exercised.

As long as any shares of the 4% preferred are outstanding there is to be a semi-annual sinking fund payment, beginning on or before Mar. 1, 1946, sufficient to redeem 1% of the maximum number of shares outstanding.

The stock is redeemable at prices ranging from $52.50 to $50, and is redeemable through the sinking fund at prices ranging from $51.25 to $50.

Now Proprietorship

Willis E. Burnside is now conducting Willis E. Burnside & Co., 30 Pine Street, New York City, as a sole proprietorship. William J. Tetmeyer was formerly a partner in the firm.

David A. Carey Heads New Dept. for Gruss

Gruss & Co., 115 Broadway, New York City, members of the New York Curb Exchange, announce the opening of an Unlisted Securities Department under the supervision of David A. Carey. For the last seven years Mr. Carey has been associated with F. Eberstadt & Co., Inc. Prior to that he was with Riter & Co. for two years and before that was associated for eleven years with Dillon, Read & Co.

Pennsylvania Brevities

Local Industries Lead in Reconversion

A War Manpower Commission survey of 75 large labor markets throughout the country has shown the Philadelphia industrial area, second largest in the country, to be least affected by reconversion, according to Area Director Anderson of the WMC. He estimates that possibly 50,000 persons may be laid off in this district but that 40,000 of them will be rapidly absorbed in other industries.

Federal, state, municipal and private industry projects for post-war Philadelphia add up to over a half billion dollars. Business leaders foresee an era of prosperity that may well extend over the next five or six years.

Many private corporations have already embarked upon programs of expansion. Others have announced their intentions of so doing.

The Philadelphia Electric Co is spending $48,000,000 on its new Southwark Station at 2501 S. Delaware Ave., now under construction.

The Philadelphia Transportation Co. has a 5-year modernization program which will involve an expenditure of $19,500,000.

The Board of Education will expend $10,000,000 on six new public schools.

The Edward G. Budd Mfg. Co. has announced a 2-year program during which it will spend $6,000,000 for new buildings and equipment.

Other individual projects are: a $1,000,000 plant under construction by Philco Radio and Television Corp. at Westmoreland and C Sts.; a $2,000,000 factory by the Publicker Co. at Oregon and Swanson St.; a $1,500,000 motion picture theater to be built at 15th and Chestnut Sts., and a number of stores to be built at a cost of $1,500,000 at Broad St. and Lehigh Avenue.

According to Alfred P. Orleans, president of the Home Builders Association of Philadelphia and Suburbs, approximately $300,000,000 will be spent in the construction of 35,000 new homes during the next five years, and approximately $117,000,000 in the construction of 19,500 modern, low-cost group houses and apartments. These projects are expected to provide employment for 31,000 skilled and unskilled workers in the building trades and furnish jobs for more than 50,000 others in manufacturing industries which will supply materials.

Warner Company

At a special stockholders' meeting held Aug. 17, the proposed recapitalization of Warner Company was approved. The plan offers holders of the first preferred an option of exchanging their shares for six shares of common or of receiving the amount of

(Continued on page 1053)

McKennan Heads Dept. Of First California

SAN FRANCISCO, CALIF.—Bruce McKennan, well-known investment securities expert, has been appointed Vice-President of the First California Company, 300 Montgomery Street, in charge of the firm's government, municipal and corporate bond department, according to an announcement made by George H. Grant, President of the company.

Appointment of Mr. McKennan, President Grant said, was in keeping with the development of the firm's services to the general public. Mr. McKennan's wide experience both in government and corporation bonds and in the servicing of large institutional accounts increases the effectiveness of that department.

McKennan, a Dartmouth economics major, brings to his new position a sound background of experience gained in Eastern and Western markets. He has been engaged in the investment bond business since his graduation in 1927, with the exception of the 30 months he served with the U.S. Air Corps. Entering the service in 1942 as a first lieutenant he moved up to the rank of major and became executive officer of one of the First Mustang Fighter Groups (No. 363) with which he saw active service in the European theatre. He returned to the United States in September, 1944, and upon his request at that time was placed on inactive status December, 1944.

Clifford Hawley Now at Sheridan, Bogan

PHILADELPHIA, PA. — Clifford B. Hawley, heretofore Vice-President of Bankers Securities Corporation, of Philadelphia, has become associated with Sheridan, Bogan Co., 1616 Walnut Street, members of the Philadelphia Stock Exchange.

Traders to Get the Bird

Two additional Income Tax Exemptions are expected at the homes of A. L. Hutchinson, Buckley Brothers, and Benjamin A. Brooks, W. H. Bell & Co., respectively, in time to be included in the Sept. 30 inventory.

Municipal News & Notes

Howard S. Cullman, Chairman of the Port of New York Authority, has announced that the bi-State agency will receive sealed bids until 11 a.m. on Sept. 12 on an offering of $7,500,000 series J, General Reserve bonds, maturing in 1985. Proceeds of the issue will be used to finance construction of the Authority's proposed Manhattan and Newark union motor freight terminals, which are designed to expedite the handling of less-truckload freight, reduce street traffic congestion and permit lower local trucking and terminal costs for over-the-road common carriers. Actual construction work on the two projects will begin as soon as materials are available and they will be ready for operation by the Port Authority in January, 1947.

In connection with the bond issue, the rate of interest, not exceeding 2%, is to be named by the bidder in multiples of ¼%. The issue, designated Series J bonds, "will be the first long-term bonds issued by the Port Authority since 1931 which are not general and refunding bonds within the scope of the Basic Resolution authorizing the sale of Port Authority securities," Mr. Cullman explained. "They will therefore," he continued, "be payable out of the revenues of the two motor truck terminal projects and the Authority's General Reserve Fund." General and refunding bonds, it is noted, are payable out of the pooled revenues of all facilities owned and operated by the agency, as well as out of the General Reserve.

The Port Authority Chairman pointed out that the Series J Bonds will include a mandatory conversion feature. The Port Authority and the bond buyer would agree to the conversion of the bonds into General and Refunding Bonds of the same coupon and maturity as soon as the new bonds become eligible for such conversion under the terms of the Basic Resolution. This would probably be on the date that the two motor truck terminals were opened.

If the successful bidder for the Series J Bonds names a coupon rate of 1½%, then the bonds will be convertible into a second installment of the Ninth Series of Port Authority General and Refunding Bonds. The first installment of $12,000,000 of Ninth Series Bonds was sold last March. Any coupon rate other than 1½% would result in the conversion of the bonds into a newly authorized Tenth Series of General and Refunding Bonds. In either case the dating of the bonds, interest rate, call and sinking fund provisions of the Series J Bonds will be identical with the provisions of the General and Refunding Bonds into which they will be converted. The only difference will be that the security of the General and Refunding Bonds will be substituted for the security of the new issue.

According to Mr. Cullman, the mandatory conversion feature of the bond issue will save the Port Authority between 2 and 2½ points a bond by eliminating a separate refunding operation after the truck terminals are opened and the projects become eligible for such a refunding operation under the law.

Long Beach, N. Y., Refunding Issue to Be Awarded Oct. 1

The City of Long Beach, N. Y., is asking for sealed bids until Oct. 1 on an issue of $5,379,000 refunding bonds, purpose of which is to provide for refinancing of its entire outstanding bonded debt. Authority for the refunding has been granted by the New York State Comptroller, who is required by the statute to pass on any refunding of debt proposed by any of the State's political subdivisions.

The Long Beach program was approved in recognition of the strongly improved financial condition of the city, factual evidence of which was obtained by representatives of investment houses as a result of recent "see for yourselves" visits to the well-known Long Island community. Two groups of financial experts participated in "on the spot" investigations of the city's physical plant, its financial and real estate history, tax structure, probable future growth and other relevant factors on July 25 and Aug. 29.

The forthcoming refunding issue will be dated on or before Nov. 1, 1945 and will be entirely liquidated in 13 years and 3 months, according to City Auditor John B. McCabe, who also pointed out that the refunding will result in a savings to the city of more than $1,000,000 in net interest charges. The first maturities of the new bonds will be due on Feb. 1, 1946.

By way of illustrating the factors responsible for the city's "present exceptional fiscal health", Mayor Theodore Ornstein, under whose administration the record has been achieved, stated as follows:

"Our financial condition has been improved by (1) the liquidation of our entire floating debt; (2) adoption of a cash pay-as-you-go budget plan, which prevents future floating debt; (3) a law requiring non-extension of taxes on property over which the City acquires tax liens; (4) a local law requiring a referendum of taxpayers before borrowing for capital improvements." Mr. Ornstein pointed out that the cash budget law constitutes a contract with the bondholders during the life of the bonds.

The City, a resort which has developed into a community of year-round residents and home-owners, at one time had a debt of $8,000,000. "It would be totally impossible," the Mayor explains, "again ever to recreate such a debt. All municipal improvements are in. There will be no further need for any major expenditures for basic facilities. The City's 50 miles of streets are entirely paved. Our sanitation, water, and sewage facilities are all in."

He also revealed that in the current fiscal year, the City had conveyed title to $603,240 of property, representing an assessed valuation of more than $2,000,000 returned to the tax rolls. He said, too, that the City, although a residential community, takes in a yearly income from rentals and beach park admissions exceeding $5,000,000.

"The literacy rate of the community is 100%," Ornstein said, "and the economic position of our residents is far above that of the average American town. We have no depressed area in Long Beach; and in recent years our tax collections have reached close to 100%."

Financial men who have examined the City's financial structure express themselves as impressed with what has been achieved. The bonds to be issued for the purpose of refunding the City's indebtedness will consist of two issues: (1) general refunding bonds in the amount of $3,799,000; (2) water refunding bonds in the amount of $1,580,000.

Revised Ratings on Ohio Municipals Compiled

J. A. White & Co., Union Central Building, Cincinnati 2, announce the completion of the fourth annual compilation of the firm's ratings for Ohio municipal bonds, copies of which may be obtained from the bond house upon request. These ratings, Mr. White says, represent as in the past a composite consideration of the overall debt burden, the diversification of industry rating, the population rating, and certain other factors, for each community in the State.

The diversification and population ratings, incidentally, are taken from White's "Analysis of Municipal Bonds," which represents a new and more revealing approach in assessing the investment qualities of the obligations of numerous political subdivisions in all parts of the country.

In the current compilation of revised ratings for Ohio subdivisions the debt burdens are revised to Jan. 1, 1945, and, as formerly, are based upon the ration of net direct and overlapping debt to the assessed valuation.

In a letter accompanying a copy of the ratings, J. Austin White, head of J. A. White & Co., states that the subdivisions in Ohio which show the most improvement since the 1944 compilation are as follows:

Akron City, the rating for which increased from B 51 to BB 68; Akron School District which increased from BB 60 to BB 77; Lima School District, from A 113 to AA 123; Ironton School District, from BB 69 to BBB 80; Shaker Heights City and School District, from BBB 90 to BBB 98; Lawrence County, from BB 77 to BBB 89; and Summit County, from B 58 to BB 76. The improvement in practically all cases is due to the reduction in debt burdens effected between 1/1/44 and 1/1/45. Practically all cities and counties in the state shared in this reduction of debt burden, but in varying degrees, says Mr. White.

Arkansas Oct. 1 Interest Coupons Payable Now

Holders of State of Arkansas highway refunding bonds of 1941 are advised that Oct. 1 interest coupons may be presented for payment now at either the New York or Chicago offices of Halsey, Stuart & Co., Inc. Of the original issue of $136,330,557 bonds, more than $8,600,000 have already been retired by the State.

Change Name to Hawkins, Delafield & Wood

Announcement has been made of the dissolution of the firm of Hawkins, Delafield & Longfellow, and the formation of a new partnership for the general practice of law under the name of Hawkins, Delafield & Wood, by personnel of the original organization and Franklin S. Wood.

Customers Brokers Name Blanke to Head Slate

The Nominating Committee of the Association of Customers Brokers, has named Donald C. Blanke of Eastman, Dillon & Co. to head the slate presented for the annual election scheduled for Sept. 17th.

John A. Hevey, Ira Haupt & Co., has been nominated for vice-president; Richard M. Ross, Dean Witter & Co., treasurer; and Archie F. Harris, Merrill Lynch, Pierce, Fenner & Beane, secretary.

Mr. Blanke has been a member of the Association since it was formed in 1939. He has served as vice-president, treasurer and member of the executive committee.

The Nominating Committee was headed by Frank Walker of Merrill Lynch, Pierce, Fenner & Beane.

New York Stock Exchange Weekly Firm Changes

The New York Stock Exchange has announced the following weekly firm changes:

Proposed transfer of the Exchange membership of the late Walter L. Righter to Joseph B. Ray will be considered by the Exchange on Sept. 13. It is understood that Mr. Ray will act as an individual floor broker.

Francis T. Whelan retired from partnership in Brinton & Co., on July 3.

Interest of the late Claude W. Peters in Hayden, Stone & Co. ceased Aug. 31.

Interest of the late Arthur M. Whitehill in Haydock, Schreiber & Co. ceased as of Aug. 31.

Interest of the late Andrew H. Brown, Jr., member of the Exchange, in Mitchell, Hutchins & Co. ceased on Aug. 1.

Grapes & Pampel With Ball, Burge & Kraus

(Special to THE FINANCIAL CHRONICLE)

CLEVELAND, OHIO—Jennings H. Grapes and William S. Pampel have become associated with Ball, Burge & Kraus, Union Commerce Building, members of the New York and Cleveland Stock Exchanges. Mr. Pampel for many years was with Otis & Co. and has recently been with the State of Ohio Division of Securities. Mr. Grapes was with J. S. Bache & Co. and Abbott, Proctor & Paine.

Pennsylvania Brevities

(Continued from page 1052)

their claim (approximately $84 per share) in cash. The exchange into stock would be a tax free transaction. Wawaset Securities Company, owning the entire issue of 53,500 shares of Warner Company second preferred, has voted to accept an exchange of three shares of Warner common for each share of preferred. With its other holdings, Wawaset will then own 241,500 shares of Warner Company common.

Any shares not taken up by the first preferred holders will be underwritten and offered to the public.

Philco Corp.

John Ballantyne, president of Philco Corp., states that assembly-line production of 1946 refrigerators has been started and should reach pre-war volume within six to eight weeks. Production facilities will be doubled, Mr. Ballantyne said.

Autocar Company

The end of the war found Autocar Company faced with no reconversion problem, since trucks similar to those manufactured for the military were already in production for civilian use. The present rate of manufacture is already greater than before the war. The cancellation of approximately $14,800,000 in Army and Navy contracts permits the company to concentrate entirely on the commercial demand. Orders are on hand for several hundred heavy duty trucks. Profit margins are more favorable than those related to Government orders. The company has laid off no employes as a result of cancellations. Moreover a return to the 40-hour week represents a savings in labor costs.

Pennsylvania Power & Light Co.

The company plans to issue $93,000,000 first mortgage bonds due 1975 and $27,000,000 debentures due 1964 which should reach the market late in September. Proceeds, together with cash raised from the sale of $5,720,900 serial notes and treasury cash, will be used to refund present funded debt at an estimated saving of $1,100,000 in fixed charges.

Of considerable investor interest is the proposed distribution of and opportunity to subscribe to the common shares of Pennsylvania Power & Light Co., heretofore almost entirely owned by National Power & Light Co. Under the terms of a plan filed with the SEC, holders of National Power & Light will be entitled to subscribe to Pennsylvania Power & Light common at $10 per share in the ratio of 1/3 share for each share of National held.

C. E. Oakes, president of Pennsylvania Power & Light Co., has announced a 5-year construction program which will involve the expenditure of $65,000,000.

The SEC has set Sept. 13 for a hearing on the recapitalization plan of Scranton-Spring Brook Water Service Co. The plan is devised to enable Scranton-Spring Brook, Pennsylvania Water Service Co. and Federal Water & Gas Corp. to comply with the Public Utility Holding Company Act.

Eugene G. Grace, president of Bethlehem Steel Co., expects company's post-war employment rolls to run about 160,000 workers, or about 60% greater than the pre-war peak.

Curtis Publishing Co. announces that it will redeem, on Oct. 1, $1,149,860 of its debenture 3s, due 1955, at par and accrued interest.

Pittsburgh Plate Glass Co. stockholders have authorized an increase in common from 2,600,000 shares of $25 par to 12,500,000 shares $10 par, making possible a 4 for 1 split up of common.

Inv. Traders Assn. Gets 1945-46 Slate

PHILADELPHIA, PA.—The annual meeting and election of officers and governors of the association will be held Friday, Sept. 28, at the Benjamin Franklin Hotel. Business meeting will be held at 6 P. M. and will be followed by dinner at 8:00.

The following have been nominated for the several offices:

President, Edmund J. Davis, Rambo, Keen, Close & Kerner.

Vice-President, Alfred W. Tryder, W. H. Newbold's Son & Co.

Second Vice-President, Frederick S. Fischer, H. N. Nash & Co.

Secretary, Wallace H. Runyan, Graham, Parsons & Co.

Treasurer, Paul C. Fredericks, Jr., Warren W. York & Co.

In addition six governors will be elected for three years, three for two years and one for one year.

Hallowell Sulzberger Opens in Philadelphia

PHILADELPHIA, PA. — The firm of Hallowell, Sulzberger & Co. has opened offices to transact a general investment business at 111 So. Broad Street. The firm will be members of the New York and Philadelphia Stock Exchanges.

Henry R. Hallowell was formerly assistant manager of the investment department of Eastman, Dillon & Co., Philadelphia, and Charles H. Sulzberger was a general partner of Penington, Colket & Co.

Formation of the firm was previously reported in the "Chronicle" of Aug. 16.

Frederick Davis With Hayden, Stone & Co.

Hayden, Stone & Co., 25 Broad Street, New York City, members of the New York Stock Exchange and other leading exchanges, announce that Frederick B. Davis, Jr., is now associated with them. Mr. Davis was previously with F. T. Sutton & Co. and prior thereto was a partner in Frederick B. Davis & Co.

Lt. Col. Carroll Is Joining Hugh Long

Lieut. Col. Wharton B. Carroll of Philadelphia, is returning to the investment business as local representative of Hugh W. Long and Company, New York, sponsor of investment companies with $67 million of assets.


Lt.-Col. W. B. Carroll

Colonel Carroll served with the Ninth Air Force Service Command in France and England. He also served overseas in World War I. Before entering the service, he was President of Kolb, Carroll & Co., of Philadelphia, and is widely known in investment circles for his pamphlets on "Inventory Under a Controlled Economy," "Fire Insurance Stocks for Investment," etc.

Howard F. Clapp Dies

Howard Franklin Clapp, a member of the New York Stock Exchange and former member of the Exchange firm of Carlisle, Mellick & Co. died at Nassau Hospital at the age of sixty-three.

Mr. Clapp began his career as uniformed floor boy on the Exchange in 1906, later being promoted to telephone clerk. He became telephone clerk and head telephone clerk for a number of firms, and in 1910 became head telephone clerk for the firm headed by Jay F. Carlisle. In 1918 he bought his own seat on the Exchange, the fourth telephone clerk to do so that year.

Canadian Securities

By BRUCE WILLIAMS

Where stands Canada at this determining stage when the destinies of all the nations of the world are in the melting-pot? Brought suddenly into the forefront by the stern urgencies of war, aided by unlimited material resources and the strong united will of her people, the Dominion has reached adulthood effectively and opportunely.

Fully conscious of her new-born power, which but for the war would have been of slow growth, owing to the predominant intermixture of the Scottish and French conservative weave in the national fabric, the Dominion is now at the very hub of the new world.

To the South, nearly 4000 miles of border links Canada to the country to which the world more than ever looks for leadership; over the top of the world the Dominion is brought face to face with a new air-found neighbor, the incalculably powerful U.S.S.R. To the West, the air-transport shrunken Pacific affords an easy path to the great future markets of teeming Asia; to the East, the traveled routes of the Atlantic connect Canada with goods-famished Europe and fast-developing Africa.

Canadian industry has been nurtured in the new technological age, and the Dominion is well in the van as a producer of light metals, plastics, synthetic-rubber and electronic appartus. Now as science brings us to the era of atomic energy, Canada follows fast on the heels of this country. Near Petawawa on the Ottawa River in Ontario, the Dominion is building a pilot plant for the production of plutonium, and is utilizing the "heavy water" process, which was so nearly successfully employed by the Axis powers in their search for an atomic weapon. In this new field, Canada has the incalculable advantage of access to the necessary raw material—uranium—from the world's largest known deposit of pitchblende located in that vast treasure-house of rare metals—the Laurentian Shield.

All these economic refinements supplement Canada's unique position as a world supplier of basic commodities—grain, meat and dairy products, timber, newsprint, asbestos, gypsum and base and precious metals. Dearth of population is now amply compensated by ready access to the technological advances made in this country and Britain, and the consequently small domestic consumption permits the production of huge exportable surpluses. Moreover, the older producing countries are increasingly looking to Canada for low cost additional sources of supply in addition to the establishment of subsidiary plants in the Dominion.

The flow of capital funds and skills from this country, and technical knowledge from Britain is now gathering momentum. Hawker-Siddeley Aircraft Co., Britain's leading airplane manufacturers, are now established in Canada. Steel and oil interests in this country are expediting the development of Steep Rock and Labrador iron, and Alberta oil.

It is now announced, following the registration with the SEC of a public offering here of shares of Gaspe Oil Ventures Ltd., that capital from this country will contribute to the prospecting and drilling for oil in the Gaspe Peninsula of Quebec. Any successful results would be highly beneficial to both this country and Canada. A source of supply near tide-water on the Atlantic seaboard would eliminate the costly pipe-line and tanker delivery from the distant Gulf points of supply. This offering is also interesting as its registration by the SEC represents a welcome pioneer effort in financing Canadian mining and oil development, which might well serve as an example to other Canadian mining interests seeking capital funds in this country.

The market during the past week gave a repetition of its previous inactivity and lack of interest. Turnover was negligible and prices mostly unchanged although Albertas continued to attract some demand after their recent decline. Internals were dull and free funds were slightly easier at 9 11/16%, and the announcement of a simplification of the Canadian regulations governing the movement of securities across the border had no noticeable effect. It is possible that this relaxation of control affecting externals in particular might subsequently be extended to the restrictions governing the export and import of internal securities.

With regard to future prospects, there is every reason to anticipate, with the termination of the holiday doldrums, that a resumption of general investment demand will favorably affect the Canadian market.

Wages to Go Up but Not Prices, Says Davis

(Continued from page 1043)

Mr. Davis contended that even with higher wages in most instances, there will be no need for higher prices, as the additional wage payments could be absorbed in the process of getting goods to the consumer. Wages were but one factor in costs of operation, though he admitted that in some lines it was more important in fixing prices than in others. Mr. Davis' theory evidently is that in view of expansion of output, most industries can absorb higher wage costs without increasing prices.

To Abandon Compulsory Arbitration

Turning to the question of settling post-war labor disputes, the Stabilization Director announced that after the liquidation of the War Labor Board, there would be no effort to continue compulsory arbitration, and that voluntary conciliation and settlement of disputes should be worked out under a new formula, possibly one that will be recommended by the forthcoming conference of representatives of labor, management and government. He advocated that labor agreements should contain a no-strike, no-lockout pledge. He urged the use of established mechanisms for the voluntary settlement of labor disputes. As a means of accomplishing this, he suggested a procedure which has been summarized by the Associated Press as:

1. Bi-partisan mediation by employer and employes, with others in the industry called into help reach a settlement.

2. If that fails, bring a public spirited citizen from the community into the picture.

3. After that, try the United States Conciliation Service, which should be greatly strengthened.

4. Voluntary arbitration of clearly defined issues in disagreement.

5. In cases which cannot be settled by any of the foregoing steps, some substitute for the National War Labor Board should be created as a result of the labor-management conference. This substitute might follow the pattern of the Railway Labor Act, which provides for special boards to make advisory findings which are publicly aired.

N. Y. Finance Institute Announces Fall Term

The fall term of the New York Institute of Finance, 20 Broad Street, New York City, will begin on Sept. 17. Registration for classes, all of which are open to the public, began on Sept. 4.

Courses offered this term, are: Accounting Principles; instructor: Jerome J. Kern, Seidman & Seidman.

Federal Income Tax Practice; instructor: Charles Meyer, C.P.A. and Attorney, lecturer on law of taxation at Rutgers University.

Practical Spanish; instructor: Eduardo V. Moore.

Security Analysis; instructors: Herman J. Borneman, New York Stock Exchange; and Stephen M. Jaquith, Investors Counsel, Inc.

Introduction to Financial Statement Analysis; instructor: Andrew F. Lynch, Abraham & Co.

Investment Account Management; instructor: Stephen M. Jaquith.

Analysis of Public Utility Holding Company Securities; instructor: W. Truslow Hyde, Jr., Josephthal & Co.

Analysis of Public Utility Operating Company Securities; instructor: Charles A. O'Neil, R. W. Pressprich & Co.

Analysis of Railroad Securities; instructor: Pierre R. Bretey, Baker, Weeks & Harden.

Current Developments in Utilities; instructor: Harold H. Young, Eastman, Dillon & Co.

Current Developments in Railroads; instructor: Patrick B. McGinnis, Pflugfelder, Bampton & Rust.

Work of the Stock Exchange and Brokerage Office Procedure; instructor: John H. Schwieger, New York Stock Exchange.

Work of the Order Department; instructor: Fred W. Hansen, Pershing & Co.

Work of the Margin Department; instructor: Paul C. Fitzgerald, Hirsch & Co.

Work of the P. & S. Department; instructor: F. Warren Green, Hallgarten & Co.

Work of the Cashier's Department; instructor: George E. Rieber, NASD.

Brokerage Accounting; instructor: David Krell, Thomson & McKinnon.

Brokerage Law; instructor: Irwin A. Brodsky, legal advisor, J. & W. Seligman & Co.

Advanced Margin Problems; instructor: Paul C. Fitzgerald, Hirsch & Co.

Thomas and Frankel Join Fairman Staff

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, CALIF.—Harold C. Frankel and Clifford P. Thomas have become affiliated with Fairman & Co., 650 South Spring Street, members of the Los Angeles Stock Exchange. Mr. Frankel was previously Los Angeles manager for Walston, Hoffman & Goodwin and prior thereto was trading manager in Los Angeles for H. R. Baker & Co., with which firms Mr. Thomas was also connected.

Joe B. Warren to Manage Rupe Dept.

DALLAS, TEX.—Joe B. Warren has joined Dallas Rupe & Son, Kirby Building, investment bankers, as manager of the municipal bond department.

Mr. Warren was for 19 years engaged in the origination and distribution of Texas municipal securities, in Dallas and in Wichita Falls, prior to World War II, in which he served as a captain in the United States Marine Corps, with the Fifth Marine Division in the Pacific.

No Conflict With Free Enterprise In Full Employment Bill

(Continued from page 1042)

assuring opportunity of employment to all who are able and willing to work.

Private Business Basic Source of Jobs

I am supporting the Full Employment Bill also because I believe—and the Bill asserts—that private business must be the basic source of jobs in the American economy; because I believe in the preservation of our free enterprise system, in the operation of a free market and in the freedom of choice for producers, consumers, investors and labor. I do not believe in the guarantee by the government of specific jobs for specific individuals; I do not believe in wasteful methods of production, in made work, or in the suppression of economic advance; I do not believe in putting government into business in competition with private enterprise; and I do not believe in the regimentation of private business.

It is fitting, with the conclusion of the world's terrible ordeal and at a time of specific obligation to returning veterans and displaced war workers, that the Federal Government recognize its solemn responsibility for assuring full employment to its citizens. This responsibility involves more than a responsibility to assure opportunity for jobs to labor. It also means full use of our resources; it means opportunity for full production, a high volume of sales and profitable investment. As Secretary of Commerce, I am particularly mindful of these relationships because in the free enterprise system, it is vital that the Government assure opportunity to the job maker as well as the job seeker.

Full Employment and Free Enterprise

The fact that all elements of our economic system are interdependent and rise and fall together in the business cycle is crystal clear from these charts. They show that business has a tremendous stake in full employment. With our entire economy in high gear every industry can have a volume of production substantially above its 1940 level of output. Furthermore, there is an inevitable relationship between corporation profits and total production. When there is mass unemployment our corporations as a whole show huge losses. Profits are good only when employment and production are high. This has held true in war as it always has in peace.

I endorse the Full Employment Bill particularly because it embodies the only known means by which the right of the workers, the businessman, and the farmer to prosper in a climate of full opportunity can be assured within the framework of the free enterprise system. All other proposals that have been brought forward would either not give that assurance or would tend to undermine the freedom of enterprise.

The free enterprise system, as we know it, has produced for us the highest standard of living ever achieved by any nation or any system. But periodic shocks, such as that of the depression thirties, have recurrently brought tremendous business as well as social loss. The prevention of these recurrent shocks is essential to the preservation and extension of the economic freedoms on which the American people are agreed.

The possibility that the difficult reconversion period will be followed by a temporary post-war boom should not blind us to the urgency of the problem. Such a boom will be followed by depression unless we are prepared with effective action. Our ability to achieve full production and employment promptly, to prevent post-war economic collapse and to establish the conditions for an ever-increasing standard of living, will be regarded by the American people and the world as the critical test of our free enterprise system. In this test lies the challenge to our democracy; namely, how to get full production and preserve our economic freedom.

The Role of Business

Business management must necessarily play a vital role in a full employment and full production program. The bulk of the jobs will be provided and most of the goods and services will be produced by private enterprise. The attainment of a full employment national output, which even in physical quantities is almost double the 1935-39 average, depends on the ability of individual businessmen to capitalize on the opportunities for sound expansion —to put more people to work producing more goods and services wherever markets can be found.

Our post-war productive capacity holds the possibility of a 50% increase in the American standard of living. That increase will not happen automatically. It will occur only as individual businessmen visualize the potential expansion of the markets for their products; gauge correctly the latent wants of consumers; develop new products, or new markets for old ones; improve production methods so that they can afford to pay high wages and still price their output for mass distribution and mass consumption; and unremittingly improve their distribution methods and their efforts to make their products more attractive to the consumers.

Business recognizes this obligation. It has set its sights on a volume of production well above the best pre-war year. It has planned boldly for the shift from war production to a high peacetime output and is going ahead with those plans. Through local organizations, it is studying the problems and possibilities of individual communities and helping to plan the development of those communities. Far-sighted business leaders are already looking ahead to the problem of filling the gaps in their particular markets when there are no longer any deferred demands.

But business management should not be saddled with the responsibility for maintaining full employment. Within the limits of competition, and of the profit and loss statement, the individual business can often take effective action to stabilize its own employment and output. It may be able to plan its expansion and modernization so that these outlays are not crowded into the last stage of a boom period, thereby adding to the cyclical swing. No individual firm, however, should be expected to employ people producing goods or services for which it cannot find a market at a reasonable price. That assurance of adequate market opportunity, which is essential to full production and employment is the responsibility of all the people, including business management, acting through their chosen representatives in government.

I urge that government policy and program be framed in such a manner as to maintain and strengthen private business as the basic source of actual jobs, incomes, production and investment, and I see no conflict with this objective in the Full Employment Bill. The government must take the lead in the adoption of such measures, but business cannot support them wholeheartedly unless it does have confidence and assurance in their success.

Now, if we do assure an economic climate in which business can feel confidence in a continued high level of production, sales and employment, I believe business will find itself set free to cooperate in measures to which it could not consent under the previous conditions of recurrent rise and fall in prosperity levels.

Responsibility for Full Employment

The fundamental feature of the Full Employment Bill is the recognition of the responsibility of government to assure opportunity for full production and full employment. There is today almost universal agreement on the necessity of government action when disastrous deflation threatens our economic system. The issue before this Committee and the Congress is not whether the Government should do anything to mitigate depression. The issue rather is: Shall the government act merely to prevent mass unemployment or shall it strive to maintain full production and full employment? I want to urge emphatically that the goal of this Bill be kept as it is—assuring the opportunities for full employment—and that it not be watered down to the prevention of mass unemployment, the promotion of high levels of employment or any other ambiguous compromise.

Of course, the idea of full employment does not mean the total absence of unemployment. There is always an inevitable amount of frictional unemployment. Even during the inflationary period of wartime, when we had more than full employment, there were some unemployed and there will undoubtedly be more unavoidable unemployment in the post-war period. Furthermore, setting our goal at full employment does not mean that we expect perfection in achieving it. With a dynamic economy such as ours there will always be changes in products and in markets that will necessitate some fluctuations in economic activity. But if we recognize full employment as our goal it means that we shall be vigilant in watching these fluctuations and prompt to take action to counteract them. The alternative would be a wait-and-see attitude which would allow deflation to gain impetus and to spiral.

Faced with a shrinking total market demand, private business under a competitive system cannot act collectively to maintain high levels of production and employment. Individual enterprise, labor, the farmer, the consumer—these groups are all helpless in the face of shrinking markets and the spiral of deflation. Only the government, the agent of all the people, and of all the elements of the economy, can under these conditions take the measures necessary to sustain the level of sales so as to make it profitable for private enterprise to continue to produce at high levels of production.

Exercising Government Powers

The Full Employment Bill contemplates that the normal functions of government would be exercised on a continuing basis in a manner to stimulate private consumption and investment, so as to produce a climate of fullest opportunity for private enterprise to maintain and increase levels of production and employment. This long-run function has frequently been overlooked in public discussion of this bill, but it is a basic part of its provisions and should be fully understood.

Public attention has been largely centered on the short-run provisions of the bill; namely, those which call for government expenditure programs to make up a deficiency in market demand and prevent deflation when other measures fail. Because of this provision in the Bill, it has been characterized by some as nothing more than a spending bill. This is not the case.

The Bill is very specific in directing both the President and the Congress to utilize all other means at the disposal of the government in an effort to keep the stream of private consumption and investment expenditures at the full employment level before resorting to the use of government financial resources. It must be recognized, however, that these other methods will not always be sufficiently effective or sufficiently quick-acting to prevent a deflationary spiral from getting under way. Under such circumstances, it is only the assurance that the government will use its financial power to prevent shrinking markets that will induce business to continue to produce at full employment levels. Without this assurance and without government implementation of it, we are sure to see the familiar spectacle of inventory liquidation, cutthroat competition, stoppage of investment pro-

(Continued on page 1057)

Bank and Insurance Stocks

This Week — Bank Stocks

By E. A. VAN DEUSEN

The five largest commercial banks in New York City, as measured by deposits, are, in the order of their respective sizes: Chase National, National City, Guaranty Trust, Manufacturers Trust and Central Hanover Bank & Trust Company. Now that victory has been achieved and peace won, it may be of interest to survey, statistically, the financial changes that have taken place in these institutions during the war years, as revealed by their balance sheets and annual reports.

We therefore present this week significant year-end figures for 1944 compared with 1940, and also 1945 mid-year figures, for each of the five institutions. These are given in such form that comparisons may readily be made. The earnings stated are net operating earnings exclusive of security profits. Current ratios shown are based on the Aug. 28th published asked prices, on 1945 mid-year book-values and earning assets, and on 1944 net operating profits.

CHASE NATIONAL BANK

	1940	1944	% Increase	June 30, '45
Capital	$100,270,000	$111,000,000	10.7	$111,000,000
Surplus & undivided profits	136,482,000	173,800,000	27.3	181,301,000
Deposits	3,543,338,000	4,835,219,000	36.5	4,952,627,000
U. S. Government securities	1,098,108,000	2,899,834,000	164.1	2,900,026,000
Per share—	$	$	%	$
Book value	31.99	38.49	20.3	39.50
Earning assets	287.23	572.65	99.4	592.19
Net earnings	1.83	2.54	38.8	(6 m) 1.71
Dividend rate	1.40	1.40	----	1.40
Market high and low (bid)	37-24¾	45¼-35¼	----	----

Current Market and Ratios—41½ bid, 43½ asked; dividend yield, 3.2%; earning yield, 5.8%; book value per dollar of market, $0.91; earning assets per dollar of market, $13.61.

NATIONAL CITY BANK

	1940	1944	% Increase	June 30, '45
Capital	$77,500,000	• $77,500,000	----	$77,500,000
Surplus & undivided profits	80,276,000	151,110,000	88.2	158,295,000
Deposits	2,908,438,000	4,205,072,000	44.6	4,503,104,000
U. S. Government securities	860,974,000	2,409,240,000	179.8	2,644,844,000
Per share—	$	$	%	$
Book value	29.50	41.12	39.4	42.20
Earning assets	277.63	603.90	117.5	656.45
Net earnings	1.98	2.66	34.4	(6 m) 1.90
Dividend rate	1.00	1.00	----	1.30
Market high and low (bid)	30-21	45¼-33⅞	----	----

Current Market and Ratios—44 bid, 46 asked; Dividend yield, 2.8%; earning yield, 5.8%; book value per dollar of market, $0.92; earning assets per dollar of market, $14.27.

Note—Book value and earnings include City Bank Farmers Trust.

GUARANTY TRUST

	1940	1944	% Increase	June 30, '45
Capital	$90,000,000	$90,000,000	----	$90,000,000
Surplus & undivided profits	186,946,000	212,223,000	13.5	217,374,000
Deposits	2,389,929,000	3,432,888,000	43.6	3,469,405,000
U. S. Government securities	1,137,213,000	2,362,481,000	107.7	2,143,853,000
Per share—	$	$	%	$
Book value	307.72	335.80	9.1	341.53
Earning assets	1,845.50	3,656.71	98.1	3,703.59
Net earnings	14.11	20.35	44.2	(6 m) 11.72
Dividend rate	12.00	12.00	----	12.00
Market high and low (bid)	301-224	359-302	----	----

Current Market and Ratios—343 bid, 351 asked; dividend yield, 3.4%; earning yield, 5.8%; book value per dollar of market, $0.97; earning assets per dollar of market, $10.55.

It will be observed that Manufacturers Trust experienced maximum expansion in Government securities, earning assets and deposits. It is not surprising, therefore, to find that it also shows the greatest improvement in net operating profits. National City registers the greatest gain in reported book-value, and Guaranty Trust the smallest.

The upward trend in assets, book-values and earnings is now in its seventh year. Inasmuch as Federal deficits are expected to continue for a few years, it is logical to expect that the banks will continue to assist in their financing. Consequently, the upward trend in the aforementioned items should, due to this fact alone, be maintained for some time. Coupled with this, however, is the additional prospect of a growing demand for commercial credit to finance the needs of business and industry in the post-war years, when our peacetime economy will doubtless be vigorously expanding.

Barring the possibility of discriminating legislation against commercial banks, which appears most unlikely, commercial banking seems to be entering a period of peacetime prosperity.

MANUFACTURERS TRUST

	1940	1944	% Increase	June 30, '45
Capital—Common	$32,998,00	$32,998,000	----	$32,998,000
Preferred	8,750,000	8,010,000	—8.5	7,710,000
Surplus & undivided profits	40,987,000	52,604,000	28.3	55,103,000
Deposits	953,709,000	1,991,382,000	108.8	2,145,421,000
U. S. Government securities	326,449,000	1,205,104,000	269.2	1,324,009,000
Per share (common)—	$	$	%	$
Book value	36.89	44.60	20.9	46.39
Earning assets	341.00	871.36	155.5	994.61
Net earnings	3.71	6.33	70.6	(6 m) 2.79
Dividend rate	2.00	2.00	----	2.00
Market high and low (bid)	40⅞-27¼	56-45¼	----	----

Current Market and Ratios—59⅞ bid, 60⅞ asked; dividend yield, 3.3%; earning yield, 10.4%; book value per dollar of market, $0.76; earning assets per dollar of market, $16.34.

CENTRAL HANOVER BANK & TRUST CO.

	1940	1944	% Increase	June 30, '45
Capital	$21,000,000	$21,000,000	----	$21,000,000
Surplus & undivided profits	75,104,000	89,610,000	19.3	90,262,000
Deposits	1,294,308,000	1,800,910,000	39.1	1,896,739,000
U. S. Government securities	390,224,000	1,166,189,000	198.9	1,167,209,000
Per share—	$	$	%	$
Book value	91.53	104.96	14.7	105.96
Earning assets	628.82	1,532.26	143.7	1,631.44
Net earnings	5.77	7.43	28.8	(6 m) 3.00
Dividend rate	4.00	4.00	----	4.00
Market high and low (bid)	106½-76½	110¼-95¼	----	----

Current Market and Ratios—113¼ bid, 116¼ asked; dividend, 3.4%; earning yield, 6.4%; book value per dollar of market, $0.91; earning assets per dollar of market, $14.03.

Tomorrow's Markets Walter Whyte Says—

(Continued from page 1046)

tion it doesn't look as if they (stocks) will go into a decline, even a temporary one, from here," doesn't make too much sense. It presupposes a period of backing and filling, accompanied by dullness, in order to come within the 30 to 90 days. It is entirely possible that such action will be witnessed. But if it is, it means that a reaction will have to take place somewhere within those days.

* * *

Ordinarily a reaction after a 10 point advance is nothing to get excited about. Even with a 50% decline the result would still be a five point advance from the lows. But these are not ordinary times nor are these ordinary markets. First of all we have a situation where margins are high, or practically non-existent. This in turn makes every move an exaggerated one. Stocks which ordinarily move like senile Percherons now act like skittish high spirited colts. This is very nice when they are going up and you're long. It is far from that when they start going down. Volatility and thin markets are most dangerous on the down side if for no other reason than most people (if they're in the market at all) are usually long.

* * *

So, while market action up to the time of this writing still points to the 180 Dow industrial figure, the time element should be dropped.

* * *

The important thing is to determine what the 180 figure will mean in the stocks you are currently long of. Your position is as follows:

A. M. Byers bought at 19, stop at 16, is now about 19¾. Using a scale projection Byers should be able to reach 21-23 before it has trouble.

Jones & Laughlin bought at 35, stop 33, is now about 38. Projecting it, in conformity with 180 in the averages, should bring it to about 41 to 43.

Paramount bought at 30½, stop 28½, is now about 33. Somewhere across 35 stock should run into offerings.

U. S. Steel bought at 56, stop 65, is now selling for about 71. From 74 up to 77 it looks as if it will have difficulty.

The last one in the list is White Motors, bought at 29½, stop 28, and now about 34. Like the others this one too hasn't clear sailing from here. Beginning at 35 it will feel the pinch of selling.

* * *

Whether or not any or all of the above stocks will show enough spirit to absorb the expected selling and go on to higher levels is too early to say. It is doubtful if they can display enough independence if the market as a whole starts bending over. The best they can do under such circumstances is either to turn dull or decline less percentage-wise than the rest of the market. From a long term angle either of such performances can be ignored. From a trading angle nothing which brings about a check in an advance can be shunted aside. As a matter of policy I think even the long termers would be wiser to pay more attention to intermediate fluctuations. For not all minor trend reversals are meaningless. And in times like these they can well be loaded with significance.

* * *

More next Thursday.
—Walter Whyte

[The views expressed in this article do not necessarily at any time coincide with those of the Chronicle. They are presented as those of the author only.]

No Conflict With Free Enterprise In Full Employment Bill

(Continued from page 1055)

grams, mounting unemployment, and farm foreclosures whenever deflationary forces are unloosed.

I want to emphasize that while this pledge of financial support is essential to the Full Employment Bill, I do not believe it should or will have to be used continuously. The means by which we must maintain full employment and full production in our economic system is to preserve the golden mean in the distribution of purchasing power so that business has both the incentive and the funds for profitable investment, while, at the same time, the mass of consumers have the purchasing power to buy the goods that industry produces. This can be achieved only by an adequate level of wages which keeps pace with rising productivity. Mass purchasing power must be sufficient to allow full utilization of productive capacity without dependence on an unduly large volume of investment which cannot be sustained. Over - investment relative to consumption, such as we experienced in the late 20s, will inevitably lead to the spiral of depression. The key to sustained prosperity lies in mass consumption, mass distribution and mass production. This is nothing new to business. In fact, it was Henry Ford, one of our greatest businessmen, who led the industrial world in the drive for higher wages, lower prices and mass markets.

Intelligent Planning versus Planned Economy

The full Employment Bill does not call for a "planned economy." As I have publicly stated, I am against a "planned economy" but I am for intelligent planning to keep our American economic system competitively free and vigorous. I agree with Senator Taft that "someone should be doing the job of studying and collecting the facts so that we can have intelligent planning." The Full Employment Bill would provide a mechanism for using the combined intelligence of the nation to increase the efficiency of both individual enterprises and of government policy and action. The suggested national budget procedure is an effective way of developing the factual information necessary to promote full production and full employment under the American system of private enterprise.

Particularly desirable is the coordinating procedure outlined for the Congress and the Executive establishments. The Federal Government, throughout its history, has dealt with problems affecting the ecoomy as a whole, but sufficient provision has never been made to ensure that the various measures taken were integrated and consistent. The vastness of our Federal establishment and the multitude of problems confronting the Congress have made it difficult for either the Executive or Legislative branch of the Government to obtain a balanced overall view of the total economic effects of Federal policies.

The organization and procedures outlined in the Full Employment Bill for the preparation of the National Budget and the quarterly reports on the economic situation would provide the mechanism for bringing about the needed coordination and consistency. The work of the various executive departments that has bearing on full employment would be better integrated. So would, through the creation of the Joint Committee on the National Budget, the work of the various Congressional Committees that deal with economic problems which have overall implications. Just as important, the organizational background would be set for efficient cooperation between the Executive and the Legislative branches of the Federal Government in the formulation of these key economic policies and programs.

Action Under the Full Employment Bill

This Bill is only a first step in assuring post-war prosperity. It would not automatically bring about full production and full employment in the United States. Effective action to apply the principles of the Full Employment Bill is necessary to accomplish this objective.

This is recognized both by the Executive and Legislative branches of the government. President Truman's legislative program, designed to deal with urgent problems of reconversion but with due consideration of the problems of our post-war economy, contains important measures for attaining the objective of full production and full employment. So do the proposals of Senators Kilgore and Pepper speaking for a number of their colleagues.

The American people do not expect perfection in our initial efforts in the war against unemployment and depression. But I do believe that they expect the government to act vigorously, now, to assure full production and full employment.

We stand at the crossroads of our history. It has taken the most terrible of all wars to prove to us that the cooperative efforts of American business, agriculture, labor, and government in winning the war could meet the challenge of full production and full employment. We must not enter the era of atomic energy without recognizing that continued cooperation of business, agriculture, labor and government is imperative to meet the challenge of full production and full employment in peace.

There are, of course, alternative methods of achieving full production and full employment. The totalitarian road and the road of a controlled economy are not the roads chosen by the American people. The Full Employment Bill maps out a road toward economic security and progress in keeping with American traditions and American ideals. It represents the conservative way of attaining full production and full employment. This is so because it imposes no direct controls, and does not contemplate interference with industry's function of developing its own potentialities. It specifically leaves the ownership, direction and control of the production and distribution system completely in the hands of private enterprise and relies for its effectiveness upon providing a climate in which it will be profitable for business to maintain a full employment volume of production. It rests on the promise that if the market for business is maintained, business itself will provide employment opportunities for the workers of the nation.

We cannot afford a do-nothing policy on the part of the government because that would inevitably lead once again to recurring depressions. The only alternative to the Full Employment Bill is a planned economy which imposes specific controls on the production and distribution methods of business. This alternative obviously would mean the end of the free enterprise system.

I earnestly hope that the American people will choose the conservative course between these two alternatives, and I support the Full Employment Bill because it would set us firmly on that course.

Labor's Post-War Program

(Continued from page 1043)

industrial spirit, which he regarded as the "great vital force of the nation." He asked that Labor Day be dedicated "to peace, civilization and the triumphs of industry."

Standing beside Peter J. McGuire's grave, fifty-one years after Congress declared Labor Day a national holiday, we can find inspiration for our own future in that dedication.

For America has just won a war against war and is even now striving to forge a union of nations for the preservation of world peace.

Our country holds in its hands a secret force which can destroy all civilization if war ever again afflicts mankind, but we hope and pray that atomic power will be employed by the arts of science to lighten the burdens of humanity and usher in a new and brighter era of civilization.

The triumphs of industry which we have glorified in the past will fade into insignificance if we but capture the opportunities for peaceful expansion and development which now present themselves. We stand at the threshold of a new industrial revolution, perhaps more sweeping in its effects than the advent of the machine age and electric power. Even in our own day and with existing facilities, we can and we must raise American standards of living by at least 50%. Let us proclaim our determination on this Labor Day to achieve that immediate goal.

I know there are prophets of gloom who see nothing but discouragement and failure ahead. They point to the undeniable fact that America was not prepared for peace, that reconversion is proceeding too slowly, that unemployment may reach the alarming total of seven or eight million by next Spring and that Congress has not taken any steps to provide for human needs during the transition period from war to peace. On the basis of these adverse conditions, they foresee a major post-war depression.

The American Federation of Labor does not share these pessimistic views. We do not believe in crying "Fire!" in a crowded theater. We do not intend to stampede the nation into panic.

On the contrary, we have faith in America and the American people. When danger threatens, it is not the time to quit. It is the time to rally and work and fight for what we want and believe in. Just as we won the war, we will win the peace. Let that be our challenge to the future! Let us remember the inspired words of Franklin D. Roosevelt back in 1932—"we have nothing to fear but fear itself." American labor will not be overcome by fear now!

The seven million members of the Americn Federation of Labor, a confident, resolute and closely-knit army of workers, have set their faces forward and are marching ahead in solid phalanx for the achievement of labor's own program which will lift the nation out of its present, temporary difficulties and establish a progressive and prosperous postwar economy in America.

First of all, we call upon private industry in America to speed up the reconversion process and we urge the Government to give reconversion the highest priority. If that is done, as it must be done, transitional unemployment will be held to a minimum and will be of brief duration. The tremendous backlog of unfilled orders for the things the American people need and were unable to obtain during wartime should soon bring about wide expansion of peacetime production and provide a plentiful supply of jobs.

At the same time, in order to keep production going at high levels and to provide a market for consumption to match it, the unions affiliated with the American Federation of Labor intend to seek immediate increases in wage rates. Such action is necessary to fortify the purchasing power of the American people, which was weakened by increased living costs, by the wartime wage freeze and by postwar losses of overtime pay and incentive bonuses. There is no better market for American industry than the full pay envelope of the great masses of American workers.

Third, in order to restore collective bargaining and establish peaceful and stable labor-management relations, the American Federation of Labor intends to seek a national accord with industry at a conference to be called by President Truman in the next few weeks.

Fourth, as soon as conditions settle down and we are able to take stock of the nation's long-range needs, the American Federation of Labor is determined to resume its drive for the shorter work week, which will spread available employment and give the nation's workers and their families the opportunities for healthful recreation and education which our modern civilization affords.

Fifth, The American Federation of Labor will exert all its influence when Congress returns from its vacation tomorrow, for the enactment of a "must" legislative program which we drafted and for which we have received the hearty endorsement of President Truman and all forward-looking national leaders.

This legislative program calls for the immediate passage of the Kilgore Bill broadening the coverage of unemployment insurance and supplementing the inadequate compensation now offered by the States with Federal funds to provide as much as $25 a week for at least 26 weeks in any one year. Such a law is vitally necessary to tide over workers who have lost their war jobs until new peacetime employment is available.

Another point in our legislative program is the Full Employment Bill, which would set up an annual, national job budget, provide encouragement to business to meet that budget and obligate the Government to stimulate employment through useful and necessary public works if private industry falls short of the goal.

Also, we demand immediate adoption of the Wagner Postwar Housing Bill, which would create millions of new jobs through a 10-year program of urgently needed home construction to be carried on almost entirely by private initiative.

To correct substandard conditions which are a blight on the national economy, the American Federation of Labor calls upon

(Continued on page 1059)

Full Employment—Wages and Democracy

(Continued from first page)

ready potentially existent, and against the ill-effects of the full employment dogma.

Something good may come out of the discussions around the full employment bill. It may force us to think through thoroughly the problem of unemployment within the framework of a free enterprise system. I have repeatedly stated that a correct diagnosis of the 1929 depression and of the developments in the 1920's is of paramount importance for the direction of our minds and actions in the future. I was glad to find the same statement made recently in Beveridge's book, "Full Employment in a Free Society", in Torborgh's book, "The Bogey of Economic Maturity", and in the last edition of Charles Rist's book, "History of Economic Doctrines".

In my essay on the consequences of Lord Keynes' theories, I have stated that "the great depression has engulfed the gold standard". I was gratified to discover in an article published in the Aug 11 issue of the "Economist" bearing the title, "US Employment Prospects", the statement: "The great depression broke the gold standard." Thus, I believe it becomes more and more to be admitted that the gold standards is to be exonerated for responsibility among the causes of the great depression. Mr. George Torborgh, in the above mentioned book, has exploded the theory that economic maturity was the cause of the great depression.

What then happened in the 1920's and why was the 1929 depression so profound and prolonged? The answer is, as I have endeavored to show elsewhere, that in the 1920's, a misdirected policy of credit expansion delayed readjustments which had become necessary because of the end of the war and the end of issuing paper money. This expansion of credit sustained a high level of prices and certain wages, which we had inherited from the war. When the credit expansion had to be stopped (in 1929), American economy remained permeated with the disequilibrium (lack of balance between various sections of the country), which has not been corrected and has only been concealed from us by the credit inflation made necessary by World War II. At the root of this disequilibrium, is a wrong wage policy, or a lack of wage policy.

It is within our power to muster money and credit. But have we a wage policy? Do we know what kind of wage policy we ought to have? Is it possible within the democratic framework to have a wage policy conducive to a high level of employment? The importance of these questions and the difficulty of solving the problems related thereto become clear when we discover that one of the outstanding defenders of economic liberalism, Mr. Ludwig von Mises, and one of the apostles of the full employment dogma, Sir William Beveridge, agree that the functioning of the system which has their personal preference, depends, in both systems, on the enlightened behavior of labor. In view of the importance of the wage policy, I wish to give a few short quotations from the writings of the representative protagonists of the two opposed schools of thought.

Mr. Ludwig von Mises stated in an address before the American Academy of Political and Social Science at Philadelphia: "One must convince the workers that the traditional union policies do not serve the interests of all, but only those of one group. . . . What is needed is not to throw dust into the eyes of the workers, but to convince them. They themselves must realize that the traditional union methods do not serve their interests. They themselves must abandon, of their own accord, the policies that harm both them and all other people." Mr. Mises' address attempted to make clear that unless the unions adopt a flexible and intelligent wage rate policy, unemployment can be avoided only through tremendous credit expansion.

Listen now to Sir William Beveridge (quoted from his book, "Full Employment in a Free Society"): "There is a real danger that sectional wage bargaining, pursued without regard to its effects upon prices, may lead to a vicious spiral of inflation with money wages chasing prices, and without any gain in real wages for the working classes as a whole. . . . To deal with this problem . . . a central organization of labor should devote their attention to the problem of achieving a unified wage policy which insures that the demands of individual unions will be judged with reference to the economic situation as a whole."

These two statements throw a vivid light on the nature of the problem with which we are confronted.

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It is my firm belief that the Murray bill, or some modified form of it, will be adopted by Congress. As mentioned before, it is my contention that the dangers inherent in the bill are already potentially operative, and in point of fact, have been ever since the end of World War I. The full employment bill will add some additional dangers to the free enterprise system, arising from the mechanism of the bill, and from the feeling that the Government is omnipotent in curing unemployment in a free enterprise system.

If my assumption that a full employment bill will be adopted is correct, then I think our efforts should be directed towards providing safeguards against its ill-effects, rather than fighting the bill. By so doing, the full employment bill may prove, in the long run, a blessing in disguise, because, to repeat again, we are already confronted with most of the dangers inherent in the bill.

Those who still doubt that we are moving into further social and economic experimentations, and that, willy-nilly, we shall have to give a test to the full employment theory, are asked to reflect upon their own answer to the following simple questions: "If we were again to have 10 to 15 million unemployed, what would be the attitude of the people and of the Government?" Unless I am grossly mistaken, the answer is obvious. The pressure on the politicians would be so great that they would move very far and very fast . . . and probably in the wrong direction. It is wiser to be ready for such an emergency and forestall the taking of hasty measures under the impulse of events and public clamor.

Besides, this issue has an international aspect which has been brought forth by Secretary Byrnes. The British hold the view that the impediment to international economic cooperation is the policy or impolicy of the United States. More specifically, the British ask how they can tie their money and economy to an economy (that of the United States) whose prospects of stability are uncertain. More bluntly stated, the British are afraid that the lack of equilibrium of the American economy will bring about another great depression. This explains the whole-hearted endorsement of Secretary Byrnes to the full employment bill, which is purported to be able to remedy the violent fluctuations in business in the United States.

There is little doubt, however, that the full employment dogma (as presently formulated by its protagonists) embodies serious perils to democracy and our liberties. I shall discuss further on the source and nature of these dangers, and some tentative remedies. It is admitted by the very friends of the full employment dogma that it carries with it dangers of inflation and threats to our freedom. What then should be our attitude towards this vital question? Everyone is in favor of a high level of employment. The disagreement arises only on account of the means. And on the answer to this question depends whether or not we shall save democracy.

The consequences of what we do or what we fail to do are incalculable. I suggest that the wisdom of the fathers of this republic be called to our help in tackling this problem. They, too, were confronted with issues which seemed insurmountable, and yet, by dint of thinking and effort, they found adequate solutions. I, therefore, am of the opinion that we should take a leaf out of the "Federalist", Letter 10, written by Publicus (Madison), wherein he discusses one of the greatest dangers to democracy, namely, the danger of factions. He states that liberty nourishes factions, but that the suppression of liberty would certainly not be the cure for the mischief of faction. After some other cogent arguments, he reaches the conclusion that the **causes** of factions cannot be removed, and that relief can only be sought in the means of controlling its **effects.**

Likewise it is my firm belief that the only politically practicable and sound approach to the full employment issue is to provide safeguards against its ill-effects. When we stop to think, the defense of our political and civil liberties rests mainly on the Bill of Rights.

In brief, my attitude in the full employment issue is based on the following three convictions:

(a) A full employment bill will be adopted.

(b) Even if it were not adopted, we are confronted with the causes of unemployment due to a wrong wage policy, and monetary and credit mischief.

(c) Full employment bill or no full employment bill, mass unemployment will not be tolerated.

* * *

To those who adopt towards the full employment issue an attitude of "black or white", and are inclined to reason that because it entails dangers, the only proper thing to do is not to adopt such legislation, I submit that their position disregards practical politics and social trends, and besides, is dangerous.

Difficult as it may be, we can contrive safeguards against the ill-effects of the full employment doctrine, and I offer hereafter some tentative ideas on the subject. Furthermore, I ask the defenders of free enterprise to reflect upon the political and intellectual obstacles in the defense of their ideas, sound as they may be. I shall point out some of these impediments.

(1) The Editor of the New York "Times," in an editorial published on August 5th regarding the Murray bill, states: "Such plans [to preserve private enterprise], experience shows, are usually drawn by people who have only the vaguest conception of how the private enterprise system really works. The way to preserve the private enterprise system, in fact, is not by a new plan, or a hundred new plans, but simply by permitting it to function." It is my contention that the Editor of the New York "Times" is absolutely right, but that he did not recognize all the consequences of his statement. It is a fact that very few people have a correct conception of how the private enterprise system really works. It is a further fact, I am afraid, that the very growth of democracy makes difficult the proper functioning of the economic-liberal machinery. Economic liberalism cannot function properly, except if the logic of its mechanism is properly understood and left free to work—and provided also there is a proper psychological climate. But who enjoys enough authority to teach the necessary conditions of a free enterprise system and to have his teachings accepted by everyone—or at least by the majority of the people?

Anyone who has attended a public forum between capable representative defenders of economic liberalism and of the new school (which for the sake of brevity, I shall call the "purchasing power school") has certainly been struck by the manifest handicap of the defenders of economic liberalism. Why? The answer seems to me obvious. What the defenders of the economic liberal school actually oppose to the "purchasing power school" is the doctrine of "equilibrium". Now, it is a fact that this doctrine is not understood. I have in my files a letter from a prominent professor of economics in one of the greatest American colleges, wherein he states: "I must confess that I have no comprehension whatever of exactly what the equilibrium theory is, or what it purports to illustrate or explain."

The defenders of the "purchasing power school" have simply to say: "to buy, you need money". This is a proposition which, because of its oversimplicity, and notwithstanding its speciousness, is easily understood by the "common man", as well as by theorists. The common man understands this kind of argument all the more easily as it appeals to his apparent superficial interests.

A fuller defense of the full employment issue usually runs as follows: "Unemployment and depressions are due to under-consumption and excessive savings. The amount of employment available depends on the volume of production. This, in turn, depends on the demand for goods and services. If we don't have high consumption; if we don't have a high standard of living on the part of the people, all of the tremendous productive resources of the United States will not be utilized. Therefore, high wages are essential to a full employment economy. The chief threat to full employment is the instability of private capital expenditure. When private enterprise cannot provide people with jobs, then it is up to the government to provide them through valuable useful public works."

I contend that such an argument is not easily refutable. When the defender of economic liberalism has to state his side of the argument, the poor devil is in a predicament. There is no simple explanation of the equilibrium theory. It requires much personal and serious thinking to be able to grasp it and draw the logical consequences therefrom. Moreover, these consequences are often not palatable to the common man because they may imply sacrificing immediate advantages for the sake of benefits in the future.

Even with the American intellectual, the credit of economic liberalism is low. Why? First of all, because he does not trust "capitalism" any more on account of what happened to American economy between the two world wars. (He is, in my belief, wrong on that score, because the doctrines of economic liberalism are not responsible for what happened to American economy; it would be truer to say that the unsatisfactory behavior of American and international economy is due to the disregard and the violation of the rules of economic liberalism.) Furthermore, the intellectual is not convinced that economic liberalism is the most essential safeguard against the emergence of an authoritarian state. And why should he be? Discussions among economists on the causes of depressions and unemployment serve only to confuse him and befuddle his mind to a point where he is unable to say what is right and what is wrong.

When discussing the causes of depressions and unemployment, we find some economists imputing their cause to under-consumption; others, on the contrary, impute it to inflationary spending. Some economists think that the cause of depressions is over-saving; some plead that it is under-saving. Some economists say that at the peak of a boom, we should increase discount rates; others say we should decrease them. Some economists think that the answer to the unemployment problem is low wages; others say it is high wages. Some economists attribute depressions to over-investment; some attribute it to liquid savings not being invested. If economists are unable to agree among themselves on the causes of depressions and unemployment, how can the ordinary individual or the legislator be expected to make up his mind about the proper thing to do?

It is often said that the capitalistic system needs a myth. This may be true, but what is even more important is that the necessary conditions for its proper functioning should be understood. It is obvious, however, that they are not. People are willing to defend a cause if they are able to understand it, or at least, if they think they do. It is a fact that most people have only the vaguest conception of how the free enterprise system really works.

(2) It is generally admitted that democracy cannot exist without economic liberalism, and there is much to be said in favor of the proposition that the distribution of political power produced by capitalism has made its proper functioning extremely difficult. Though I would not go so far as to say, like some, that capitalism can no longer live under democracy, it is certain that the very growth of democracy and distribution of political power make its functioning difficult.

(3) I do not profess to know what the future holds in store for us, or what the answers are to a great many problems which are confronting the world after the war. I share, however, with many others, the conviction that widespread unemployment will not be tolerated by the masses. It will be too easy for any demagogue or for anyone who does not understand the implications of the full employment issue to howl: "Must we have war to have jobs?" I am also doubtful that the common man will have any sympathy for those who advocate "sanity" in the name of sound fiscal policies—or for the sake of our liberties. There again, the masses will be inclined to accept the reasoning that if we found money to build tanks, guns, and airplanes, we ought to find money to provide post-war jobs.

* * *

Unless I am grossly mistaken, a "full employment bill" in one form or another will be adopted by practically all countries. We must therefore make sure that the provisions of these bills will not destroy the private enterprise system. To accomplish this objective, I think that both psychological and legislative means will have to be used.

If the Government is to accept new responsibilities (of a kind of which the fathers of the Constitution never dreamed), then we should also provide for whatever safeguards are politically practicable in order to make sure that we do not break beyond repair our private enterprise system, losing, at the same time, our liberties. It is furthermore obvious to me that whatever safeguards we contrive must be democratic in their essence and understandable to the general public.

The question is whether there are such safeguards which would prove effective. I think that the means to protect the private enterprise system together with our liberties can be devised. Their effectiveness will depend on our vigilance, just as this is the condition for the preservation of the liberties guaranteed by the Bill of Rights.

To provide the proper protection for our private enterprise system and our liberties, we must have clearly in mind the nature of the dangers deriving from the assumption by the Government of its new responsibility to bring about conditions favorable to the maintenance of a high level of employment.

Taking into account the means which have been so far proposed for the Government's fulfillment of this new responsibility, I think that the sources of danger to private enterprise and our liberties can be summarized as follows:

(1) The national debt, or rather the interest on this debt (and therefore, the level of taxation) may become unbearable for the functioning of an individual enterprise system.

(2) The adjustments and readjustments of costs to prices (in particular, wages) may become not only inflexible, but practically impossible.

(3) The free market may be destroyed. (It seems to me that as long as we manage to keep a free market regulated by prices, we can be reasonably sure that the private enterprise system is functioning.)

With the above considerations in mind, I think the protection of the private enterprise system and our liberties may be secured by the following means, if the Government is to assume the responsibility of helping to create conditions favorable to a high level of employment:

Legislative Means

1. The Government should (on the advice of a body of experts) fix the maximum ratio of all taxes (whether Federal, State or municipal) to the national income. Taxes should be stable and so devised as to foster taking risks and individual enterprise.

2. The Government should relinguish its right to impose a control of exchange except in times of national emergency.

3. The Government should adopt a sound money policy and limit the liberty of credit expansion of the commercial banks.

4. The constant increment in production, technological progress, and the effect of saving concur to bring about lower costs of production. It should become a declared policy of business that the increase of efficiency be translated into lower prices because the diffusion of well-being and the increase of the standard of living of the country as a whole, is conditioned by a trend to lower and lower prices. (I ignore the aberrations in the level of prices due to purely monetary and credit conditions.) It should therefore also become a declared policy of the government that arbitration in labor disputes regarding wages should be governed by the objective of a lower trend in prices. The matter of agricultural prices may have to receive special consideration and adequate treatment.

5. In order to obtain the willing cooperation of labor in the wage policy advocated, I propose that a dividend should be distributed to the workers each time a dividend is distributed to the stockholders. The basis on which the proportion of the dividend to the workers is to be calculated is left open for discussion. The advisability of distributing a dividend to the stockholders should be left to the discretion of the management alone.

Psychological Means

1. As often as possible, the Government should through its most authoritative mouthpiece, the President, assert and reassert its conviction that democracy and liberty are not possible without private enterprise and competition. Such action (plus Number 5 of my Legislative Means above) may engender a faith in favor of economic liberalism which may become "the moral equivalent of socialism and communism".

2. The Government must declare that it is its responsibility to watch that the sovereignty of the consumer is at all times secure.

3. The Government will have to define clearly what is meant by "full employment." It is, of course, essential for the proper functioning of the competitive system that a certain reservoir of manpower be kept available. There must be competition in a private enterprise system, the motivating power of which is profit. There must be competition in labor as well as there is in capital, and in the goods produced.

4. The Government should make it clear that employment depends on profits and risk-taking by individuals and corporations. Profits, in their turn, depend a great deal on wage rates and taxes.

The implementation of the safeguards may, of course, require the creation of some new institutions.

It would be ridiculous to pretend that the above suggestions have any merit other than to indicate a possible method of a practical approach to the provision of safeguards to private enterprise and our liberties, if a full employment bill is adopted (and even if it is not adopted).

My insistence on psychological as well as legislative means may seem unusual, but the problems with which we are confronted are baffling ones. Personally, I am inclined to put as much weight on the psychological means as on the legal safeguards.

Take for instance the proposition that the preservation of our liberties is impossible without democracy, and that democracy is impossible without private enterprise and competition. Many people (paradoxically enough, mainly those who call themselves liberals) deny the proposition. The only authoritative voice I heard in this country asserting this credo with force is Dr. Nicholas Murray Butler.

The late Franklin Delano Roosevelt, in his message to Congress in 1940, I believe, stated that democracy has its roots in religion. This is another way of expressing one's faith in individualism and the dignity of the human person, but too philosophical for the general public to grasp the implication.

Take another instance. One of the great problems we shall certainly be confronted with is the rigidity of wages. By what criteria, and by whose decision is the right policy for wages to be determined in our badly functioning industrial society? The assertion of a goal of lower and lower prices may perhaps provide a guiding rule. Certain economists maintain that the private enterprise system requires for its proper functioning a slow, rising trend of prices. Personally I contest this view and I hold that the spreading of well-being and the increase of the standard of living of the whole nation can be brought about only if prices slowly but persistently show a trend to decrease.

There is perhaps no better and more appropriate conclusion to this article than Gladstone's peroration to his final appeal on the Irish Home Rule Bill in 1886:

"Think, I beseech you; think well, think wisely, think not for the moment but for the years that are to come."

Labor's Post-War Program

(Continued from page 1057)

Congress to enact pending legislation which would lift minimum wage levels immediately to a rock-bottom of 65 cents an hour and establish a 75-cent floor for hourly rates of pay in interstate industry at the end of three years.

Finally, we renew our appeals to Congress for action on the long-delayed Wagner-Murray-Dingell Bill which would bring a stronger measure of social security to the American people by broadening the coverage of old age and survivors insurance, placing unemployment compensation on a uniform, national basis and offering the humane benefits of health insurance to the great masses of our people for the first time.

It is only to be expected that Congress may balk at some of the measures in this program. We still have too many elected representatives in our law-making body who believe this is the best of all possible worlds and nothing should be done to change it. They profess to be concerned about the preservation of the free enterprise system but don't wish to lift a finger to save it. The American Federation of Labor is wedded to the free enterprise system too, for labor as well as for industry, but we regard it as a dynamic way of life, not as a static road block in the path of human progress. The American Federation of Labor's legislative program would not endanger free enterprise but would protect it from its own shortcomings.

We hope that private industry will face the facts as realistically as labor does. We hope that American businessmen will measure up to their own responsibility for preserving the free enterprise system by being truly enterprising by looking forward instead of backward. A return to the "good old days" will not satisfy the American people. **We want better days.** America has the resources, the know-how and the productive capacity to raise living standards progressively higher. Production problems have been solved. What we must do next is to master the problem of distribution. Labor points the way. By sustaining full employment at high wages, private industry can put enough purchasing power into the hands of the American people to buy the necessities and comforts of life which they need and which industry can produce. That is the only sure way private industry can save itself and the free enterprise system.

After winning a terrible war to safeguard the American way of life from external enemies, we do not believe the American people are in any mood to lose it by default to such internal enemies as hunger, unemployment and insecurity, which always provide fertile soil for revolution.

We suggest that Congress take notice of what is happening in the wake of war in Europe and in Asia. Perhaps those developments will awaken the stand-patters to a realization that the American Government must be a government with a conscience and with a responsibility for the well being of its citizens. Also, we hope that the prospect of going before the American people next year for re-election will spur Congress into favorable action now on the program advanced by the American Federation of Labor.

This is the first peacetime Labor Day in America in four years. The relief and thanksgiving we all feel, now that the devastating waste of human life and nature's resources is over, knows no bounds. Labor is entitled to celebrate the victory because the men and women of labor earned it—the hard way.

We are particularly proud of the record made by the million and a half young members of the American Federation of Labor who laid down their tools, answered their country's call and served so gloriously in our armed forces.

We can't help boasting about the many high honors and decorations of valor bestowed by a grateful nation on our fighting fellow union members and the sons of American trade-unionists.

Especially outstanding was the record made by the Seabees, made up almost entirely of American Federation of Labor building trades and metal trades members. They were the "miracle men" of this war, fighting as they worked under fire, feared by the enemy and respected by other branches of our own armed forces. Also deserving of the highest commendation were the 300,000 railroad workers, serving in special battalions, who kept munitions and supplies moving efficiently only a few miles behind our invasion armies. And let us not forget the seamen of our merchant marine, members of the Seafarers International Union, who did not serve in uniform but risked their lives in transporting vitally

(Continued on page 1063)

Mutual Funds

Victory and Peace Are Bullish

Distributors Group, in its current Investment News, quotes some favorable press reviews covering the **Group Securities** Semi-Annual Report. These press reviews comment on the optimistic attitude of the Group Securities management toward securities prices at a time when there was considerable apprehension over the possible effect of a quick peace. Distributors Group sums up as follows:

"The Dow-Jones Industrials closed at 162.81 on July 19 and at 162.09 on July 30—respective dates on which the Group Securities Report was written and mailed to stockholders. Yesterday (Aug. 27) the Dow-Jones index closed at 171.96—a new bull market high. And many financial observers who only two weeks ago were quite pessimistic over the near-term market outlook are now beginning to see immediate prospects of higher prices for selected common stocks."

* * *

In its current issue of Industrial Machinery News, this same sponsor quotes from the Wall Street Journal to the effect that the machine tool industry now "sees at least a year of production at a rate never before reached in peacetime."

"Industrial Machinery Stocks," concludes Distributors Group, "appear to be fairly valued on the basis of current earnings and undervalued on the basis of estimated 1946 earnings."

High Yielding Securities

National Securities & Research Corp., in a bulletin on **National Speculative Series,** draws attention to the market characteristics of high yielding securities. Charts are used to show the typical market action of various types of securities during a bull market. Whereas popular type investment stocks usually lead the advance and the great "middle class" of securities follow along with the average, high yielding securities generally lag in market appreciation but catch up fast during the later stages of a bull market.

Thus, in addition to their income attraction, high yielding securities are thought to afford better opportunities for capital appreciation during the latter part of the up-swing.

Scramble

Lord, Abbett's current Bulletin on **American Business Shares** draws attention to the new materials and new products which will make their appearance in the postwar world. A great deal has been said about the abundance of customers' dollars but, according to this sponsor, "not much word is yet around of the mad scramble for these dollars which is about to be made by American industry." While this era of "scramble" will see great diversification of products on the part of industry, good judgment, knowledge and experience will be more than ever essential to proper security selection.

Promise of Peace

"The greatest era of destruction ever known has ended and we are on the threshold of the most promising constructive era in world history. Tremendous ingenuity, energy and power are now turned to constructive purposes in supplying the greatest accumulated demand for goods and services the world has ever seen."—From **Keystone Corp.'s** current issue of Keynotes.

Super Railroad System

With an outline map of the United States, showing a "super railroad system" illustrating its front cover, a new folder from **Hugh W. Long & Co.** on the **Railroad Series of New York Stocks** does a good job in portraying the values currently available in selected rails. The super railroad system referred to represents the combined lines of the 12 railroads whose shares are currently owned by the Railroad Series of New York Stocks, Inc.

"If industrial companies, as expected, are going to generate enough business to make their securities attractive at present prices, the railroads are bound to get enough business to make present prices for their securities look cheap."

Visibility Low

"Investment visibility is extremely low these days," according to the Trustees of **George Putnam Fund.** They report that most of the transactions for the Fund so far in the third quarter have consisted of the sale of certain common stocks. "This represents the continuation of a policy started some months ago designed to put the Fund in a stronger defensive position during the readjustment period now directly ahead of us."

At present the Common Stock Portion represents approximately 41% of the total fund compared with 45% on June 30 and a recent high of 63% on Sept. 30 of last year. In the same period the Investment Backlog has increased to 32% from 17% a year ago.

Mutual Fund Literature

Lord, Abbett—Current issue of Abstracts. . . . **National Securities & Research Corp.**—Current issue of Investment Timing featuring "Economic Significance of British Election." . . . **Hugh W. Long & Co.**—Current issue of the New York Letter giving the portfolio holdings on all Series of **New York Stocks, Inc.** as of Aug. 17, 1945. . . . **Distributors Group**—Current issue of Aviation News and revised folder on **Aviation Shares;** current issues of Railroad News and Investment News.

Dividend

Wellington Fund—A quarterly dividend of 20¢ a share payable Sept. 29, 1945 to stockholders of record Sept. 14.

The Securities Salesman's Corner

"A Good Reputation Is More to Be Valued Than Riches or Fine Gold."

By JOHN DUTTON

It has been said so often—how priceless is a good reputation. In the business world, where man meets man and millions of contracts are consummated daily, here is the testing ground of a man's word and his character. Today, more than ever before, we buy countless services and goods of every description upon FAITH! The world is too complicated for anyone to make an individual analysis of the values which are presented before us—we buy because we have confidence in a trade mark—or in a MAN.

When we stop to think about it we realize that a good reputation comes about through the constant application of sound and constructive actions ALL THROUGH A MAN'S LIFE. You can't fool yourself—if you try it you'll lose out in the end. So many have tried the short cuts. On the surface, and for a while they get away with it—but when the going gets rough something breaks inside and the world see's only the shadow because there never was a man.

Every day that passes we build our reputation either for good or for bad. A man is diligent in his office, his employers can see it. SO CAN HIS CUSTOMERS. Another fellow is always on the go—he hustles—the world finds it out. Another man is cautious, deliberate and thorough, he might as well carry a sign on his back, his trade-mark is there and its a good one. But a man who is careless in his home, can't hide it in his business—egg stains on a vest mean more than that a dry-cleaning job is needed—they indicate a sloppy mind as well. Everything is important! To such a man success in business is assured—if it doesn't come today, or next month, or next year, it will arrive eventually. And when it arrives he won't realize it because he will still be making every act and every day **important.**

Sometimes we are prone to scoff at such an idealist, but that kind of a man doesn't consider himself an exceptional person. More than likely he has become so accustomed to doing the right thing in the right way, that his good habits are as much a part of his make up as his eyes or his hair. Several months ago we were talking business with a securities dealer in a medium-sized, western city and unconsciously this fellow sold himself to everyone in his presence, at the time he was speaking. He was talking about his advertising and his convictions, and he made one remark that told the whole story of his sincerity of purpose and revealed the pleasure he took from his work. "You know," he stated in a matter of fact voice, "I haven't got the biggest business in this town yet, but someday I want to be known as the BEST INVESTMENT MAN IN THIS CITY. I WAN'T PEOPLE TO THINK OF ME WHEN THEY THINK OF INVESTMENTS." What could be better—what kind of a man is it that's better than the man who says, "this is my job and whatever it may be I want to do it EXPERTLY?

This is the kind of thinking and doing that needs no regimentation and will brook none. This is the sort of personal creed that has made this country the finest and best place for a man to live out his life and rear his children, that has ever existed upon this earth. Such is the basis for full employment, full dinner pails, peace and prosperity. It will create more jobs than all the Bretton Woods, Full Employment bills, and schemes and dreams of so-called security that could ever be conceived.

Now that Providence has given peace back to this world, may we pray that once again the average, humble American in every walk of life will be able to say once more, "Just give me my job, what-so-ever it may be, and let me do it well." And selling stocks and bonds no less!

W. H. Saussy Joins Staff Of Varnedoe, Chisholm

SAVANNAH, GA. — William Hunter Saussy has become associated with Varnedoe, Chisholm & Co., Inc., Savannah Bank & Trust Building. Mr. Saussy for the past five years has been serving in the U. S. Army as lieutenant-colonel.

Garfield, Greenberger Co.

George Garfield, limited partner in Greenberger & Co., 120 Broadway, New York City, members of the New York Stock Exchange, will become a general partner effective today and the firm name will be changed to Garfield, Greenberger & Co.

"On the Beam"!

(Continued from page 1043)

what is right today and wrong tomorrow it will not be long before the same thing will be proposed with respect to department store clerks and those in every other line of endeavor.

The American philosophy of government calls for government by law and not government by men. If salesmen and traders in securities are engaging in practices that are inimical to the public, and Congress feels that existing laws are inadequate, then it should draft laws that would make such practices a criminal offense, and if it is not possible to phrase a law that will make it clear just what those practices are then it is better that we have no law at all.

BACK THE SECURITIES DEALERS COMMITTEE!

Paul H. Davis Group Offering $7,000,000 Celotex Corp. Issues

A financing program for the Celotex Corporation, involving new securities totaling $7,000,000, is announced today by a banking syndicate headed by Paul H. Davis & Co., and includes offerings of $5,000,000 of fifteen-year 3¼% debentures due in 1960, and 100,000 shares of $20 par, 5% cumulative preferred stock. The debentures are priced at 102½% and accrued interest, and the preferred shares at $20, plus accrued dividends from Aug. 1, 1945.

About $2,826,000 of the proceeds from the sale of the debentures will be used to redeem all of the outstanding twelve-year 3¾% debentures due in 1955 at 102½. The remainder of the proceeds from this offering, as well as the entire proceeds from the sale of the preferred, will be added to the general funds of the company, and will be used for the comprehensive modernization and expansion program now underway. This program includes expansion of present facilities and acquisition of other units which will, it is expected, reduce costs of production and provide new products for the company's peacetime markets. As a step in this program, the company last year spent about $1,200,000 in acquiring the Texas Cement Plaster Company as a part of the expansion of its gypsum business.

Homer Ferguson V.-P. Of Mason-Hagan, Inc.

RICHMOND, VA.—Mason-Hagan, Inc., 1108 East Main Street, announce that Homer L. Ferguson, Jr. has become associated with them as vice-president and treasurer.

Now Carl McKinley Co.

GREELEY, COLO.—Carl D. McKinley has formed Carl D. McKinley & Co., with offices at 906 Ninth Avenue, in partnership with Mrs. Inez N. McKinley. Mr. McKinley was previously in business as an individual dealer.

Railroad Securities

In some quarters there appears to have developed a feeling that directors of Pere Marquette, New York, Chicago & St. Louis and Wheeling & Lake Erie at their regular monthly meetings in September will approve the proposal for consolidation with Chesapeake & Ohio released a few weeks ago. If so, the action will presumably mark the beginning of one of the most bitter fights in recent railroad history. Many railroad analysts who have followed closely the progress of Pere Marquette and Nickel Plate in recent years have been pretty generally of the opinion that even as a trial balloon the recent proposal hardly merited serious consideration. In particular it is felt that holders of Nickel Plate preferred and Pere Marquette prior preference and preferred stocks would hardly look kindly on a proposal which involves settlement of their dividend arrears at substantial discounts.

Even without allowing for the interim reduction in its fixed charges, Nickel Plate was able to report full coverage of the $6.00 dividend rate on its preferred stock in eight of the ten years 1935-1944, with an average of better than $15.00 a share per annum during the period. During the five years ended Dec. 31, 1944 aggregate earnings on the preferred were just short of $115 a share and this will presumably be augmented by at least $25 a share in the current year. Although the dividend is cumulative no dividends were paid during this period. The conservative dividend policy was generally applauded by holders of the preferred stock, in recognition of the need for debt reduction, property improvements, and financial rehabilitation. Willingness to forego dividends in the period of unprecedented prosperity, however, was based on the expectation that once the laudable aims were realized the benefits would accrue to the Nickel Plate stockholders.

Accumulations on the Nickel Plate preferred had risen to $84 a share by July 1, 1945. In exchange for the stock (callable at 110) and the accumulated dividend it is now proposed to offer one share of new Chesapeake & Ohio preferred (dividend rate not specified) and 0.7 shares of Chesapeake & Ohio common. Taking the new preferred at par of $100 and the C. & O. common at its recent market price of 51½, holders of Nickel Plate preferred would be offered securities with an indicated value of around $136 for their claim, in redemption, for $194. With 1945 partly estimated, earnings on this preferred stock during the six years beginning with 1940 are indicated above $140 a share.

Similarly, holders of Pere Marquette prior preference stock are to be offered one share of the new preferred and ⅓ share of C. & O. common. The Pere Marquette prior preference stock is entitled to cumulative dividends at the rate of $5.00 a share and is callable at 100. Earnings in recent years have been well in excess of the dividend requirement but no distributions were made between 1937 and the late spring of 1945. The earnings were utilized for debt reduction, property improvements, and financial rehabilitation with the result that accumulations now amount to $36.25 a share. Net income in 1945 is estimated as more than sufficient to cover the dividend arrears, whereas the merger plan would recognize those arrears with only ⅓ share of C. & O. common, worth, in recent markets, slightly more than $17.

The Pere Marquette preferred stock, which is also callable at 100 and entitled to 5% cumulative dividends (accumulations $70 a share), would be offered 0.8 shares of the new preferred and 0.4 shares of C. & O. common. Taking the new preferred at par this would work out to slightly more than $100 a share against a claim of $170 at the present time. Obviously this claim will be materially higher by the time any plan, even without opposition, could be put through. With finances strong, debt and charges reduced to a conservative level, property in good shape, and prospective earnings in 1945 alone sufficient to more than cover the full arrears on the senior stock, it would be very surprising if holders of the preferred would consent to compromise their claim so drastically. This is particularly true in view of the prospect for elimination of the excess profits tax and the favorable earnings outlook for the properties in early future years based on anticipated high rate of operations in the automobile industry.

If there were no alternative other than merger for eliminating accumulated dividends on prior preference and preferred stocks of Nickel Plate and Pere Marquette it is possible that the holders of the common stocks of these roads might be inclined to look with some favor on the recent proposal. Under this proposal holders of the Nickel Plate common would get 0.9 share and holders of Pere Marquette common 0.5 share of C. & O. common.

Taking 1941 as a reasonable expectation of rail earnings for some years to come, and adjusting for present charges and an overall Federal income tax rate of 35%, earnings on Nickel Plate common would run around $25 a share, on Pere Marquette common around $5.00 a share, on the basis of the regular dividend rates on the senior equities. Figured the same way, C. & O. earnings would

(Continued on page 1063)

Calendar Of New Security Flotations

NEW FILINGS

List of issues whose registration statements were filed less than twenty days ago, grouped according to dates on which registration statements will in normal course become effective, unless accelerated at the discretion of the SEC.

THURSDAY, SEPT. 6

WESTVACO CHLORINE PRODUCTS CORP. on Aug. 18 filed a registration statement for 97,000 shares of $3.75 cumulative preferred stock, no par value.

Details—See issue of Aug. 23.

Offering—Holders of the presently outstanding shares of $4.50 and $4.25 cumulative preferred stocks will be afforded an opportunity to exchange their shares for the new preferred stock on a basis giving them the equivalent of the redemption value of their shares. A cash adjustment will be made in lieu of issuing fractional shares. A maximum of 95,703 shares of new preferred will be required to effect complete exchange. Shares not issued under the exchange offer, together with 1,297 additional shares, will be offered publicly by the underwriters at a price to be supplied by amendment. Unexchanged shares of the $4.50 and $4.25 preferred stocks are to be called for redemption on or before Nov. 2.

Underwriters—F. Eberstadt & Co. are named principal underwriters.

SATURDAY, SEPT. 8

PENNSYLVANIA POWER & LIGHT CO. on Aug. 20 filed a registration statement for $93,000,000 first mortgage bonds due Oct. 1, 1975, and $27,000,000 sinking fund debentures due Oct. 1, 1965.

Details—See issue of Aug. 30.

Offering—The price to the public will be filed by amendment.

Underwriters—The bonds are to be sold at competitive bidding, with the interest rate named by the successful bidder. Names of the underwriters will be filed by amendment.

CROWN CORK & SEAL CO., INC., on Aug. 20 filed a registration statement for 275,000 shares of $2 cumulative preferred stock (no par), and 86,270 shares of common (no par).

Details—See issue of Aug. 30.

Offering—Company is offering 225,000 shares of the $2 preferred in exchange on a share for share basis (with a cash adjustment of dividends) to holders of its $2.25 cumulative preferred stock.

Company is also offering 63,710 shares of common to common stockholders of record Sept. 10 in the ratio of one share of new common for each six shares held. Rights will expire Sept. 25. The subscription price will be filed by amendment.

Underwriters will offer to the public initially 50,000 shares of the $2 preferred and 22,560 shares of common together with the unexchanged and unsubscribed shares of preferred and common stocks at prices to be filed by amendment. CEM Securities Corporation, one of the principal stockholders, has agreed to waive its right to subscribe to 22,560 shares of new common out of total of 25,060 shares to which it would be entitled and such shares will be sold to underwriters.

Underwriters—The underwriting group is headed by Paine, Webber, Jackson & Curtis.

SUNDAY, SEPT. 9

COLORADO MILLING & ELEVATOR CO. on Aug. 21 filed a registration statement for 111,890 shares of common stock, par $1. The shares are issued and outstanding. The selling stockholders are Union Securities Corp. 101,890 shares, and Joseph H. King, a director, 10,000.

Details—See issue of Aug. 23.

Offering—The price to the public is $13 per share. The underwriters are to receive $1.50 per share.

Underwriters—The underwriters are Paul H. Davis & Co., Chicago, 45,270 shares; Hornblower & Weeks, New York, and Boettcher & Co., Denver, 33,310 shares each.

MONDAY, SEPT. 10

A. S. BECK SHOE CORP. on Aug. 22 filed a registration statement for 39,046 shares of 4¾% cumulative preferred stock and 20,129 shares of common, par $1. The shares are to be sold by certain stockholders.

Details—See issue of Aug. 30.

Underwriters—The underwriting group is headed by Lehman Brothers and Wertheim & Co.

BENSON HOTEL CORP. on Aug. 22 filed a registration statement for $440,000 first refunding mortgage serial and sinking fund bonds series A dated July 2, 1945, due serially Jan. 1, 1946 to July 1, 1957.

Details—See issue of Aug. 30.

Offering — The offering price to the public will be as follows: $75,000 of 3s at 100.50, $84,000 of 3¼s at 100.75 and $281,000 of 3½s at 101.

Underwriters—B. C. Ziegler & Co., West Bend, Wis., is named underwriter.

TUESDAY, SEPT. 11

PUBLIC SERVICE CO. OF INDIANA, INC., on Aug. 23 filed a registration statement for $48,000,000 first mortgage bonds, series F, due Sept. 1, 1975, and 150,000 shares of cumulative preferred stock (par $100). The bonds and stock will be sold at competitive bidding, with the successful bidder naming the interest and dividend rates.

Details—See issue of Aug. 30.

Offering—The price to the public of the bonds and preferred stock will be filed by amendment.

Underwriters—The names of underwriters will be filed by amendment.

PROVINCE OF NEW BRUNSWICK, CANADA, on Aug. 23 filed a registration statement for $4,500,000 5½-year debentures due March 15, 1951. The interest rate will be filed by amendment.

Offering—The price to the public will be filed by amendment.

Underwriters — The underwriters are Smith, Barney & Co.; Harriman Ripley & Co., Inc.; First Boston Corporation; Dominion Securities Corp.; Wood, Gundy & Co., Inc.; A. E. Ames & Co., Inc.; McLeod, Young, Weir Inc., and Hayden, Stone & Co.

WEDNESDAY, SEPT. 12

AMERICAN CENTRAL MANUFACTURING CORP. on Aug. 24 filed a registration statement for 142,154 shares of common stock, par $1.

Details—See issue of Aug. 24.

Offering—The company is offering the new stock for subscription by its common stockholders on the basis of one additional share for each 2½ shares held. The subscription price will be filed by amendment. Of the total, 85,304 shares will be offered to Aviation Corp., as stockholder, and 56,850 shares will be offered to other stockholders. Any shares not subscribed by other stockholders will be purchased by Aviation Corp.

Underwriters—None named.

MORRIS PLAN CORP. OF AMERICA on Aug. 24 filed a registration statement for 937.500 shares of common stock, par value 10 cents.

Details—See issue of Aug. 30.

Offering—The company on Aug. 21, 1945, received $7,500,000 in cash from American General Corp. as the purchase price of the 937,500 shares covered by the prospectus. The 937,500 shares are offered by American General pursuant to agreements with Morris Plan Corporation for sale at $8 per share or for exchange under certain conditions. Under offer one the holders of common stock of Morris Plan Corporation, other than Industrial Finance Corp., will be entitled to purchase 1.60 shares of common for each share of new common stock held. The holders of 7% preferred of Industrial will be entitled to purchase 18.5 shares for each share held and the holders of common of Industrial will be entitled to purchase 0.40 shares for each share held. In the event that 7% preferred and common stockholders of Industrial do not elect to purchase the entire number of shares covered by the offer they will be entitled to exchange their shares on the following basis: for each share of 7% preferred of Industrial 12.50 shares of common of Morris Plan, and for each four shares of Industrial common one share of Morris Plan. A plan announced last month provided that Morris Plan would provide the stock to be sold by changing the authorized number of shares of old common from 200,000, par $5, to 3,500,000, par 10 cents each, and to issue four shares of new common for each share of old common outstanding so that as a result 591,165 shares of new common would be outstanding.

Underwriters—American General Corp. is named underwriter.

THURSDAY, SEPT. 13

ARMSTRONG CORK CO. on Aug. 25 filed a registration statement for 161,522 shares of cumulative preferred stock (no par). The dividend rate will be filed by amendment.

Details—See issue of Aug. 30.

Offering—The company is offering 108,528 shares to holders of common stock of record Sept. 13, 1945, in the ratio of one share for each 13 shares of common held at a price to be filed by amendment. The company also is offering 52,994 shares to holders of its 4% cumulative convertible preferred stock in exchange on a share for share basis. The exchange offer will expire Sept. 25. The underwriters will offer any unsubscribed or unexchanged shares at a price to be filed by amendment.

Underwriters — The underwriters are Smith, Barney & Co.; Kidder, Peabody & Co.; Mellon Securities Corp.; Blyth & Co., Inc.; E. W. Clark & Co.; Dillon, Read & Co., Inc.; Drexel & Co.; Eastman, Dillon & Co.; First Boston Corp.; Goldman, Sachs & Co.; Graham, Parsons & Co.; Harriman Ripley & Co., Inc.; Kuhn, Loeb & Co.; Lehman Brothers; Moore, Leonard & Lynch; Morgan Stanley & Co.; Reynolds & Co.; Singer, Deane & Scribner; Stone & Webster and Blodget, Inc.; Stroud & Co., Inc., and Union Securities Corp.

FRONTIER REFINING CO. on Aug. 25 filed a registration statement for $400,000 5% sinking fund debentures, due Sept. 1, 1950.

Details—See issue of Aug. 30.

Offering—Price to the public will be filed by amendment.

Underwriters—Boettcher & Co., Peters, Writer & Christensen, Inc., and Sidlo, Simons, Roberts & Co.

FROEDTERT GRAIN & MALTING CO., INC., on Aug. 25 filed a registration statement for 40,000 shares of cumulative preferred stock, par $50. The dividend rate will be filed by amendment.

Details—See issue of Aug. 30.

Offering—The price to the public will be filed by amendment.

Underwriters—The principal underwriters are Schroder Rockefeller & Co., Inc., and Loewi & Co.

SATURDAY, SEPT. 15

AMERICAN TELEPHONE & TELEGRAPH CO. on Aug. 27 filed a registration statement for $160,000,000 30-year 2¾% debentures, due Oct. 1, 1975.

Details—See issue of Aug. 30.

Offering—The price to the public will be filed by amendment.

Underwriters—The debentures will be offered for sale at competitive bidding. Bids are to be received before 11:30 a.m. on Sept. 24, 1945, at which time they will be opened.

SUNDAY, SEPT. 16

BURRILLVILLE RACING ASSOCIATION has filed a registration statement for $1,000,000 6% 20-year debentures due Sept. 1, 1965. and 10,000 shares class A stock (no par).

Address—12 East Avenue, Pawtucket, R. I.

Business—Conducting running horse race meetings.

Offering—The public offering price for a unit consisting of $500 of debentures and five shares of stock is $500 with the underwriter receiving a commission of $25

Proceeds—The proceeds, estimated at $934,000 after commissions and expenses, will be used for the construction of a new race plant to be known as the Lincoln Race Track located at Lincoln, R. I., about six miles from the City Hall in Providence.

Underwriters—Barrett & Co., Providence, R. I., underwriters.

Registration Statement No. 2-5886. Form S-2. (8-28-45).

THRIFTY DRUG STORES CO., INC. has filed a registration statement for 25,000 shares of 4½% cumulative preferred, series A ($100 par), and 150,000 shares of common (par $1). Of the total, 16,259 shares of the preferred will be sold by the company and the remaining 8,741 shares of preferred and the 150,000 shares of common will be sold by certain stockholders.

Address—1340 East Seventh Street, Los Angeles, Cal.

Business—Operates a chain of 62 retail drug stores in Southern California.

Offering—The price to the public will be filed by amendment.

Proceeds—Net proceeds to the company from the sale of 16,259 shares of preferred are estimated at $1,546,549. They will be added to the general funds of the company to augment working capital in connection with the financing of its normal business operations. The company has entered into seven new leases covering additional store locations. The statement added that the company intends to continue the opening of new stores, and in these stores the company may be required to install new fixtures.

Underwriters—Eastman, Dillon & Co., underwriters.

Registration Statement No. 2-5887. Form S-1. (8-28-45).

MONDAY, SEPT. 17

MEMPHIS STREET RAILWAY CO. has filed a registration statement for $3,500,000 first mortgage serial bonds. The bonds are to be offered for sale at competitive bidding, with the successful bidder naming the interest rate.

Address—821 Beale Avenue, Memphis, Tenn.

Business—Transportation service.

Offering—The price to the public will be filed by amendment.

Proceeds—The net proceeds, together with such additional cash from its general funds as may be required, will be used to pay $2,902,500 series A 5% bonds due Oct. 1, 1945, and $782,900 series B (income bonds) due Oct. 1, 1945. The company is a subsidiary of National Power & Light Co.

Underwriters—Names will be filed by amendment.

Registration Statement No. 2-5888. Form S-1. (8-29-45).

GENERAL FINANCE CORP. has filed a registration statement for $2,000,000 15-year 3¾% debentures, due Aug. 1, 1960.

Address—184 West Lake Street, Chicago, Ill.

Business — Discounting of installment notes in connection with the sale of automobiles, "small loans," etc.

Offering—The price to the public will be filed by amendment.

Proceeds—Net proceeds will be added to the net working funds of the company and may be used for the development of additional retail and wholesale financing in the automobile, home appliance and consumer field generally and for making small loans.

Underwriters—Paine, Webber, Jackson & Curtis, principal underwriters.

Registration Statement No. 2-5889. Form S-1. (8-29-45).

ADAM HAT STORES, INC., has filed a registration statement for 150,000 shares of common stock, par $1, of which 100,000 shares are to be offered for sale for cash and 50,000 shares reserved for issuance upon the exercise of stock option warrants. Of the stock to be offered, 95,000 shares are being sold by Elias Lustig, President, and 5,000 shares by Harold E. Lustig, Vice-President and Treasurer. The statement also covers 50,000 warrants, of which 25,000 are being sold to certain officers and employees of the company and 25,000 to underwriters.

Address—657-665 Broadway, New York, N. Y.

Business—Operates a chain of 98 retail stores selling men's hats, etc.

Offering—The price to the public is $8.50 per share.

Proceeds—The proceeds from the sale of the stock will go to the selling stockholders. The warrants are being sold at 10 cents per warrant share. The warrants entitle holders to purchase common stock prior to Sept. 1, 1950, at $8.50 per share.

Underwriters—The underwriting group is headed by Van Alstyne, Noel & Co.

Registration Statement No. 2-5890. Form S-1. (8-29-45).

WEDNESDAY, SEPT. 19

ARDEN FARMS CO. has filed a registration statement for 50,000 shares of $3 cumulative and participating preferred stock, without par value.

Address—1900 West Slauson Avenue, Avenue, Los Angeles, Cal.

Business—Dairy business and related activities.

Offering—The company has granted holders of its preferred stock rights to subscribe to the new preferred at the rate of one share for each 2½ shares held. The subscription price will be filed by amendment. Unsubscribed shares shall be sold at such price as fixed by the board of directors.

Proceeds—The net proceeds will be used to improve cash and working capital positions, primarily in connection with the carrying of larger inventories.

Underwriters—To be filed by amendment.

Registration Statement No. 2-5891. Form S-1. (8-31-45).

INTERNATIONAL RESISTANCE CO. has filed a registration statement for 175,000 shares of 6% cumulative convertible preferred (par $5) and 525,000 shares of common (par 10 cents), of which 350,000 are to be reserved for conversion of the preferred stock. Each share of 6% cumulative convertible preferred is convertible at the option of the holder into two shares of common without the payment of any additional consideration at the time of conversion.

Address—401 N. Broad St., Phila., Pa.

Business—Manufacture of resistors, a fundamental electrical device.

Offering—The stock will be offered in units consisting of one share of preferred and one share of common stock for $5 per unit.

Proceeds—The net proceeds, which are estimated at $743,750, will be used to augment working capital and for other corporate purposes to cover the transition operations. The company said the anticipated increased volume of paecetime business and the introduction of new and improved types of resistors will require the expenditure of considerable sums for research, development, machinery, etc.

Underwriters—The principal underwriters are Newburger & Hano, and Kobbe, Gearhart & Co., Inc.

Registration Statement No. 2-5892. Form S-1. (8-31-45).

THURSDAY, SEPT. 20

ALLIED CONTROL CO., INC., has filed a registration statement for 100,000 shares of 55-cent cumulative preferred stock (par $8) and 20,000 shares of common (par $1).

Address—2 East End Avenue, New York, N. Y.

Business—Manufacture and distribution of relays.

Offering—The securities are to be initially offered in units of one share of preferred and one-fifth share of common at a price per unit to be filed by amendment.

Proceeds—Of the net proceeds the company intends to expend $79,200 for the purchase or redemption of all outstanding shares of its 5% cumulative preferred stock at the redemption price of $110 per share, plus accrued dividends; to expend $119,450 in payment of its first loan from Smaller War Plants Corporation. The balance will be added to the general funds of the company.

Underwriters—Ames, Emerich & Co., Inc., and Dempsey & Co. are named principal underwriters.

Registration Statement No. 2-5893. Form S-1. (9-1-45).

DATES OF OFFERING UNDETERMINED

We present below a list of issues whose registration statements were filed twenty days or more ago, but whose offering dates have not been determined or are unknown to us.

ACF-BRILL MOTORS CO. on June 30 filed a registration statement for 190,464½ warrants. The warrants are issued and outstanding and are being sold by American Car & Foundry Investment Corp.

Details—See issue of July 12.

Offering—The warrants entitle the holder to subscribe to the common stock of the company. The selling stockholder, American Car & Foundry Investment Corporation, proposes to offer the warrants for sale to the public commencing approximately Aug. 1, 1945, with the price to be determined from day to day by market sales of the warrants.

Underwriters—None mentioned.

ALLIED STORES CORP. on July 31 filed a registration statement for 200,000 shares of cumulative preferred stock, par $100. The dividend rate will be filed by amendment.

Details—See issue of Aug. 9.

Offering—The offering price to the public will be filed by amendment. It is expected that arrangements will be made with the underwriters whereby holders of the company's outstanding 5% preferred, par $100, will be afforded an opportunity to purchase the new stock by tendering their old stock in payment for the new.

Underwriters—The underwriting group is headed by Lehman Brothers.

ANCHORAGE HOMES, INC. on July 17 filed a registration statement for 505,000 shares of Class A capital stock, par $1, and 250,000 shares of Class B stock, par 10 cents.

Details—See issue of July 26.

Offering—There is to be presently offered to the public 250,000 shares of Class A and 50,000 shares Class B to be offered in units of 10 shares of Class A and 2 shares of Class B at a price of $60.20 per unit.

Underwriters—Andre de Saint-Phalle & Co., heads the underwriting group.

BROCKWAY GLASS CO., INC., on Aug. 8 filed a registration statement for 10,000 shares of 5% cumulative preferred stock, par $50.

Details—See issue of Aug. 16.

Offering—The price to the public is $50 per share. The company will offer the securities to the residents of the City of Muskogee, Okla., and others who are interested in the establishment of a glass plant by the company at Muskogee, as well as to persons living in the vicinity of Brockway, Pa.

Underwriters — There are no underwriters.

BROOKLYN BOROUGH GAS CO. on July 10 filed a registration statement for $3,640,000 first mortgage bonds due Aug. 1, 1970. The interest rate will be filed by amendment.

Details—See issue of July 19.

Offering—The price to the public will be filed by amendment.

Underwriters—The bonds will be offered for sale at competitive bidding and the names of underwriters filed by amendment.

Bids Invited—Bids will be received by the company at office of Whitman, Ransome, Coulson & Goetz, 40 Wall Street, New York, at or before 12 noon (EWT) on Sept. 5, 1945, for the purchase of the bonds. The coupon rate is to be specified in the bid.

BROOKLYN BOROUGH GAS CO. July 11 filed a registration statement for 15,000 shares cumulative preferred stock. The stock will be sold at competitive bidding and the dividend rate filed by amendment.

Details—See issue of July 19.

Offering—Price to public to be filed by amendment.

Underwriters—To be filed by amendment.

CENTRAL ELECTRIC & GAS CO. on July 30 registered 65,000 shares of 4.75% cumulative preferred stock, Series A, par $50.

Details—See issue of Aug. 2.

Offering—The company is offering the new 4.75% preferred in exchange for its presently outstanding 6% cumulative preferred stock on a share for share basis prior to Sept. 10. The unissued shares will be sold to the underwriters who will offer them to the public at $53 per share.

Underwriters — The underwriting group is headed by Paine, Webber, Jackson & Curtis and Loewi & Co.

CENTRAL HUDSON GAS & ELECTRIC CORP. on Aug. 10 filed a registration statement for 445,738 shares of common stock. The shares are issued and outstanding and are owned by Niagara Hudson Power Corp.

Details—See issue of Aug. 16.

Offering—The shares are to be sold at competitive bidding and the price to the public will be filed by amendment.

Underwriters—To be filed by amendment.

Bids Invited—Niagara Hudson Power Corp. will receive proposals for the purchase of the shares up to noon Sept. 11 at 15 Broad Street, New York City.

CENTRAL OHIO LIGHT & POWER CO. on Dec. 28 filed a registration statement for 11,972 shares of preferred stock, cumulative ($100 par). The dividend rate will be filed by amendment.

Details—See issue of Jan. 4, 1945.

Offering—Company proposes to invite proposals for services to be rendered to it in obtaining acceptances of the exchange offer of new preferred stock for old preferred and for the purchase from it of such of the 11,972 shares as are not exchanged pursuant to the exchange offer.

COMMERCIAL CREDIT CO. on June 7 filed a registration statement for 250,000 shares of preferred stock ($100 par). Dividend rate will be filed by amendment.

Details—See issue of June 14.

Offering—Company is offering the holders of the 121,938 shares of 4¼% cumulative convertible preferred stock to exchange their stock, share for share, for the new preferred. The underwriters have agreed to purchase any of the 250,000 shares of preferred not issued in exchange for outstanding preferred. Company will call any of the old preferred at $105 per share plus accrued dividends.

Underwriters—Kidder, Peabody & Co. and First Boston Corp. are named principal underwriters.

CONSOLIDATED BISCUIT CO. has filed a registration statement for 60,000 shares 4½% convertible cumulative preferred stock, par $20.

Details—See issue of Aug. 9.

Offering—The offering price to the public is $20 per share.

Underwriters—The principal underwriters are F. S. Yantis & Co., Inc., and Dempsey & Co., both of Chicago.

Registration Statement withdrawn Aug. 24, 1945.

CONSUMERS POWER CO. on Aug. 16 filed a registration statement for $113,825,000 first mortgage bonds series due 1975. The bonds will be sold at competitive bidding and the interest rate will be named by the successful bidder.

Details—See issue of Aug. 16.

Offering—The price to the public will be filed by amendment.

Underwriters—The names will be filed by amendment.

Bids Invited—Bids for the purchase of the bonds will be received at the office of Commonwealth & Southern Corp., 20 Pine Street, New York, up to 12 noon (EWT) Sept. 10. The successful bidder is to specify the coupon rate.

CONTAINER ENGINEERING CO. on June 15 filed a registration statement for 25,000 shares common stock (par $10).

Details—See issue of June 21.

Offering—Price to the public is given as $35 per share.

Underwriters—William L. Ullrich, St. Louis, will manage the sale of the entire issue.

COVENTRY GOLD MINES, LTD. on April 21 filed a registration statement for 333,333 shares of common stock.

Details—See issue of April 26.

Offering—Price to the public is 30 cents per share.

Underwriters—None named. The company proposes to market its own securities.

EVERSHARP, INC., on July 9 filed a registration statement for 32,500 shares of

Labor's Post-War Program

(Continued from page 1059)

needed war equipment across submarine infested seas.

But labor's greatest war service was performed right here at home on the production lines. Make no mistake about it—the tremendous, record-breaking volume of war production in American factories by American workers proved the decisive factor in victory. Their sweat, strain and exhaustive effort, their skill and adaptability to new tasks and methods of production, increased the output of munitions to a peak of five and a half billion dollars worth a month, eleven times higher than it was when the war began. Efficiency of workers increased 72%, despite long hours and distressing living conditions in congested industrial centers. These achievements were accomplished by a voluntary army of workers—the only labor force of any nation in the war functioning without a compulsory labor draft. And they were accomplished with a minimum of interruption or delay due to strikes. Time lost due to strikes during the war amounted to only a fraction of 1% of the total time worked and was more than made up by extra hours put in by workers on national holidays when they remained on the job. This is the first Labor Day in four years which the nation's workers have been able to celebrate in the good old way—at leisure.

Perhaps I can best illustrate labor's contribution toward ending the war sooner by telling you the dramatic story of the atomic bomb. When the scientists first perfected that new and unbelievably destructive explosive, Undersecretary of War Robert P. Patterson called me to the War Department for a confidential meeting. He told me that the Army had developed a new, secret weapon, the nature of which could not even be whispered, and that it was of the highest importance to get that weapon into production before any enemy power could beat us to the punch. He said two brand new plants would have to be constructed in record time, one in Tennessee and the other in the State of Washington, to produce the secret explosive. He asked whether the American Federation of Labor could supply thousands of skilled workers to go out to those remote spots to do the job.

I assured him that we could and would. Our unions, mobilized for just such war emergencies, recruited many thousands of skilled craftsmen and sent them to the sites of the two biggest construction projects in history. Through their unremitting efforts and through the cooperation of American Federation of Labor unions, which sacrificed long-standing conditions of work to expedite the job the plants were completed on schedule. Then we supplied additional thousands of workers to produce the bombs. When those bombs hit Japan, the war ended in a few days. And the War Department, in grateful recognition of labor's vital role in the success of the atomic bomb, extended official commendation to the eighteen American Federation of Labor unions whose members did the work and kept the secret.

During the last meeting of the Executive Council of the American Federation of Labor in Chicago, I received the following telegram from Undersecretary of War Patterson:

"Through you I want to thank all the officers and members of your building and metal trades unions who helped build and man the plants in which our atomic bombs are made. You recruited skilled mechanics from thousands of miles away to work on these projects even though we could not tell you what they were making. Now you have the reward of knowing that their efforts are making an important contribution to final victory.—Robert P. Patterson, Undersecretary of War."

Now that the war has ended, the American Federation of Labor is determined that atomic bombs must never be used again for the wholesale slaughter of human beings. The impact of those bombs was heard around the world and struck terror into the hearts of human beings everywhere. All thinking people now realize that mankind faces the alternative of total peace or total destruction. If ever a dictator should rise to power again and threaten to engulf the world anew in aggression and war, it is unthinkable that his people would not strike him down rather than face certain annihilation.

Let it be our supreme purpose, then, to cement the bonds of the United Nations Organization and to carry out to the fullest extent the peaceful procedure for settlement of international disputes contained in the San Francisco Charter.

And let us make the most of peace by cultivating its rich opportunities and enjoying its fruits. We have the resources and the skill and the facilities with which to build a standard of living in our land far surpassing any that ever existed on earth.

It is our solemn duty to the honored dead who gave their lives to win the victory and our obligation to the living who bear on their bodies or in their hearts the scars inflicted by war, to redeem the sacrifices of suffering mankind and to make good the pledges which were so freely given in the heat of conflict.

The American Federation of Labor extends a welcoming hand to the servicemen who are now returning home from overseas and will soon be resuming civilian life. We will do everything within our power to help them obtain good jobs and make a new start in life.

The brave men and women who served in uniform during the war will find that labor will support their economic and legislative aims just as consistently and effectively as we backed them up on the fighting fronts. Anyone who tries to divide labor and the veterans and set them against each other is an enemy of American democracy. For it is just as essential for labor and the veterans to stand together and work together to win the peace as it was to win the war.

The American Federation of Labor has emerged from the vicissitudes of war stronger in organization and in spirit than ever before in history. We do not intend to relinquish a single one of the gains we have won for the nation's workers. On the contrary, we are determined to press ever forward, to complete the task of organizing the unorganized and to weld the forces of American labor into a single, united whole. With your help and the assistance of the other seven million members of our great movement, we can do our part toward establishing a far richer and a far more abundant way of life here in America for all our people.

The earnest attention you have given this discussion of the grave problems confronting our country and the world convinces me of your willingness to enlist in the drive for a worthwhile peace. And now, for the balance of this traditional Labor Day, let's go out and celebrate the victory of the present and the promise of the future.

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common stock, par $1. Shares are issued and outstanding and are being sold for the account of certain stockholders.

Details—See issue of July 19.

Offering—The price to the public will be filed by amendment.

Underwriters—Lehman Brothers heads the underwriting group.

FABRICON PRODUCTS, INC., on Aug. 13 filed a registration statement for 28,960 shares of common stock, $5 par value. The shares are issued and outstanding and are being sold by five stockholders, including 18,960 shares by Lawrence O. Turner, President of the company.

Details—See issue of Aug. 16.

Offering—The price to the public is $25 per share.

Underwriters—Baker, Simonds & Co., Detroit, Mich.

GENERAL MILLS, INC., on Aug. 16 filed a registration statement for 100,000 shares of cumulative convertible preferred stock, par $100. The dividend rate will be filed by amendment.

Details—See issue of Aug. 11.

Offering—The company proposes to issue warrants to common stockholders of record Sept. 7, 1945, to subscribe at the rate of one share of the new convertible preferred for each 20 shares of common stock at a price to be filed by amendment. Warrants will expire at 3 p.m. Sept. 19, 1945.

Underwriters — The underwriters are Dillon, Read & Co., Inc., Allison-Williams Co., C. S. Ashmun, Caldwell Phillips Co., J. M. Dain & Co., Frank & Belden, Inc., Goldman, Sachs & Co., Hemphill, Noyes & Co., Kalman & Co., Inc., Kuhn, Loeb & Co., W. C. Langley & Co., Lee Higginson Corporation, Merrill Lynch, Pierce, Fenner & Beane, Park-Shaughnessy & Co., Piper, Jaffray & Hopwood, L. F. Rothschild & Co., Smith, Barney & Co., Union Securities Corporation, Watling, Lerchen & Co., Dean Witter & Co., Harold E. Wood & Co., and Woodward-Elwood & Co.

HAMILTON RADIO CORP. on July 27 filed a registration statement for 150,000 shares of its common stock, par $1, of which 100,000 shares are to be offered presently to the public and 50,000 shares reserved for the conversion of warrants, and 50,000 common stock purchase warrants.

Details—See issue of Aug. 2.

Offering—The common stock is being offered to the public at $5.75 per share. The common stock warrants entitle holder to purchase shares at $5.75 per share before Aug. 1, 1950. The company proposes to sell 30,000 of the warrants to underwriters, 15,000 to Adolphe A. Juviler, President and Treasurer, and 5,000 to Percy L. Schoenen, Vice President and Secretary, at 10 cents each.

Underwriters—Van Alstyne, Noel & Co. is principal underwriter.

HOUDAILLE-HERSHEY CORP. has filed a registration statement for $6,000,000 sinking fund debentures, due Sept. 1, 1960, and 190,000 shares of $2.25 cumulative convertible preferred, par $50.

Details—See issue of Aug. 9.

Offering—The public offering price of the debentures will be filed by amendment. Of the 190,000 shares of $2.25 preferred, 173,500 shares are to be offered by the company in exchange, on a share for share basis plus a payment of $5 a share to the company and with a cash adjustment of dividends, to holders of its outstanding Class A no par value stock. The remaining 16,500 shares and the unexchanged shares will be sold to the underwriters and offered to the public at a price to be filed by amendment. The $5 represents the difference betwen the par value of the new stock and the $45 redemption value of the Class A stock.

Underwriters—The underwriting group is headed by Paul H. Davis & Co. and Union Securities Co.

JEFFERSON LAKE SULPHUR CO., INC., on Aug. 9 filed a registration statement for 167,000 shares of common stock, $1 par.

Details—See issue of Aug. 29.

Offering—The company is offering to the holders of its common stock of record on Sept. 3, 1945, the right to subscribe at $9.75 per share for additional shares on the basis of seven-tenths of one share for each share held. Subject to the prior rights of holders of subscription warrants, officers of the corporation, who are not directors, and employees will be entitled to subscribe to 21,287 shares at $9.75 per share.

Underwriters—D'Antoni & Co., New Orleans, is the principal underwriter.

(This list is incomplete this week)

EARNINGS STATEMENT

Railroad Securities

(Continued from page 1061)

amount to around $4.70 a share on the present stock and to approximately $6.40 a share on the basis of the proposed consolidation. Even if one goes back to the 1936-1940 average, indicated earning power of the Nickel Plate common would be well in excess of either the present C. & O. or the C. & O. in merger.

There is one other angle that holders of the Pere Marquette and Nickel Plate securities are apt to consider in line with the merger and that is the financial strength they are to be asked to add to Chesapeake & Ohio. On June 30 Chesapeake & Ohio had a net working capital deficit of $1,279,000 while Nickel Plate and Pere Marquette showed net working capital of $6,177,000 and $8,104,000 respectively. Many rail men are convinced that even the common stock holders of Nickel Plate and Pere Marquette would fare far better in internal stock recapitalizations (with the use of some cash) designed to eliminate dividend arrears on the senior stocks than they would in consolidation with Chesapeake & Ohio where they would be asked to accept fractional shares of a large stock issue whose earnings position would presumably be enriched by the contributions of their property.

Miles Sharkey Joins Blyth & Co. Staff

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, CALIF.—Miles A. Sharkey has become associated with Blyth & Co., Inc., 215 West Sixth Street. Mr. Sharkey was previously manager of the trading department for Stern, Frank & Meyer, and prior thereto was an officer of O'Melveny, Wagenseller & Durst.

Now Timmons-Polk

ZANESVILE, OHIO—The firm name of The W. L. Timmons Co., First National Bank Building, has been changed to Timmons-Polk, Inc. Officers, all of whom were connected with the former firm, are W. L. Timmons, President and Treasurer; E. W. Polk, Vice-President and Secretary; and Eleanor R. Emerson, Assistant Secretary and Assistant Treasurer.

Walter Herrick Dead

Walter R. Herrick, a limited partner in Hornblower & Weeks, 40 Wall Street, New York City, died at his home at the age of seventy-six. Mr. Herrick became a limited partner of Hornblower & Weeks in 1942 when the firm was consolidated with G. M.-P. Murphy & Co. He had been a member of the latter company and earlier had been a senior partner of the former Herrick, Berg & Co.

New Wire for White Co.

ST. LOUIS, MO. — White & Company, Mississippi Valley Trust Building, announces that they have recently installed a direct wire to Laird, Bissell & Meeds, New York City, which now gives them direct wire service to Chicago, Kansas City and New York, as well as connecting wire service to Los Angeles and the West Coast.

John M. Ross Dead

John M Ross, retired stock broker, formerly a partner in Laird, Bissell & Meeds and a vice-president of the Guaranty Trust Company of New York, committed suicide on Aug. 31 by leaping from a window of his suite at the Hotel Beverly. In a note left in his room, Mr. Ross explained that his act had been caused by ill health and financial reverses.

DIVIDEND NOTICES

"Our Reporter on Governments"

By JOHN T. CHIPPENDALE, JR.

The Treasury's projected policy of financing future deficits and maturing obligations with short-term low coupon issues, that will go largely to the commercial banks, is beginning to be reflected in the Government bond market. . . . The fact that there will be no obligations eligible for purchase by the commercial banks, aside from certificates, when the coming Victory Loan is over, together with the refunding of the partially exempt 2¾% due 9/15/45, with only certificates, appears to have removed any doubts about the Government's policy of financing as cheaply as possible in order to keep down the interest burden. . . .

As a result of the clarification of the future financing program of the Government the market, which had been hesitant and uncertain, became more confident last week with a demand appearing for the middle and longer term taxable obligations. . . . Also the partially exempts were well taken. . . .

The restricted issues firmed as deferred purchasers took up the bonds they had subscribed for in the last war loan. . . .

INCREASED DEMAND

The method of financing to be followed by the Treasury to cut the debt burden, will no doubt create a substantial demand for the outstanding intermediate and long term commercial bank eligible issues. . . . The presently outstanding eligible securities will be increased only to the extent that present holders may sell them. . . . With the knowledge that the demand will be there, undoubtedly many will hold these securities for higher prices. . . . On the other hand the savings banks and insurance companies will probably be sellers since they can still purchase the restricted issues. . . .

Nevertheless, with the return flow of currency from circulation, which is expected to start about the middle of the month, the commercial banks should have ample funds to put to work, which monies it is indicated will seek investment first in the higher coupon eligible obligations. . . .

Accordingly it is the advice of money market experts that the following securities be taken on at this time for both income and price appreciation:

Rate	Maturity	Rate	Maturity
2%	9/15/51/53	2½%	3/15/52/54
2%	12/15/51/55	2¼%	6/15/52/55
2%	6/15/52/54	2¼%	3/15/56/58
2%	12/15/52/54	2½%	9/15/67/72

COMMERCIAL BANKS

It is believed that the Treasury's financing program means that the commercial banks in the not distant future will be buyers of some of the highest grade long-term corporate obligations. . . . Even at the present time some of these institutions are indicating an interest in certain of the nearby refundings. . . .

Although the monetary authorities have in the past been disturbed at the sharp advance that has taken place in the longest term commercial bank eligible taxable Government bonds, it was pointed out by portfolio managers that they would rather have the longest maturities of the eligible taxables than the long-term corporates. . . .

It is their opinion that the longest issues of the Governments entail far less risk than do comparable maturities of corporates. . . .

PARTIAL EXEMPTS

The partially exempt bonds have recovered a sizeable amount of their recent decline but despite this betterment, those callable or maturing from 1950 on, still give a larger tax free yield than do comparable maturities of the taxable obligations. . . . Although tax reductions are expected it is not indicated that they will be so sharp as to bring them below the 40% level. . . . In fact there seem to be many well informed tax experts who hold the opinion that in order to balance the budget, and retire some debt the 40% rate will be with us for a long time to come. . . .

While the partially exempt obligations may be sensitive to tax developments it is the opinion of money market advisers that they are attractive at these levels, with their selections still dominated by the last four maturities of these bonds. . . .

GOOD BUY

Alhough the savings banks and to a lesser extent the insurance companies may switch from the restricted 2¼s due 1956/59 into the 2¼s of June 15, 1959/62, and the Victory Loan 2¼s due Dec. 15, 1959/62, the shorter maturity is liked for income and price betterment at these levels. . . . In just about a year the 2¼s of 1956/59 will be eligible for purchase by the commercial banks, and under the indicated pattern of financing this bond should then be selling at substantially higher prices than those currently prevailing. . . .

Although the restrictions as to purchases by savings banks and insurance companies in the Victory drive have not been announced it is believed in some quarters that subscriptions of these institutions will be subject to allotment. . . . Whether allotments will be used in the coming drive is purely conjecture at this time. . . .

Nevertheless it has started quite a guessing game among these institutions with the prevailing opinion that somewhere between 60% and 75% of the total amount asked for will be received.

DISCOUNTED

The differential discount rate and its probable change has ceased to be a market factor. . . . It is believed by some that the reason why the reported change or elimination of this rate has been relegated to the background is because of the impending Victory Loan. Others are of the opinion that with the return flow of currency, which should be starting very soon, and the resulting increase in excess reserves, the banks will not be discounting short-term obligations, but will be buyers of them. . . .

Hence the borrow-and-buy phase of the Government bond market which disturbed the monetary authorities in the past should come to a natural end. . . .

While further use of the differential discount rate is expected in the coming drive, it will probably not reach the proportions it did in the past. . . .

FIC Banks Place Debs.

A successful offering of an issue of debentures for the Federal Intermediate Credit Banks was concluded Aug. 20 by Charles R. Dunn, New York, fiscal agent for the banks. The financing consisted of $20,060,000 ⅞% consolidated debentures dated Sept. 1, 1945 and due Mar. 1, 1946. The issue was placed at par. The proceeds, together with treasury cash of $8,710,000 were used to retire $28,770,000 debentures maturing Sept. 1. As of Sept. 1, 1945, the total amount of debentures outstanding will be $266,595,000.

Moeller to be Partner In Blanchard, Snow

Richard H. Moeller will acquire the New York Stock Exchange membership of the late Arthur A. Zucker and will be admitted to partnership in Blanchard, Snow & Watts, 115 Broadway, New York City, on Sept. 14. Mr. Moeller was formerly a partner in Smith & Gallatin. In the past he was active as an individual floor broker and was a partner in R. Swinnerton & Co., Southgate & Co., and Carreau & Co.

INDEX