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OCT 25 1945

In 2 Sections—Section 1

Objectives of the Recession Policy

By JOHN W. SNYDER*  Director of Washitallization and Recovery

Mr. Snyder Urges That Workers' Wartime Earnings Be Maintained While Price Increases Be Curbed.

In New York Address, He Stresses Necessity of Maintaining Buying Power To Support Full Production and Employment. Holds This May Mean Many Companies Will Make Less Profit

This scene in New Haven is, I am sure, being duplicated in many cities throughout the United States. Conference on recession is discussing the problems of transition period in our economy. They are preparing for American future and their influence of manufac turers, and others like you through.

*An address by Mr. Snyder before the Connecticut Manufacturers' Association at New Haven, Conn., Oct. 17, 1945, and part of another address in New York City before the American Association of Advertising Agencies on the same date.

(Continued on page 1908)

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Our Post-War Planning

By JOHN M. HANCOCK*  Partner, Lehman Brothers & Co.

Our plan: To replace 80% of defense production by Industry. To reduce defense producing to 20% by 1946. To restore the economy to pre-war conditions by 1947. To increase our nation’s output by 25%.

A Guaranteed Annual Wage

By ARTHUR LOWE

Write, Contending That a Guaranteed Wage Would Increase for a Favored Group to Equal Their War-Inflated Earnings, Points Out That Measure Would Not Increase Purchasing Power Generally, Because Guarantee Would Be For Only a Year or Less, Thus Depending, and Because Those Having Guaranteed Wages Would Benefit at Expense of Others. Sees Way Of Enforcing Guarantee If Employer Is Unable To Carry Out Contract, and Holds It Would Lead To Bankruptcies. Says Solution Lies In Amelioration Of Business Cycle.

Role of Selling

In Full Employment

By HON. HENRY A. WALLACE*

Secretary of Commerce

Secretary Wallace Stresses the Role of Distribution as One Aid to Full Production and Full Employment and States the Goal Must Be At Least 50% Above Production and Distribution Than in 1940, with a Gross National Output of $200 Billion. Says We Will Have Unemployment in Prosperity and Upholds the Senate Full Employment Bill. Foresees Heavy Capital Expenditures and Advocates Expanding Markets Both at Home and Abroad. Pleads for a High Income Economy and Says Business Must Share the Burden With Government in Attaining It.

I want to talk to you tonight about the post-war economy. We cannot afford to be as we were. We must be as we should be, and that means we shall know how to act in it or not, that fact is inescapable: once we are past the mechanical change-over from war production to peace production, we are going to be living in a world in which there can be enough of everything to go around. The tremendous progress of America's industrial machine during the war has written in every citizen of America the prophecy that this time on we can make all we need.


(Continued on page 1902)

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Street Private Wire to Boston
The Problem of Government Controls

By W. W. Cumberland*
Partner, Ladenburg, Thalmann & Co., New York City

Dr. Cumberland reckons the Progress of Controls and Forecasts Continuance in Agriculture, Industry and Finance. These Controls Comprise Regulation of Wages and Prices, and Are Based Upon the Theory That High Wages Are Necessary to Stimulate Purchasing Power and That Deficit Financing Must Be Continued. Attacks the Low-Interest-Rate Movement against Consumer Credit and the Curtailed Enterprise and Inflated Commodity Prices and Calls the "Free Money Theory," That Implies Banks Should Not Profit From Government Bond Holdings, as Dangerous. Concludes That Government Controls Add Up to Higher Costs and Lower Efficiency.

Philosophers are particularly concerned with what should be. Business men must attempt to find out what actually exists and what is going to occur in the future. Of course business men also have the obligation as citizens to try to change those things which they believe to be wrong. But as business men their principal task is merely correct appraisal of the present and future.

Thus the task for business men is to calculate correctly the extent to which government controls and especially price controls will continue or be relaxed and also the effect on our economy of continuance or removal. In approaching this problem, several industries will be examined, and conclusions should be drawn as to whether the analysis is correct.

Banking and railroad companies, longest haven under government regulation, which has gradually developed into virtual control, through in recent years such mergers of our economy as utilities, agriculture, coal mining and trading in securities have seen their economy parceled out one with the other.

I just happened to notice today that the gross income of the Great Northern has fallen. That, the bonds will receive at least a $1,000 a year increase in interest. I think they must take two or three years and, I believe the bonds can go at least a hundred dollars a year, over the "reasonable" future, until the back interest is paid. We still have, in effect, a three-year maturity bond selling at 85, as compared to a similar sized bond, the Great Northern, selling at 85.5% below par.

W. W. Cumberland

Peacetime Appraisal of Railroad Securities

By PATRICK B. McGINNIS*


A great many situations which I could talk about have, obviated it, nevertheless I should today rather review as far as possible one with the other.

*An address by Dr. Cumberland before the Boston Conference on Distribution, Boston, Mass., Oct. 16, 1918.

(Continued on page 1906)
The Outlook for Industrial Prices

By HAROLD G. MOULTON
President, The Brookings Institution

Dr. Moulton Contends That in the Present Period the Primary Factor in Wholesale Prices Tends Is Wage Rates. Asserts That Although Wholesale Wages as a Price Factor Vary in Different Lines of manufacturing and Wholesale Prices Need to Be Higher in Many Important Industries, and Points Out the Inconsistency of Trying to Prevent Inflation Caused by Accumulated Price Pressure in Wholesale Prices. Looks on the Whole for Raw Material Surpluses Rather Than Shortages. Sees No Real Ground for Fearing a Runaway Inflation at This Time.

The key to industrial price trends in the near future is not to be found in the over-all supply of money and credit or in fiscal measures. Whatever may be the long-run effects of any money polices, whether deflationist or inflationist, the present situation will not be important. In the next 12 to 18 months, there is a period of transition. In industry, price trends will be the movement of wages in different lines of manufacturing. Wages are relatively unstable. Industrial prices in a two-fold way: as income received by workers, wages constitute purchasing power for goods and services; as by mark-up or added to prices. The latter constitutes a major element in costs of production. The rise in prices is the result of the pressure problem from the purchasing power side, an increase in wages not accompanied by corresponding increases in productivity. It is an increase in price that will demand relatively little supply. In consequence, we have a rise in prices, a seller’s market in which there is a temptation to mark prices up in accordance with what the traffic will bear. From the cost side an increase in wage rates—unaccompanied by increases in efficiency—exerts a direct pressure for continuous increases in prices. Of the two forces, my observation is that the latter is of much greater importance. The entrance of a pricing power is a permissive factor; whereas the rise in costs is a compelling force.

Variations in Labor Cost Factors

The importance of the wage cost factor varies in different lines of manufacturing. In some fields wages plus salaries make up less than 20% of the manufacturing costs, whereas in others the wage factor accounts for more than two-thirds of the total cost. The range is indicated by the following:

<table>
<thead>
<tr>
<th>Industry</th>
<th>Wage Costs as % of Total Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Glass</td>
<td>30.2%</td>
</tr>
<tr>
<td>Chemicals</td>
<td>31.2%</td>
</tr>
<tr>
<td>Cotton</td>
<td>40.4%</td>
</tr>
<tr>
<td>Tobacco</td>
<td>20.8%</td>
</tr>
<tr>
<td>Machine tools</td>
<td>20.1%</td>
</tr>
<tr>
<td>Automation</td>
<td>21.8%</td>
</tr>
<tr>
<td>Woven goods</td>
<td>20.9%</td>
</tr>
<tr>
<td>Silk</td>
<td>22.7%</td>
</tr>
</tbody>
</table>

*An address by Dr. Moulton before the Boston Conference on Distribution, Oct. 16, 1945.

The Commodities Earnest and Congresswoman for the Public Sector


When the Securities and Exchange Commission, of its own motion and of its own order, set the hearing date on the recent NASD by-law amendments providing for the regulation of brokerage and exchanges, etc., we believe that the opposition which developed on the hearing date caused no end of surprise, not only to the Commission, but also to the shareholders then proposed amendments.

As we reason, no active opposition was expected on the hearing date.

So far as we know, no petition for such a hearing was filed by any individual or group. Under the terms of the governing statute, the proposed amendments would become effective within 30 days after the hearing. The Commission had been officially notified by the NASD of its passage, unless within that time the Commission entered an "Order of Disapproval."

The perfectly natural question then arises, why did the Commission set the hearing down for a hearing? Our answer is, because if any future opposition develops as a result of placing the amendments into operation, the opponents could then be told the time to have been articulated when the hearing was held before the Commission.

Now that such articulate opposition has in fact developed, and was made abundantly evident at the hearing before the Commission, we may ask the colloquial question, "so what?"

The Commission has handed down its opinion and findings. That is history, and in view of the Commission’s failure to indicate what part it played, if any, in connection with the original amendments, unsavory history.

We shall always continue to challenge the righteousness of back door policing methods, where one of the partners sits in review of the activities of the other. We shall continue to insist that under those circumstances the reviewing body (Continued on page 1983)

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By LEWIS H. HANEY
Professor Economies, Graduate School of Business Administration, New York University

Dr. Haney Contends That Although There May Be Surpluses in a Few Raw Materials, These Are Far Exceeded by Shortages of Many Important Items. Says Biggest Surplus Item Is Money, but This Will Disappear if a Natural Price Level Prevention of Inflation Exits and That the Dollar Has Depreciated as Indicated by the Foreign Price of Gold. Sees Large Backlog of Buying Power as Preventing Deposition Between Real Production Over-Estimated. Predicts Higher Prices, and Interest Rates will Be Large Post-War Boom.

I take the term, raw material, to mean the more basic heavy or crude products which are used by manufacturers in making finished goods, not only from products, such as cotton, wool, grain and cattle, but also minerals, such as coal, ore, and oil, and products of furnaces, mills, etc., including many metals.

Many "Raw Materials" Too Low. Too Low. Too Low. My point in making this introductory statement is that these so-called raw materials include most of the items classed by the government statisticians as "semi-manufactured," or "products, and that in these "raw-finishe products, lies one of the great price maladjustments of the day. As a group, these materials are today out of line with the prices of semi-finished goods, and that then, and until then, will the cycle of war inflation and contraction be completed.

Shortages Expect Surpluses

I take it that any consideration of the general price control, by such a gathering as this must center on the average conditions. Fortunately, therefore, the present situation, so far as it appears, is vastly simple. There are two great cases: (1) Some commodities exist in surplus, there being quantities available which are larger than the requirements of the current prices within the usual means of distribution.

"An address by Dr. Haney before the American Conference of Distribution, Boston, Mass., Oct. 16, 1945.

(Continued on page 1979)
Post-War Credit

By M. S. SZYMCZAK

Member, Board of Governors of Federal Reserve System

Describing War Task of the Federal Reserve as (1) Support of Treasury Financing, and (2) Preparing Currency Depreciation, Mr. Szymczak contends that Maintenance of Low Interest Rates Was "An Unsolved Fest in War Financing." Says Task Was Accomplished Through (1) Open Market Operations and (2) By Using Commercial Banks in a New Way to Facilitate Banking, Reserve Requirements Were Lowered and Entirely Suspended on War Loan Deposits. Held Greatest Responsibility Now Is to Prevent Inflation by Restrictions on Credit and Stock Speculation. Urges Passage of Wagner-Spence Bill to Aid Production.

I was born and raised here. I worked here. From this very hotel I made weekly radio broadcasts on current topics. I have always been a loyal and patriotic citizen of this city.

The War Task of Federal Reserve System

No one man saw the entire story of the credit problems of the war, but most people thought the Reserve System did have close contact with its main theme. The System, as you know, is the central banking agency of the nation, and its Ruther, finance house, moved up into the front line of the battle of peace. Our nation, which yesterday was the world's main source of war materials and armed men, is now looked upon as the world's principal source of pacific goods and credit. The difficulties we have already overcome provide assurance that we can cope with those that lie ahead.

Our Latin-American Markets

By JOHN B. GLENN,

President, Pan American Trading Company

President, New York Board of Trade

After Commenting on the Misconceptions Regarding Latin Americans, Mr. Glenn Describes Briefly the Population, Governments, Products and Trade of the South American Countries. Offers the Most Promising Field for Immediate Development in the World and That by Buying More Goods There We Can Increase Our Exports. Says Credit Stabilization of Latin-American Dollars Will Exchange If Now Plantent There. Sees Increase in American Advertising in Latin America and Desires More Advertising of Latin American Products Here.

I am sure all of you here today know a great deal about Latin America, at least you are vitally interested in those countries; yet, there are many of those who have only a vague idea even of the whereabouts of Latin America. This is simply not true, though several republics of our hemisphere are islands, such as Cuba, Haiti, and Santo Domingo. Some of the chief cities are not known. The capital of South America lies east of New York City, or that the southern part of the hemisphere are the just the reverse of our own, and while Christmas to most of us may bring a little snow, December 25th is perhaps one of the hottest days of the year in Brazil, Uruguay, Chile, and the Argentina. For the average American, writers have visited Latin America and have written books on the economic, political and social conditions of these countries. Some of our authors have described countries which they had only known for three or four days.

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Thursday, October 25, 1945

THE COMMERClAL and FINANCIAL CHRONICLE

William B. Dana Company

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Herbert D. Seibert, President

William D. Rees, Business Manager

Thursday, October 25, 1945

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(Continued on page 1074)

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**Cartels and the Business World**

BY WENDELL BERGE*  
Assistant U. S. Attorney General


During the war, American industry displayed a degree of capacity and skill unmatched by any other economic system of the world. The achievements of management, technicians, and workers enabled this country to reach higher levels of production and standards of living than had ever been attained before. This super performance gave us a new measure of the vitality and flexibility of our economy. It gave us new insight into the possibilities of technological advance and opened new areas for enterprise to explore. It carried a promise for our future economic development.

That future is now in the making. The conclusion of the war and the wartime controls and the process of reversion present numerous complex problems requiring care and cooperation for their solution. Reconversion is difficult and intricate at best, but it is a necessary interval between a war economy and a peace economy.

It is most important during this transition stage to keep before us a clear conception of our aims and objectives. It is the deep desire of all Americans to establish the conditions of lasting prosperity within our own country, and to promote as far as possible the growth of healthy economic relations with the rest of the world. It is our primary concern to demonstrate that our system of free enterprise can attain the goals of full production and employment which are fundamental to an expanding economy. It is our purpose to maintain economic and political independence and to further, through the firm basis of rising standards of living for the American people, the conditions of our economic freedom.

*An address by Mr. Berge before the Boston Conference on Distribution, Boston, Oct. 15, 1945.

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**Swedish Economists Favor Planned Expenditure**

However, Professor Ohlin says they do not fully agree with Keynesian and Hansen theories of prosperity through planned spending, says Sweden is not part of Sterling Area and that for all practical purposes the krona is pegged to gold.

Special Correspondence of the Commercial and Financial Chronicle

STOCKHOLM, SWEDEN—Swedish economists do not go along with all the way with Keynes and Alvin Hansen in their theories of prosperity through planned spending. They believe that some of the conditions for the stability of the krona can be maintained only if the krona is kept as closely as possible to gold.

Prof. Bertil Ohlin, of Stockholm University, who is one of the Swedish economists most in agreement with Keynes and Hansen on the important point of the current theories, says that he believes that a very large volume of government expenditures are needed to maintain full employment with a stable currency.

He told the Stockholm Businessman's Association recently that he does not agree with Keynes and Hansen that the krona is not pegged to gold. He says that if you had full employment permanently you would not have such large savings as Keynes and Hansen estimate. He does not believe that the krona is pegged to gold at all.

**Donald F. Brown With Bechtel in Denver**

DENVER, Colo.—Donald F. Brown, who has been serving as a Major in the U. S. Army Air Corps for the past three and one-half years, is now sales manager for Bechtel & Co., 828 17th Street, members of the American Iron and Steel Exchange. Mr. Brown was formerly head of Donald F. Brown & Co. in Denver.

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Price Now Exec. V.P. of Bosworth Chanute
DENVER, Colo.—Starling W. Price is now Executive Vice-President and Treasurer of Bosworth, Chanute, Loughridge & Co., Security Building.

Jacques Coo to Admit Dryfoos & Proskauer
Jacques Coo, & Co., 39 Broadway, New York City, members of the New York Stock Exchange, will admit Donald Dryfoos and Richard Proskauer, as Exchange member, to partnership on Nov. 1. Mr. Proskauer has been active as an individual floor broker. Mr. Dryfoos will acquire the Stock Exchange membership of Fred A. Fendt, and will operate as Proskauer & Dryfoos.

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Ricksen Trading Mgr. for Rice in New York
Daniel F. Rice & Co., members New York Stock Exchange, announce that Robert E. Ricksen, Jr., has been appointed manager of the firm's rice department of its New York office. 14 Wall St. Mr. Ricksen left a similar position with Auckholom Parker & Redfield in 1942 to fly anti-submarine patrol. Subsequently he has been flying transports for both the Army Air Transport Service and the Air Transport Command. Mr. Ricksen comes to New York in 1933 as armed services trader for G. L. Ohstrom & Co., and left that firm in 1940 to become Vice-President of Fitzgerald & Co.

Newman Baun to Admit Change Firm Firm
Effective Nov. 1, Clement W. Stuart, member of the New York Stock Exchange, will become B. Baun, Ransome, & Hollander, 120 Broadway, New York City, members of the New York Stock and Curb Exchanges. William Baun will withdraw from partnership in the firm on the same date and the firm name will be changed to Newman, Baun, & Hollander.

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In his inaugural address as President of the Institute of Bankers of Great Britain, Sir Charles Lidbury, Chief General Manager of the Westminster Bank, Limited, outlined the apparent failure of the five leading British private banks, discussed the economic consequences of the war in England. At the time, outlining the general agreement of the British war effort, 

Sir Charles remarks that the "material cost of war are seen in the destruction and dislocation of our economy. And of these the most serious and probably the biggest is the annual depreciation in our buildings and equipment. This time we have a far worse reckoning to face on account of each of these items.

"There has been destruction and depreciation both at home and abroad; and we can gauge as yet. Here at home, 2½ million properties have been damaged, 42% of them.

The price—earnings ratio would drop to 138.

The company is in the excessive-profits tax bracket, and this is not an important earnings factor. With EPT eliminated, earnings would gain about $5 a share, other factors being equal.

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Foresees Continued Government Intervention in Labor Disputes


As America swings into peacetime production, labor and management should be given the fullest possible freedom—and responsibility for working out their own collective bargaining agreements with a minimum of government intervention. This recommendation was made at the outbreak of World War II and was termed part of the administration of the war. Prior to the outbreak of World War II, there was no New York State National Guard rifle team and was commissioned in the Air Corps to assist in building up a system of gunnery instruction.

Impossible to suppose that the paralyzing of the Ruhr, for example, does not impair all Western Europe and affect adversely with the rest. We are too much a nation of shopkeepers to believe that one gets along one's customers or one's customers' customers.

Regarding the financial aspects of the war effort, Sir Charles points out that "in a war economy the Government becomes the chief custos- tain of industry, its expenditure" (Continued on page 1985)

PANAMA COCA-COLA

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The Way to Industrial Peace

By Donald R. Richberg

Formerly, National Recovery Administration Director


The greatest Peacemaker ever known often spoke in parables. As a human, he was perfect, but as a God he was not. Yet in this talk with a parable.

One day I met a man walking down Main Street carrying a large battle-axe. I stopped him and said: "What on earth are you doing with that dreadful weapon?"

He replied "I am engaged in collective bargaining-

"But," I said, "you won't swing that battle-axe on anyone, will you?"

"Not if this fellow agrees to pay me what I think is coming to me. But if he doesn't, I shall certainly beat him up."

"Don't you realize," I remonstrated, "that it's unfair to exact money by threats and that you will be put in jail if you happen with an axe? You can't collect debts that way. Under the law, you go to jail for doing that."

Thereupon the axe-man laughed so loudly I thought he would burst. He said:

"You don't understand. I am not trying to collect a debt. The man I am after is a politician. I am going to make him agree to pay me for some work I am going to do. I can threaten him with a very good lawyer and follow that up with the axe wherever he goes bargaining with an ax.

Union Racketeering

Many people think that the laws of the land, backed by the power of the courts, are sufficient to castigate, and violence apply to all people who have money. But the truth is that these laws are given a very special and limited application. The reason why we are engaged in labor disputes for example, some years ago the Congress, in a somewhat indignant mood, passed the Anti-Racketeering Act, which...

(Continued on page 1915)

Broker-Dealer Personnel Items

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

BOSTON, MASS. — Alfred H. Keiser is with John J. Baer & Co., 10 Post Office Square.

DENVER, COLO.—Malcolm B. Nichol, who has been with the home office of the firm in the U. S. Army, has been added as a supervisor at Leonard, Loughridge & Co., Security Building.

DENVER, COLO.—Mitchell P. Christensen and Donn P. Fenn have become affiliated with Garrett-Brown & Co., Security Building.

LOS ANGELES, CALIF.—Lewis W. McElroy is representing Slater & Co., 629 South Spring Street.

PORTLAND, ORE.—Gorham D. Harnett has been connected with Paul & Co., Inc.


Interested in the trend of Real Estate Bond Prices?

Send for our monthly edition of the Amott-Baker Realty Bond Price Averages

(On streets of 1920 Eastern issues)

This interesting study covers current market changes and shows clearly how prices of current and past years are affected by changes in prices as they demand, to reveal trends in the various classes of real estate bonds.

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Sees Pound Devaluation If Britain Is Refused Assistance

Dean Madden Also Foresees British Refusal to Ratify Bretton Woods Extension of Sterling Area. Says Only Solution for Removal of Exchange Restrictions Is to Cooperate to Establish Conditions That Will Permit Brits to Foster Multi-lateral Trade.

A Bulletin from London states that the pound and the Sterling Area after World War II, "is issued by Dean John T. Madden, Director of the 

Institutional Financial Finance of a University. In the United States, states that it is the only adequate financial assis- nance to be granted to Great Britain that country will be com- pelled to adopt to meet its own needs. The most important measure he believes to be the (1) refusal to ratify the Bretton Woods Agreement, (2) devaluation of the pound sterling, and (3) continuing and even widening the sterling area and raising the walls which are en- forcing more rigid foreign ex- change restrictions. The termina- tion of lend-lease operations on Aug. 21, 1945, has again brought into the forefront of public discussion the problem of the difficul- ties of international economic finan- ciation of Great Britain. The situation created by the cessation of the United States lend-lease ship- ments was of such grave impact to Great Britain, especially during the reconversion period, that the British Government, immediately instigated negotiations with the United States with the object of reaching an agreement about (1) ways and means of settling Britain's financial problems resulting from the war, including lend- lease; (2) commercial policy, in- cluding trade arrangements with- in the sterling area, and (3) type, amount, and conditions of finan- cial assistance that may be granted by the United States.

Britain's Position

The position of Great Britain at the end of World War II may be briefly summarized as follows: After almost six years of war Britain has outstanding a short-term international debt consist- ing of foreign-owned sterling bal- ances of between 12 and 14 billion dollars. The country has divested itself of a substantial portion of its best foreign assets with the result that the income from abroad in the form of interest, dividends, and profits will be considerably smaller than in pre-war years. The outlook for earnings abroad is not bright and our insurance com- panies in the near future is uncer- tain if not bad. In view of the decrease in the current in- come from abroad Great Britain would have to raise the volume of post-war exports 50% above the 1939 level in order to pay for imports equal in vol-

(Continued on page 197)

RED ROCK BOTTLERS, Inc.
Copy of company letter to stockholders, dated October 20, 1945, outlining Plan of Proposed Expansion

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A list of these stocks is available upon request.

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Our Foreign Policy

By HON. J. W. FULLBRIGHT

United States Senator from Arkansas

Science has so changed the world that the ancient international political order is in confusion. The conflict in a world united by science and separated by outlawed political barriers will continue, either until science destroys man, or man learns that aridic political sys-


tem. In July, after months of prep-

aration and weeks of debate, we adopted the United Nations Charter. We thought we had taken quite a large step toward the crea-


tion of an effective political sys-


tem for a stable and peaceful world. Although the power of the United Nations Charter, as adopted, inadequate to maintain a lasting peace, we believe there would be sufficient force, to be used this year, to stop the darkening of civilization so laboriously ac-


quired by man through countless

centuries of struggle from the jungle. Although we talk bravely about the progress in the United States are worried in our hearts. Like children who have lost their parents, we have lost, the American People and the rocket bomb, the projections of two great

oceans. We are now at peace. With the atomic forces of a turbulent world. Our confidence is unshaken by the facts and our hope in the solution of a benefi-

tlicent future. The world has been baken by the atomic bomb.

The incredible scientific pro-


ductions of the past decade is

reduced in many people, beside the persons, a new sense of dependence and a feeling of superiority which seemed to replace all contact of moral obligation to other peoples. Few people are concerned about the fate of the peoples of other nations. "Let them stew in their own peace." The great and the powerful could take care of themselves and therefore, they reasoned they must be good. But the cleverness of man has now brought into the world a power of destruction against which there is no defense.

We are troubled by a feeling of helplessness and we long to take a greater interest in our fellow men. What I hope to find is that if those peoples who con-


sume from us will buy our goods, those of us who sell will buy theirs.

We hope they are sale and that they will not buy the bomb against us in her own self-defence.

The mounting amount to hysteria, and the growing desire to act in strange ways and to utter the grossest absurdities. Men re-

Continued on page 197.

SCHENLEY DISTILLERS CORPORATION

NOTE—To have this space, please return the marked space to our office. We have been of interest to our fellow Americans. Thank you for your cooperation.

SCHENLEY DISTILLERS CORP.

Hunting for

"NEEDLE, INC." in a haystack?

If you are having trouble locating the security you seek, have a stock, why not let us help you make a sale? Long ago, we dis-

covered that our wide market contacts were useful to other dealers who needed to locate a security in a hurry. And since then we have helped many of them earn a commission they might have otherwise lost. Such friendly co-

operation has come to make up a large part of our business, and we would like to do even more of it.

We have found cooperation among dealers meant profit for all concerned. Let us prove it, next time we can be of service to you.

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Humanics

By MARK MERIT

We had a discussion, the con- 

ductor of this round of topics and a good friend has established a busi- ness man. We were enthusiastic-

ly explaining to him how we would never have encountered a then comfortable position. We ex-

pected for a while to be able to make our em-

ployees make no financial con-

tribution for their own retirement. The pension fund worth of the Plan. "Hmnn," said our hard headed friend, "some people might call that benevolent despotism."

And then we read of the passing of the price hikes. Thousands will morn him, all of their lives; and their children and grandchildren will have a just conception. He was a man who learned success from his failures. Here was a man who turned a philanthropic desire into practice. The thousands who benefited from his endeavors, whose schools and other boons to human-

It seems that this benefaction made possible, have a name, but that name certainly is not Utopia, but it is a true indication of the benefaction. We'll call it Humanics.

There will be messengers for Humanics in the hearts and in the memories of those who found this world a better place in which to live.

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590 Fifth Ave., N. Y., I. N. Y. and you will receive a booklet containing entrepreners of earlier articles on various subjects in this series.

It was a great American!
Dealing-Broker Investment Recommendations and Literature

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

Home Insurance Co.—Detailed memorandum on current situation—McClintock-Hoff & Co., Seventh Street, Los Angeles 14, Calif. Also a special bulletin on Bank of America.

Interstate Co.—Detailed study of the condition of the discount houses, restaurants, serving the public at key transplant stations—Hocking & Co., Board of Trade Building, Chicago, 4. Also available on North West Utilities Co. and Portland Electric Power Co.

Janes & Naumberg Corp.—Supplementary circular current on situation—Janes & Naumberg Corp., 4068 South Wabash Avenue, Chicago 5, III.

Lamson & Sessions Co.—Study of outlook and speculative possibilities for appreciation for this company—Ward & Co., 120 Broadway, New York 5, N. Y.; Also available is a late memorandum on Great American Industries: Shelbyville, Ind., American Hardware; Douglas Shoe; TACA Chemical; Chemolux Glass; Michigan Chemical; paper; and Puruloid Products.

Le Roi Co.—Study of current situation as a sound speculative purchase—First Colony Engineering Co., 16 Wall Street, New York 5, N. Y. Also available are studies of Active Union Stock Exchange, 208 Broadway, New York 6, N. Y. Also; on the 20th, 1945.

Sardik, Inc. and its wholly-owned subsidiary, Sardik Food Products, Inc.; 4, 20 Pine Street, New York 5, N. Y.

Shenley Distillers Corporation—Recently they have been running in the Chronicle—write to Mr. Boul, in care of Shenley Distillers Corporation, 550 Fifth Avenue, New York 1, N. Y.

Southern Pacific System—Originated in 1949, W. Benkert, Co., Inc., 70 Pine Street, New York 6, N. Y.


Whitling Corp.—Late memorandum available on 20th Street Broadway, New York 4, N. Y.

Chicago Personnel

(Special to The Commercial Chronicle)

CHICAGO, ILL. — Robert F. Bedeecker, formerly with Blyth & Company, has joined Central Republic Company, 209 South LaSalle, 4th Floor.

(Special to The Commercial Chronicle)

CHICAGO, ILL. — Paul A. Scahill has been added to the staff of Enfield, Van & Co., Inc., 100 West Monroe Street.
BOND CLUB OF DENVER

The Bond Club of Denver has elected the following officers for 1946-1947:
President: Harold Myers, Harris, Upham & Co.
Vice-President: Bernard Kennedy, Bosworth, Chanute, Loughridge & Co.

CLEVELAND SECURITIES TRADERS ASSOCIATION

Richard A. (Dick) Gottron of Gillis, Russell & Co., has been elected president of the Cleveland Securities Traders Association.

Mr. Gottron, who has been very active in the Association’s affairs for several years, replaces Morton A. Cayne of Cayne & Co.

The group’s new Vice-President is Everett A. King of Maynard M. Hurch & Co., while L. O. Ross of Gordon Macklin & Co. is the new Secretary. Arthur Metzenbaum of Will S. Halle & Co. is Treasurer.

New to the board of governors are: Arthur (Buck) De Garmo of Merrill Lynch, Pierce, Fenne- ner & Benne; Carl H. Doerge of Wm. J. Mericks & Co.; and Tom A. Melody of First Boston Corp.

Mr. Gottron and myself met informally with all the SEC Commissioners and Treasurer where we discussed the trading business and told the purposes and aims of the NSTA. We offered our cooperation for the constructive development of the industry and from the general tenor of the meeting we are very hopeful that fruitful results may emanate.

THOMAS GRAHAM REPORTS TO THE MEMBERS OF THE GENERAL POLICY COMMITTEE

I have just returned from a trip East where I attended the following meetings dealing NSTA matters.

Met with Fulton, Conway and Nolan in Washington regarding National Association with up-to-date supplements, under the 1933 Act.

Increased the exemption of every kind—Stock Transfer, Municipal, Corporate, Investment Trust, etc., has a trading department, at least of sorts, so that our own organization can call the tune in the business as it affects the trading business.

The Special Executive Committee will be as follows for the next six months: Mr. Jordan, Chairman of the Committee is to be submitted to you as soon as the Chairmen have selected the members:


Your Secretary and Chairman of the Executive Committee is in a position to clear up any of the financial matters and Presidents of all affiliates. Nothing will be done in the EXECUTIVE REGARD until I am carefully consulted and then submitted to the Executive Committee for their attention.

The suggestion has been made regarding a monthly news memorandum to the Board, which I am in charge of, and which I suggest to you all, it would be a good idea to have what you think of the idea.

Also, one or two important things that should be sent out and headdined is the rehring plan for returning veterans. Any new or old rules should be given to the members of the Community that are on the board. I am pleased to state there is a great deal of interest in the proposed legislation in defense and many fine suggestions have been made. I trust that the officers, Committees, and all, etc., may have the full cooperation of the General Policy Committee.

Carter Harrison Admits Edw. Lillig to Firm

CHICAGO, ILL. — Carter H. Harrison & Co., 200 South La Salle Street, members of the Chicago Stock Exchange, have admitted John Edw. Lillig to partnership in the firm. Mr. Lillig has been with the firm for some years as Cashier and Office Manager.

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Standard Sills Co.
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Northern Paper Mills Co.
Fredrick Grain & Matts. Co.
Hamlin Manufacturing Co.
James Manufacturing Co.

Montana Power Bonds

Placed on Market by Halsey, Stuart Group

A banking group headed by Halsey, Stuart & Co., Inc. on Oct. 24 offered to the public $40,000,000 first mortgage 3 5/8% bonds due in 1955, of the Montana Power Co. at 101% and accrued interest. The group won the award of the bonds in competitive bidding Oct. 22 on a bid of 100.797 for the is- sue of 2.8% interest bonds.

Proceeds from the sale of the bonds, together with funds from the company’s treasury, will be used for the retirement of $584,385.900 of outstanding debt now outstanding, consisting of $46,412,000 first mortgage and $4,000,000 debentures due in 1966; $10,589,900 of 80-year 5% debentures, and $1,384,000 underlying Butte Electric Power Co. 4% first mortgage bonds, due 1941. Completion of this financing, the new bonds will be the sole funded debt of the company. American Power and Light Co. owns all but 6,071 shares of Montana Power’s common stock.

Einstein & Stern to Admit

Einstein & Stern, 14 Wall St., New York, to the New York Stock and Curb Exchanges will admit Joseph H. Kas- ser, New York, to its firm, to partnership in the firm on Nov. 1.

CLIFFS CORP.

Memorandum on Request

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THE COMMERCIAL & FINANCIAL CHRONICLE

Volume 162 Number 4432
Ohio Brevities

Merrill, Turben, Co. headed an underwriting group that offered 20,000 shares of $50 par value $2.20 convertible preferred stock of Literary Guild of America, Inc., available for sale. The stock was sold at $50, with dividends declared at 6%. The sale price was $50 a share.

Other offerings in the City were as follows:

The sale price was $52 a share.

Stockholders also approved an increase in the common stock from 500,000 to 1,000,000 shares.

Others in the offering were as follows:

By 1.20 to 1.62%.

Ohio Municipal Comment

By J. Austin White

For the past several weeks the municipal market as a whole has been developing a new trend. This improvement in sentiment has been felt in practically all the various cities in the country, but also many prices have been marked up as much, or more, in the new trend. The reason for this is that several factors have worked in the municipal market.

In the public market for at least a year and a half, various city funds have been showing a marked rise in prices. In fact, practically all the city bonds that have been marked up have been purchased by the city's own funds. However, inasmuch as the city's bonds can be sold in toto, without receiving reoffered in the underwriter's books, it is possible that the city's bonds may be marked up in price on the market. But the banks do not have a large number of bonds, and the banks have been selling in the underwriter's books. The banks do not have a large number of bonds, and the banks have been selling in the underwriter's books.

The banks do not have a large number of bonds, and the banks have been selling in the underwriter's books.

This dearth of supply in the municipal bond market has been continuing since the election of Nov. 6. The Ohio Municipal Advisory Council, which recommends the preliminary schedules of bonds to the cities, has ordered the issue of only $3,000,000 of bonds. Included in these issues are some of the smaller cities, and some of the larger cities, and some of the larger cities.

A month ago in this column we reported that we seemed to be at a low. Now we seem to be at a high. Several factors have worked in the municipal market, and these factors have been working in the underwriter's books. The banks do not have a large number of bonds, and the banks have been selling in the underwriter's books.

Some bonds included in the underwriter's books are the following:

Reynoldburg, Ohio—(James O. Y. Curb Assoc.) Offering for sale $2,500,000 6% first mortgage bonds. The underwriting firm of James O. Y. Curb Assoc. will address all inquiries for bonds.

Cincinnati City bonds sold

Rankin Opens in Syracuse

SYRACUSE—W. E. Rankin is engaging in a securities business from offices at 306 State St. In the past Mr. Rankin was manager of the Syracuse & Bingham Bank.

Ohio Securities

FIELD, RICHARDS & CO.

Securities of New York and Cincinnati

Cincinnati

James O. Y. Curb Assoc.

REYNOLDSBURG, OHIO— Issue of 6% first mortgage bonds. The bonds were issued for the purpose of financing the construction of a new building for the City of Reynoldsburg.

The underwriting firm of James O. Y. Curb Assoc. will address all inquiries for bonds.
This advertisement is not an offer to sell nor a solicitation of offers to buy any of these securities. The offering is made only by the Prospectus.

NEW ISSUE

October 22, 1945

167,000 Shares

Jefferson Lake Sulphur Company, Inc.

$1.00 Par Value

Because of a large subscription by the stockholders and employees of the company the remaining shares of the subscription have been placed by the underwriters and no public offering is contemplated by this advertisement or otherwise. This advertisement appears as a matter of record only.

Metals Disintegrating Company, Inc.

(A New Jersey Corporation)

Common Stock

Price $12.75 Per Share

Copies of the Prospectus may be obtained from such of the undersigned only as registered dealers in securities in this State.

100,000 Shares

Cruttenden & Co.

A. G. Edwards & Sons

Mackubin, Legg & Company

Waiting, Lernch & Co.

Livingston & Co.

Doyle, O'Connor & Co.

George D. Benj. Bright & Co.

October 24, 1945

This advertisement is not, and is under no circumstances to be construed as, an offering of the following securities nor is it a solicitation of subscription to any of such securities. The offering is made only by the Prospectus.
Canadian Securities

by BRUCE WILLIAMS

Healthy economies and orderly financial systems are inestimable. After attempting to get a round of benefits, this principle has for nearly ten years, the Province of Alberta has now returned to

The deviation from the orthodox path has proved to be a completely wasted effort. Fortunately, thanks to the stern persuasion of the Minister of Finance, the province has been able to achieve consensus in its creditors, and has thereby been able to restructure its credit along practical lines.

However, it can fairly stated that during the past decade the full development of this richly endowed province has been considerably retarded. Now there is little doubt that Alberta, with its vast tracts of virgin fertile soil, its enormous deposits of undeveloped coal and oil, and the growing importance of its capital city of Edmonton as a world airport, will pull its weight in the inevitable economic upsurge of the Canadian West. This movement will be further aided as the result of several recent elections in Manitoba, that produced another landslide triumph for Premier Stuart Garson, and another defeat for the C.C.C. If this movement even more cooperation to depart from the path of orthodox finance, Manitoba weathered the economic storm of 1964 with credit and economy stronger, than ever before.

The brilliant leadership of Premier Garson has not gone unnoticed, but within the bounds of possibility that will be the province to the Prime Minister of Canada.

In a similar but not unrelated fashion, the question noted above has also continued to pay its obligations in full throughout the last two years. Here again as in the recent case of Alberta, the Baldwin government has made every effort to work out a scheme of payment with the provinces.

Whatever doubts might be in the mind of the people of southern Ontario, with Saskatchewan as an untried province, it cannot be said that the new government of the Province of Canada is one of failure. The administration of the Baldwin government at the recent Provincial Conference, will do enough to keep even the most diehard person from voicing any further blot on the Dominion's financial record.

A new organization, the first and only C.C.C. government in Canada, will be able to operate from the strictest orthodoxy.

Turning to the market for the present, two factors will govern the success of the Bond. A better bond and a smaller issuance is in an effort to provide the most profitable way to explore any further credits on the Bond's record.

The trend in the market for the past year has been toward a more cautious approach, and many of the securities have been in increased demand and available supplies were readily absorbed.

Saskatchewan moved ahead quickly with a 10% higher bond rate than in the past. Montreal, as anticipated continued its course and has appeared to be more for further improvement.

Internals were in renewed demand with a resumption of buying, the price of which has run up 41% of 1900 level. The market for the year is one of activity, and is likely to remain strong until the close of the year.

The future prospects appear to be a major factor in the future expectations of a large and diversified market. The prices of many securities rose significantly.

Canadian securities at higher prices, especially in the high-grade bank certificates, are likely to remain strong until the close of the year.

Chas. Gundy V.P. of Wood Gundy Co., Ltd.

TORONTO, CANADA—Charles L. Gundy has been appointed a director of Wood Gundy Co., Ltd. of King Street, W., to which office Mr. Gundy returned from overseas in September, 1946, as a Major with the British Army General Staff in the Middle East following service in Scotland. Mr. Gundy joined the firm in 1918 and has been associated with the organization in various offices throughout Ontario, Western Canada and London, including the United States.

Charles L. Gundy

Canada Crop Report of Bank of Montreal

All of the provinces of Canada were affected by the crop failure. The British Columbia have suffered from excessive moisture this year. "The result that has been and is being seriously delayed and in many areas the quality and size of the all three years was poor and in the Canadian provinces were in good condition. The Bank of Montreal on Oct. 18. In the Prairie Provinces the total wheat and rapeseed will be subject to the first official estimate, wheat production in the three provinces at 297,000,000 bushels, compared with 410,000,000 bushels in 1944 and the ten-year average of 348,820,000. Harv- est of a satisfactory crop was taken on account, with other crops fair. The anticipated harvest of wheat was stored and an average crop of good quality was grown. The products of flue-cured tobacco were above average and a good crop of buckwheat is in prospect. In the Maritime Provinces the 1954 harvest was good, and the remaining 30% of the crop is anticipated. The current offers for the $28,000,000 of bond issues have offered for the Reserve. The $28,000,000 of new securities going to depositing existing holders do not require approval at a meeting of bondholders, but merely a debtor-creditor transaction. The current offers for the $28,000,000 of new issues have been paid in 1951 to 1966, the yield 2.95% to 3.45%. The underwriting group is headed jointly by the First Boston Corporation and Wood Gundy Co., Ltd., and those associated with them in the offering are: Harriman Ripley & Co., Inc., Smith Barney & Co., Kidder, Peabody & Co., Paine, Webber, Jackson & Curtis and Blyth & Co. Inc. is offering today at 100% and secured interest in a new issue of $13,000,000. The Treasury and Navigation Co. Sinking Fund 4% Bonds, Series 21% A, due Jan. 1, 1954, to reduce loans payable to banks to the extent of $1,984,560, with the proceeds available for the General purposes. The Province made an official offer to the holders of the $35,000,000 of municipal debt and to date holders of the $35,000,000 of debt and have ascertained the plan.

F. H. Hovey Dead

Frederick H. Hovey, former national tennis champion and retired investment banker, died at his home in Miami Beach, Fla. He was 61 years old.

Mr. Hovey joined the staff of the Bank of New York in 1913 and was a director of the Bank of New York for some time with the late Howard F. McConnell.

New Birnbaum Partners

A new partnership of Birnbaum & Co., 60 Broad St., New York, has been formed consisting of Morris J. Luttermann, Nahum S. Birnbaum and M. H. Birnbaum. The new partners are formerly partners in Birnbaum & Birnbaum.


**A Positive Approach to Full Employment**

By IRA MOSHER

President, National Association of Manufacturers

Assuming That It Will Take “More Than a Slogan” to Attain an Expansionary Economy That Will Create Employment, Mr. Mosher criticizes the Senate Bill as a “Defeating” Measure Placing Responsibility on the Government and “Doing Nothing to Realize the Goal,” recommends a Special Committee of Experts to Study Needs for Legislative Changes to Further Employment of Money and Credit, to Guide Bankers in Formulating Policies, and to Provide Taxation That Will Stimulate Business. Holds Government Spending Will Not Create Full Employment and That Over-all Business Forecasts Are Certain to Be Inaccurate.

The National Association of Manufacturers, of which I am President, is a group of two-thirds of these members have less than 500 employees and is properly classed as “small business.” My own company, I may say, falls in that category. There is no organization in the nation which is more seriously concerned, theoretically or morally, than mine with the maintenance of “full employment.” We want to keep our jobs and buy our goods. The very economic existence of all of us hangs on the question of whether this being a nation of “full employment.”

In using the term “full employment,” I mean neither more nor less than a general state of prosperity and economic well-being for our country as a whole. I recognize that the term can be interpreted in various ways and that sometimes one must have a job at all times. And I am thoroughly familiar with the argument, and the fact that such a situation can prevail only by some kind of totalitarianism, or under an economic system which is not a democracy. But I mean that there is a general state of prosperity and economic well-being for our country as a whole.

The “Statement of Mr. Mosher,” before the House Committee on Expenditures, Oct. 19, 1945.

(Continued on page 190).

**New Foreign Markets**

By R. W. GIFFORD

President, Borg-Warner International

Industrialists, Assuming That a Successful and Prosperous Post-War Period May Depend Largely On Growth Points to Favorable Markets in Latin American Countries. Holds It is Possible to Telephone Our Exports and Imports. Urges Centralization of Foreign Trade Matters in a Single Governmental Agency Conducted by Experienced Men. Holds Bilateral trade agreements hinder foreign trade and that Great Britain, As Regards International Payments and Liabilities, Is No Worse Off than We Are.

I am faced with the urgent need for a strong and lasting nations peace—not for a few years while countries are at war, but for generations to come.

R. W. Gifford

**Full Employment Here Will Help Europe, Says Mrs. Woodhouse**

Democratic Congressman From Connecticut, Visiting Europe, Says European Free Enterprise Looks to Us to Give an Example of Its Successful Operation.

Among the many members of the House of Representatives who have been in France in recent weeks, Mrs. Woodhouse was particularly interested in her visit to France at the time she attended school. She feels that France is a people which has gone through a severe mental and needs to be nursed back to health. Throughout the occupation, the people of France—perhaps also those of other Nati1 occupied countries—learned to subsist, solve the problem of existing, and these habits, which at the time helped the Allied cause, are not easy to snap out of.

In a statement to the “Chronicle” in London, the House summarized her views as follows: “So far as France is concerned, the great thing for us Americans to work on is the construction of a nation, of the French people’s present emotional situation. We should be able to adapt the idea of a mode of life with them. Their economy is considered one of the healthiest in Europe. Their big item, of course, is that of invisible imports. “We must understand that the French, from the mental point of view, are in a very difficult situation after years of German occupation. They have to shake off the occupation mentality, and they must avoid a return to the pre-1939 situation. I was very much encouraged in this direction when I met with men who had been refugees in France during the war. Some of them impressed me as having gone through a change in attitude in America by democratic discussion and aiding by the will of the people. But we have a decision to make. These businessmen realize the importance of production and the ability and continuity of policy.”

**Common Stock Issue of Jefferson Lake Solar**

An underwriting syndicate headed by Halsey, Stuart & Co., Inc. is today making major offering of $28,000,000 of 4432 Power and Light Co. First Mortgages, serials due in 1954, at 101 1/2% and accrued interest.

The net proceeds are to be applied to the rehabilitation of all the company’s bonds now outstanding, namely $23,356,000 of 3% bonds, to be redeemed at 101 1/2%, and $5,000,000 of 5% bonds, to be redeemed at 103 1/4.

The new bonds will be redeemable at 103 1/4, any time after 20 years. In addition, the bonds will be insured by the Guaranty and Indemnity Company under a Certificate of Insurance and the Public Utility Holding Company Act of the Federal Government, which will provide a full refund of the insurance in the event of bankruptcy of the company.

The company is a subsidiary of the Columbia Gas and Electric Corp. The latter company just completed a full enlargement of its property. It is widespread in this territory. The company, under the Public Utility Holding Company Act to divest itself of all its power and light properties in this territory. The plan has a 10-year term and is designed to allow the company to expand its operations.

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Sees Critical Housing Shortage

John B. Blandford, Jr., National Housing Administrator, Time for Action in Housing and Calls for Legislation to Wants Private Enterprise to Do the Job.

This country has reached the need for more and better housing, and there is a lack of the National Housing Administration (NHA) to state as if a declared in a speech in New York on October 20.

"And the nature of that problem," Mr. Blandford said, "will gradually have to answer to our survival in building toward a decent standard of housing for Americans in the immediate post-war period. It will also give the guarantee of housing's contribution—or lack of contribution—to the economy of full production and our peace.

Addressing a conference on housing and jobs of the Greater New York City Housing Foundation, Mr. Blandford declared that the pressure of events still to come will make housing one of the critical issues as the nation moves from war to peace.

So we have reached the time for action in housing, he said. "In Washington the prime need is for legislation which will extend and strengthen existing housing programs. We act new programs and provide, for the public interest. This approach on the part of the Federal Government will be the best way to tackle effectively the housing emergency. In the cities, where housing is both the ultimate responsibility for local housing programs lies the prime need to measure housing needs, map out plans and objectives, and mobilize community forces on the problem on a broad front embracing labor, industry, the Federal Government and the public at large.

Mr. Blandford said in examining the national housing supply is in bad shape, that cities everywhere are lagging in the unattractive and inconvenient for a large part of their population and warned that conditions of overproduction will get worse before they get better.

"We estimate that by the end of 1946, approximately a million and a half families will have to be housed early," he said.

"And, with the mass return of veterans, another million and a half families will have to be doubled up by the end of 1946 unless we can speedily develop new measures to build new housing next year than year seen in prospect.

"Every effort," he said, "must be made to stimulate and assist broad growth and expansion in the housing production based on a good product at a fair price, through progress to achieve living improvements, the building of new markets, good wages and better stability of employment, and fair profits springing from a large volume of building.

"Government aid will be essential to help the industry reach those objectives. The industry, he said, is already deeply in the housing housing emergency. The government and the private financial aid will be needed to open up the market for the financial industry.

"Government aid will be essential to the technical research that will cut costs, and for the economic research particularly in the cities that will identify needs and marketable basis which could be brought together in a combined attack on housing, he said. We can get the research and market together in a combined attack on housing, he said. We can get the research and market together in a combined attack on housing, he said.

"Through this approach, we might consider the question of which families can pay the full cost of good private housing. We all agree that ultimately the incomes of all American families will increase, but under present housing costs will be cut sufficiently so that every family can attain that category. Realistically, that prospect is still remote for most families in the lowest income brackets. The only answer that squares with a program of good housing for all American families is to provide subsidized low-rent housing as long as there are families who can't pay more than small rent and who clearly cannot afford to rent or buy adequate housing.

"The true financial cost of subventions is another subject, he said, even when related to the excess to be realized, subsidies to those in slum areas will be minor if related to the social values of freeing millions from the terrors of a slum existence.

"The particular facts which must be provided the ground for a clear policy are not that money is no use in glossing over the cruel nature of the present housing emergency. There is an intensive and sustained efforts needed to extend the favorable trend of the in-country and to create a housing environment worthy of the resources and standards of this country."

GUARDIAN DIRECTS MARKET RESEARCH FOR SCHELEY

The appointment of Dr. Frank H. Hyppes as Director of Marketing Research for Scheyler Distillers Corp. was announced on October 20 by Lester E. Jacobson, President. Dr. Hyppes will devote his efforts to the merchandising and research and development of the product of beverage spirits.

A marketing consultant and university professor of wide reputation, Dr. Hyppes has served in executive capacities with RCA Manufacturing Co., National Starch Products, Inc., and other companies, and was the analysis of markets, pricing policies, sales and promotional methods.

Dr. Hyppes formerly was Vice-President and director of marketing for Norris & Elliott, Inc., management consultants, and served as director of market research for Brown & Tarcher, advertising agency. Prior to that, he was assistant professor of marketing and merchandising, Wharton School of Finance and Commerce, University of Pennsylvania.

Great Northern Railway

Great Northern Railway Company has irrevocably directed The First National Bank of the City of New York to publish appropriate notices calling for redemption on July 1, 1947 the entire issue of the above mentioned series of Bonds then outstanding at 105% of principal amount plus accrued interest to said date.

Great Northern Railway Company hereby offers to purchase said Series E Bonds from the holders thereof, at 105% of principal amount, plus accrued interest to said date, on Saturdays, Sundays and holidays, at prices dependent on the date of delivery for purchase, such prices decreasing from 111 9/10% of principal amount as to Bonds delivered on September 24, 1945 to 109 9/10% of principal amount as to Bonds delivered on December 31, 1945, to yield in all cases 1 1/2% to July 1, 1947, the date of redemption. Accrued interest at 4 1/2% per annum from July 1, 1945 to the date of purchase will be added in each case. The company has prepared a table showing the price so payable as to Bonds delivered on or before Saturdays, Sundays, and holidays, which are not delivery dates) from September 24, 1945 to and including December 31, 1945 and will be glad to advise bondholders thereof upon request. Holders of said Series E Bonds desiring to accept this offer shall deliver their Bonds with all unmatured appurtenant coupons to The First National Bank of the City of New York, at its office, No. 2 Wall Street, New York, N. Y. against payment of the purchase price and accrued interest as aforesaid.

Great Northern Railway Company

Great Northern Railway Company has irrevocably directed The First National Bank of the City of New York to publish appropriate notices calling for redemption on January 1, 1946 the entire issue of the above mentioned Series I Bonds then outstanding at 105% of principal amount plus accrued interest to said date.

Great Northern Railway Company hereby offers to purchase said Series I Bonds from the holders thereof, at 105% of principal amount, plus accrued interest to said date, on Saturdays, Sundays and holidays, at prices dependent on the date of delivery for purchase, such prices decreasing from 111 9/10% of principal amount as to Bonds delivered on September 24, 1945 to 109 9/10% of principal amount as to Bonds delivered on December 31, 1945, to yield in all cases 1 1/2% to July 1, 1947, the date of redemption. Accrued interest at 4 1/2% per annum from July 1, 1945 to the date of purchase will be added in each case. The company has prepared a table showing the price so payable as to Bonds delivered on or before Saturdays, Sundays, and holidays, which are not delivery dates) from September 24, 1945 to and including December 31, 1945 and will be glad to advise bondholders thereof upon request. Holders of said Series E Bonds desiring to accept this offer shall deliver their Bonds with all unmatured appurtenant coupons to The First National Bank of the City of New York, at its office, No. 2 Wall Street, New York, N. Y. against payment of the purchase price and accrued interest as aforesaid.

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Bank and Insurance Stocks
This Week — Insurance Stocks
By E. A. Van Deusen

By the time this column appears, "Fire Prevention Week" will have come and gone. Each year it marks the anniversary of the Great Chicago fire of 1871 in the city of Chicago, and it is the occasion on which the insurance industry and the fire service in the United States are called upon to issue their insurance losses for the previous year and to report the fire losses in the present two-year period, as specified in the U.S. Statutes. The statistical reports of the American Insurance Association and the National Board of Fire Underwriters should be sent to the editor of "The Commercial & Financial Chronicle," 11 Wall Street, New York, for publication in this column.

There are many important points that can be made about the 1871 fire in Chicago, but one that is of particular interest to students of insurance history is the fact that it was extinguished by the firemen and by the public, and not by the insurance companies. The fire started in the afternoon of October 8, 1871, and by the time it was completely extinguished, the fire had consumed more than 200,000 lives, and property losses of more than $250,000,000, approximately ten times as great as the loss sustained in the Great Chicago fire of 1871.

The insurance companies were not prepared for such a disaster, and they did not have the resources to cope with it. However, the firemen and the public were more prepared, and they were able to control the fire by using buckets and hose carts, and by digging trenches to stop the spread of the flames.

This is an example of how the insurance industry can work with the public to prevent disasters, and how it can be an asset to the community in times of need. It is also a reminder of the importance of fire prevention and safety education.

Terrorist activities in the United States have increased in recent years. The recent attacks on New York City's World Trade Center and other cities have raised concerns about the security of our financial system.

The insurance industry is well positioned to help in this area. Insurance companies can help to identify and mitigate risks, and to develop plans to respond to terrorist attacks. They can also help to provide financial support to those affected by such events.

However, it is important to note that insurance is not a substitute for other forms of protection. The best way to protect against terrorism is to prevent it from happening in the first place.

Bank and Insurance Stocks

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Kern County Land Company

Pacific Gas and Electric Company

San Diego Gas and Electric Company

N. Y. Stock, Curt Exch.

To Close on Navy Day

On Saturday, Oct. 27, the New York Stock Exchange will close to celebrate the Day of Navy and the visit of the United States fleet which Newport News will welcome on that day. Announcement of the closing of the Stock Exchange on Navy Day, was made as follows by John A. Coleman, Chairman of the Board of Directors of the Exchange who stated that the closing of the Exchange was to be observed on Friday, Oct. 26 at 1:00 P.M. and will be observed at that time.

"This will be an occasion of great pride for the Navy and a means of expressing the gratitude of the whole nation to the gallant naval forces with the highest American tradition, brought us to victory, and will enable us to celebrate in 1944. The Navy Day of the United States fleet will be celebrated in this Republic.

Taxpayers should not overlook the provision in the Tax Act of 1943 that the government has a right to collect taxes in the amount of 25% of all interest income received by individuals in connection with the war. This means that cash is waiting for taxpayers who are not individual, but the Government cannot impress it. Therefore, taxpayers do not apply for, with the cash this made available to be spented for the war.

The largest corporation to close on Navy Day is the Pan American Airways Corporation, which may not be in operation on the following day, due to the war. The Corporation may be declared and may be wound up, which may be the right answer to the question of the Corporation's future.
Kennedy Returns to C. J. Devine & Co.

Lt.-Commander Frank T. Kennedy has returned from temporary assignment in C. J. Devine & Co., 48 Wall Street, New York City. He has been the executive officer of a night fighter squadron with U.S. task forces and saw action on Iwo Jima, Yap, Palau, the Philippines, and other points in the South China Sea and Formosa. Immediately prior to his release he served at the Naval Air Station, Martha's Vineyard.

Frank T. Kennedy has been elected Vice-president and Director of the company, which has been incorporated under the laws of New York. He is a member of the board.

The company's other officers are: C. J. Devine, chief executive officer; W. E. Devine, president; E. G. Devine, vice-president; J. E. Devine, treasurer and secretary.

The company's main business has been the importation and sale of tobacco products, and the company has been in the tobacco business for over 60 years.

General Hardin Named TACA Exec. V.-P.

Brigadier-General Thomas O. Hardin of Waco, Tex., has been elected Executive Vice-President of TACA Airways, S.A., (Sociedad Anonima), parent company of the TACA airlines in Central and South America, it was announced by Benjamin F. Pepper, Chairman of the board.

General Hardin will have direct supervision over the activities of the TACA regional Vice-Presidents and the Vice-Presidents in charge of transportation and engineering. The new general manager will be in New York in the executive offices of TACA.

General Hardin comes to his new post with a background of more than 25 years in aviation. For the past 15 years and three years he has served abroad in various capacities with the Army Air Transport Command.

General Hardin was not only a heavy transport group, but also a command officer of the Army Air Transport Command.

He was awarded the Air Medal, the Distinguished Flying Cross, and the Presidential Unit Citation.

The Massachusetts Mutual man has a big job to do — the important job of turning the searchlight of experience on the loss that organization suffers when key-men die.
Lord, Abbett has announced certain alterations in the terms and banking group associated with the Affiliated Fund bank. The new loan amounts to $19,500, 000 and is secured by a large—three in New York, two in Chicago and one each in Boston, Philadelphia, and Pittsburgh. Because of some question which existed with respect to the Federal Reserve Board Regulation U limiting borrowing on securities at 25% of their value, the new loan is secured by the pledge of any of the corporation’s assets.

Two New Funds Popular, 5

President of National Securities & Research Corp., has announced that sales of the two new National Series — I. selected Groups Series and Specialized Series, originally offered on Aug. 17, 1945, on Oct. 15, 1945. The dealer reception accorded these two new funds is tangible evidence of the popularity among investors.

Net assets of all National Securities Series as of Oct. 15, 1945, exceeded $33,000,000, a growth of over $14,000,000 since Jan. 1, 1945.

Nine Months’ Sales

Distributors Group has mailed to dealers a tabulation showing nine months’ sales, repurchases and gains of Groups Securities, Inc., compared with the corresponding figures for the 69 open-end member funds of the National Association of Investment Companies.

Net sales for the industry during the first nine months of this year totaled $318,400,000 of which $28,475,000, or 22.5%, were accounted for by Group Securities, Inc. A further breakdown shows net sales of under $1000 and specialty funds at $76,600,000 for the period, with Group Securities sales accounting for 35.4% of this total.

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ONE COURT STREET BOSTON 8, MASS.
amce in the distribution of such purchasing power, which is a direct indication that equilibrium essential to the development of a dynamic economic system may be offset by the scale of living for all.

The problem is understood that industry include legally enforceable commitments in its wage contracts, which it is either concerned or not. Therefore, it makes no sense for a company to make a commitment to any, whether by its assets or by its income, or by different, industries and labor unions. As a speculator purchasing power, it might be for example, that workers union real value. At face value, it seems at least one company commitments, however, most factories would not bring enough key to do with guaranteed and the fluctuation of a more or less automatic, precaution. Further encourage the payment of additional wages.

**Must Have Ability to Sell Products**

In the financial market, any commitment to pay weekly wages necessarily accompanied by a continuing ability of a company to absorb consumer reactions, which the company powerlessness to control. Unemployment, which in this case is completely regressed, no one can control the national unemployment rate, the total absorption of industry, some of which funds required to make good the guaranteed wages. Without such commitment to be able to sell all the industry capacity to purchase, an industry contract to pay guaranteed wages would be worthless because such a guaranty of the wage demand would not destroy our economic and social form of Government.

During the active business the public absorbs the output of all industry. Any such output is the product of labor as well as the product of consumption by the government, and the president of consumer demand will determine the existence and social form of Government.

An assurance that the public will purchase all that is produced and sold will be an assurance of guaranteed annual wages. Industry is anxious to control this employment. Only through the production and the marketing of its products can industry control guaranteed annual wages. At the same time when such a contract is not in place, the rate of employment (or unemployment) is increased. Therefore, there are no genuine guarantees of annual wages, for without such guarantees of annual wages, industry will control the entire economic system.

**Does Not Increase Purchasing Power**

The wages a worker receives determine his ability to buy, and which exchanges the product of his labor, controlled by his bargaining power, which is for the exchange by which he or she exchanges the steel he makes with a ready market. While, the other necessities and luxuries produced by others. Fundamentally, wages are bought upon an exchange of goods for wages in other words (the purchasing power) originate in...

Tomorrow's Markets: Walter Whyte Says

By WALTER WHYTE

Majority of leaders now within the 1939 obstacles which stopped previous advances. Continued, but presence of old barrier justifies soft-testing.

Little has happened since the boom. But what has written to change the market outlook. Most of last week's strength is now fading. But the market has been fluctuating fractionally, but practically always they were within reaching distance of the old highs.

The familiar averages have gradually eaten up the distance between the 182 figure and by a series of moves have managed to advance to close to the 190 point. Incidentally, readers of this column will recall that a statement was made in this column that additional advances to about the 190 level were indicated.

But while the averages sort of crawled up the past few days, there was nothing hesitant about a number of stocks. On a comparative basis some of them went through the 190 level as if it were made of hot butter. It is not surprising therefore that bullishness is as strong as it is. It looks as if many a stock may get away from him by some 10 points is bound to become impatient about any other stock he may have been thinking of buying. That he becomes bullish is natural.

Unfortunately this kind of bullishness is seldom based on anything tangible. It begins as a hope supposedly supported by conviction. This feeling isn't limited to any individual or any group of individuals. In this stage of the market, the by-products of all the news one sees becomes a source of profit. Still the hope is a thing to go no further a calculated plan. It is almost completely emotional...

Emotions such as these, because they are based on hope, can change suddenly. I have yet to see a market that I didn't think was going down. But I have yet to repeat it, because only by repetition can it be understood. I would like nothing better than to say "This is the time to buy" and follow it up with a greatly enlarged list of stocks. But what I can't do myself, I will not advise others to do.

Technically, many of the stocks are close to, or in the midst of, the 1939 obstacles. Incidentally, you can get a clearer picture of what these levels are by looking at some new charts which have just been put on the market by S. Stephens, New York. Practically all the leaders are now in that area from where a sharp jolt can occur, almost without any advance notice. Whether the jolt will come is hard to tell. What is clear is something else: Markets don't ring warning bells. They just act and later the hindsight observers can look back and see where their mistake was made.

That mistakes are made is natural. They are made both in the long and in the short side of the market. Frankly, few of this column were committed to any stocks at this time, the temptation would be great to go long. Perhaps a mistake, which would cost plenty, would be made. But as we are already committed let us now be in chancing stocks at this stage of the market cycle.

There are certain issues, like Commercial Solvents, Continental Diamond Fibre, etc., which really look high. Everything else being equal, I would be strongly tempted to suggest that we 'go long. But I know that no stock can be stronger than the entire market—at least not for long. So we will not buy these and other stocks in the back of our minds until the general market pictures justify new buying.

Last week the stops in the stocks you have raised. Up to this writing none of these stops have been broken. Prognosis for the market is that ex- isting positions should be undisturbed. S 40 c's, purchase levels and critical points are as follows: A. M. River bought at 19, stop is 10.25. Jones & Laughlin bought at 35, stop is 39. Paramount bought at 301/4, stop is 37. White Motors, bought at 29½, stop is 33. More next Thursday.

—Walter Whyte

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

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Dilly p. 3-317
Hytron Radio & Electronics Corp.  
Common Stock  
Prospectus on request  

HERRICK, WADDELL & CO., INC.  
55 LIBERTY STREET, NEW YORK 5, N. Y.  

EXHIBITIONS OF PATRIOTISM AND BOND SELLING TECHNIQUES THAT HAS EVER BEEN DEMONSTRATED AT ANY TIME ANYWHERE.  

We met Louis the other day. We asked him how he did it. Here are some tips for some of you experts who have been selling securities all your life. "First of all," he said, "I figured it out this way. Why make it complicated? Sure I sold all types of bonds, the T's, the taxable, the 2's, and the rest. But I didn't go into a long talk about debts, taxes, inflation, deflation, or even helping to win the war. I took it for granted that everybody wanted to back up the war effort. A lot of people had heard all the sales talks and they didn't need it. I sold it to me—I joked and kidded about the most serious thing in the world—the winning of this war. I made a game out of it.  

"I realized that into my restaurant came some of the finest people in the world. Show people, great stars of radio and screen, also some tax drivers and workmen from factories and stores, as well as many wealthy business executives. Scores of them knew me—had served them for years—they called me by name. So I decided that I'd go after their war bond purchases. I had my menu printed with the following heading: TO OUR PATRON—You'll Buy War Bonds—Sooner Or Later—Get 'Em Today—From Louis The Walker.' I printed up stationery with this heading on it. I gave away hundreds of cards.  

I made a list of everyone I knew. I wrote to them and I talked with them. I worked at the job. Pretty soon I began to get the orders. One star gave me an order for a hundred thousand dollar bond—her husband was in the Navy. Another great actor wrote me a letter from Hollywood—he asked if I could send him some canned salmon and a few other hard to get items—I said sure if he would buy a $50,000 war bond. He wired back, 'Send the salmon.' He bought a $100,000 bond.  

"After I sold my first two million, the papers and magazines started writing my story. I got decorations from Washington and I...
ment policy has employed Federal Reserve Bank credit as a means of advancing government institutions, for preventing the public from expressing its considered judgment on the fiscal and financial policies of government. One reason for such policies is to avoid the costs of an increasing national debt. Another reason is that interest rates are commingled with the taxes and transferred taxes which are always involved in government deficits.

The "Helping Hand" Policy
An analysis of monetary and financial policies is the entire subject of this paper. None is more important, however, than government policy toward the economy. The issue is a government that will "help" the economy or one that will weigh it down. The program and philosophy of the latter, for example, are the belief that "helping" means transferring wealth from one group to another, paying higher service charges, constructing plants to favor some, etc. The former, on the other hand, believes that the only part of the economy that should be "helped" is the productive capacity of the nation. And the way to improve this productive capacity is to create conditions in which the owners of productive capacity can receive a profit. Private enterprise is most common in periods of prosperity, when confidence and optimism are high. At such times interest rates also tend to be lower. And as a result, the policy of government has scant favorable effects on the general economy. Its most likely outcome is to curtail the growth of business, which is the basis of expanding production and employment, and bring about increases in commodity prices.

Some of the self-styled "advocates of laissez-faire" in government and academic circles are now carrying the doctrine of easy money. They are, in favor of "free money." They are, in favor of "free money." This is particularly true of some who have been tentatively advanced by Mr. Berle in the work of the joint national economic committee and we shall probably have to endure considerable surfe before this theory, as well as its less ambitious coadjutors, has advanced easy money, has been exploded by the consequence.

The "Free Money" Agitation
This free money doctrine rests on some such argument as the following: Having found that we have financed enormous expansion of productive capacity through credit expansion, we have arrived at a point of output, in considerable measure by means of government deficit financing. Much of this money was obtained by the process of increasing the purchasing power of banks to accept government promises of payment in return for increasing the purchasing power of bank deposits. At such times the government has not expanded the money supply on all civilian goods. But the conclusion that government bonds or other securities did not utilize their own capital or the savings of other citizens would be entirely fallacious. It would be impossible to produce the same amount of output and thus produce a surplus of cash in the hands of the government which would then be utilized to purchase goods and services. Thus the government bond would increase the purchasing power of the government, as well as the productive capacity of the nation.

The inflation argument is little more than the tip of the iceberg. The nation's production is being reduced to a point where the nation is not producing enough to meet the demands of the people. This is not the result of government policy. It is the result of the nation's overproduction of goods and services and the consequent reduction in the nation's productive capacity. The nation's production is being reduced to a point where the nation is not producing enough to meet the demands of the people. This is not the result of government policy. It is the result of the nation's overproduction of goods and services and the consequent reduction in the nation's productive capacity. The nation's production is being reduced to a point where the nation is not producing enough to meet the demands of the people. This is not the result of government policy. It is the result of the nation's overproduction of goods and services and the consequent reduction in the nation's productive capacity. The nation's production is being reduced to a point where the nation is not producing enough to meet the demands of the people. This is not the result of government policy. It is the result of the nation's overproduction of goods and services and the consequent reduction in the nation's productive capacity.
Peacetime Appraisal of Railroad Securities

(Continued from page 1946) that is that if I hadn't been right I wouldn't have been wounded and the right answer is that I have never recommended a railroad stock. Nor am I going to recommend one in the future. But to return to the subject at hand, there are annual dividend payments made by railroads, and these dividends, when viewed from another angle, become capital to the railroad owners. The construction of a railroad involves the expenditure of a great deal of money. In the case of a railroad, the interest on the capital stock is the same as the dividend on the common stock of a corporation. The amount of the dividend is usually paid out of the earnings of the company. However, the dividend on the capital stock is usually a smaller percentage of the earnings than the dividend on the preferred stock. The preferred stock is usually paid before the common stock dividend is paid. The dividend on the preferred stock is usually a fixed amount, while the dividend on the common stock is usually a variable amount. The dividend on the common stock is usually paid only if the company has sufficient earnings to pay it. The railroad company may also have a surplus, which is an accumulation of earnings over and above the amount required to pay the dividend on the preferred stock. The surplus is available to pay the dividend on the common stock. The railroad company may also have a deficit, which is an accumulation of losses over and above the amount required to pay the dividend on the preferred stock. The deficit is a liability to the company and must be paid off before the dividend on the common stock can be paid.

Railroad Improvements

Since the war, that is since 1914, the European war, started, back in 1914-15, has changed themselves considerably, physically. In that period they have destroyed greatly the plant. And the war has seen the complete destruction of the basic plant. The Diesel locomotives on railroads, the exception of the coal carrier, they have not been able to get the equipment, at great savings. They have been able, in a short time a method of handling the traffic of heavy and light loads traffic control. Very little of that was erected before the war, steel and other instruments that is big engines. And in a great many of the heavy load engines, that you have must have heard me explain that before—central traffic control on a single line nearly the capacity of a double track; and the commonal of that is that a light density double-track railroad can be converted into a single-track rail road, with much saving; and there is one of that, by the time the war started.

Railroads on a Cash Basis

The railroads are in a cash position. The highest gets about $1.50 an hour. If you add the wartime profits, the average, including the Dow-Jones railroad average, for the first time rail rates are competitive with industry generally.

So the railroads and industry wages are close together. Personally, I think we are going to have higher wages in all industries. Therefore, we are going to have higher rail rates. Terms of railroading, higher rates. On the other hand, the possibility of my line, but that is the way I view it, and I do not view it with favor. Not necessarily;

Those who do not like rails like that are suffering from the inability to pay 1945 costs, 1945 wages, and 1945 interest. It was an interesting fact that the railroads will lose money. I could do the same thing with my railroad bonds on that theory, because I would rather have protracted and depressions to use the carry the overhead.

Shift of Rail Market

The current state of the market seems to be on the way to a bond market, the prices at which they are selling are below the railroad prices, particularly since 1923-1929, and they are owned by the institutions, and railroad stocks sold relatively high in the market, they never sold quite as high as the other railroad stocks. There was a time, in the 15, 16 times earnings level.

The collapse in this country they didn't begin to feel, beginning in 1931 and terminated in 1938. The bank failures in 1937, affected the railroads, of course, like every other business. Unfortunately, this 10% billion worth of bonds came on the market. Eventually, of that 10 billion, $5 billion became the 7% preferred stock convertibility. I have told you many times that a 7% bond is worth about 60 cents on the dollar—it is worth about 60 cents on the dollar. I have come to this conclusion by the way. I have never—before the war, I have never enjoyed similar treatment. I have never recommended a railroad stock. Nor am I going to recommend one in the future. But to return to the subject at hand, there are annual dividend payments made by railroads, and these dividends, when viewed from another angle, become capital to the railroad owners. The construction of a railroad involves the expenditure of a great deal of money. In the case of a railroad, the interest on the capital stock is the same as the dividend on the common stock of a corporation. The amount of the dividend is usually paid out of the earnings of the company. However, the dividend on the capital stock is usually a smaller percentage of the earnings than the dividend on the preferred stock. The preferred stock is usually paid before the dividend on the common stock is paid. The dividend on the preferred stock is usually a fixed amount, while the dividend on the common stock is usually a variable amount. The dividend on the common stock is usually paid only if the company has sufficient earnings to pay it. The railroad company may also have a surplus, which is an accumulation of earnings over and above the amount required to pay the dividend on the preferred stock. The surplus is available to pay the dividend on the common stock. The railroad company may also have a deficit, which is an accumulation of losses over and above the amount required to pay the dividend on the preferred stock. The deficit is a liability to the company and must be paid off before the dividend on the common stock can be paid.

Spread Between Rails and Industrials

In any case, railroad gross has followed industrial, for example, its the Dow-Jones rail index that is the only one in a spread, but the
J and JI average, which I of selling and dividend-paying stocks that are outstanding and are now ahead. They are selling today at 112.

There are stocks selling on those five shares, as against the standard 10 shares, and that-line-up will be hard to beat. In other words, when you include the premium on the dividend-paying stock, like Bos¬
ton & Maine, you have the hope of ever becoming a dividend payer, and that is not, as a matter of fact, we accumulations on the preferred, it weighs down the average so greatly that you could not de¬
dicate the real state of the rail¬
roads.

Status of Rail Reorganizations

As far as reorganization is con¬
cerned, several have been com¬
pleted—the Western and the Erie, Northwest, and a few more. I think that none of those railways have sold bonds, and that line-up will be hard to beat. In other words, when you include the premium on the dividend-paying stock, like Bos¬
ton & Maine, you have the hope of ever becoming a dividend payer, and that is not, as a matter of fact, we accumulations on the preferred, it weighs down the average so greatly that you could not de¬
dicate the real state of the rail¬
roads.

Missouri Pacific Bonds

don’t think the present re¬
organization of this railway and I think somewhat along the lines of the old and the new dollars worth of new bonds plus Missouri Pacific Refunding Bond. Obviously, it is harder to get individual subscriptions. I think some of you are customers’ brokers — it has been reported that the Missouri Pacific $5 at 85 when they first went on the market, they find they sold at 22. But so has everything else moved up. What you have to watch out for is the change at a discount.

A great many times before—if you get a thousand dol¬
ars worth of something the Missouri Pacific reorganization—say 20 shares of the MOP coupon at 50, you would think it was a great investment. But when the MOP Refunding 5s are selling for $200, you have the equivalent of 50, assuming the payment over the next few years of the bonds is $200,000.

There is still tremendous leverage in certain of the bonds. For instance, if the $5 at 30$2 is converted into a 3-year 10% bond. But you have not only the 10% on the face of the bond, but a 5% bond, with accumulations of $50,000,000, and you have a "discount" are still there in Mis¬
souri Pacific stock.

And the junior bonds, the time element is all-important; whether or not the Missouri Pacific junior bonds are going to be paid off in 50 years. If this plan is going through, I think each bond and each plan has been progressively better and better for the sake of the bondholders and Jack. Those stocks are selling—of the senior bonds, because the reorganization of refunding bonds is gradually being paid off.

The Rock Island Issues

In the situations we are tradi¬
ing on "When Issued" basis, my favorite is Rock Island, right now; the junior bonds, the preferred and the com¬
mon stocks, and I call all the secu¬
rities. My reasons are two fold.

(1) I think the Rock Island is on a much better financial basis, and the war will be one of the roads that will have a larger revenue. When a railroad makes money on passenger busi¬
ness, it has a tremendous effect. If the Rock Island used to lose millions of dollars, but now makes money, in another year and a half the Rock Island will be complete¬
ly in the shape of streamlined, air-conditioned cars, and it will make money. (2) I think the Rock Island case is that the Board of Directors dominated by the Chicago, Milwaukee & St. Paul, in a great many of our railroads of present management appears to dominate the directors. If a road is dominated by the bond¬
holders, we have a very good chance; if the road is dominated by the bond¬
holders, it is going to be a very good chance, if the road is dominated by the stockholders, I think I’d pick those stocks ahead of a stock where the creditors have the great power.

There are, however, two out¬
side of the general reasons, why I prefer the Rock Island in the "when, as and if issued," situa¬
tion.

Among the nine or seven situations we are now trading on "when issued," a very important one is that I think of the cheapest individual income bond today is the Rock Island B In¬
comes, which closed today, I be¬
thought of as a bond which carries nine points of accrued inter¬
est. So the price is about 7%1%1%. I think this is just as good as Northwest Incomes, and, therefore, we would, with accumula¬
tions, at par.

Among the preferred stocks, I think the Rock Island selling at 65, with no accumula¬
tions, is the cheapest, because it has the greatest leverage. There will be only 150,000 shares of the stock outstanding. There is no other preferred of that amount outstanding that is on the railroad. It will have tremendous leverage in the years to come.

Among the common stocks that we are trading on a "when is¬
sued," the one to notice is Rock Island common stock, for the reasons that I think that Rock Island could become one of the best class of the Atchison common shares.

Realize, when you look at Rock Island $5, they get first mortgage fixed interest on $570,000,000 worth of money about $310,000,000 of fixed interest bonds.

I picked out for you my choice of "when issued" income bonds, because I can see the common stock of the reorganizing carriers.

The Borderline Rails

Get back to the old, the former borderlines, for a min¬
ute. With the exception of Illi¬
nois Central and New York Central, there are no large situations now selling at a discount, and most of those have been sold off at 90 or above. You can’t buy any discount bonds in Southern Rail¬
road or Southern Pacific or Northern Pacific. They have got at par. There is nothing I can say about those bonds to you as individuals.

In the stocks, therefore, for In¬
dividuals—and again speaking to you in your profession—we have certain groups of the Missouri Pacific junior bonds that we have at 85, and each plan has been progressively better and better for the bondholders. Those stocks are selling—of the senior bonds, because the reorganization of refunding bonds is gradually being paid off.

Baltimore and Ohio

But when you get below them, you run into the type of stock, like Atchi¬
on, Atlantic Coast Line, Great Northern, Northern Pacific, Southern Pacific.

What is going to be the future of those stocks? I think eventu¬
ally they are going to move into the position that L.

or, C. & O. and Pennsylvania have maintained. In other words, there has been a very large number of bonds outstanding, and in cash all their callable bonds. Baltimore and Ohio have not been refunded. Atchison has changed its manage¬
ment, and this is now, the present management of the Atchi¬
on, under Mr. Fred Garley, will be in the position that the Atchison has ever had. The Baltimore and Ohio is in the process of getting itself out of this irregular dividend pay¬
ning class and get into the regular dividend paying class.

Well, what about Atlantic Coast Line, Great Northern, Northern Pacific, Great Northern? That is, the equivalent of about $10, be¬
cause the price is $570,000,000. But there is no reason the Baltimore and Ohio should be at the bottom.

Nothing new has been introduced—nothing new of sub¬
tance, the Baltimore and Ohio has approved an ICC plan. The filing of briefs is due on Nov. 5, and, my opinion, we will get a de¬
cision near the end of the year.

Now, what does the plan do? In 1916, rather than choose a plan under Section 77, the Baltimore and Ohio chose a tentative plan. That is a plan that is not an amendment plan. All the maturities are moved up, and they are merely of academic interest. The only way to get around is the fixed charges, which formerly were $34,000,000, are reduced to about $5,000,000. That was accomplished through a huge amount of refinancing, in the open market of over a hundred million dol¬
ars worth of bonds by the use of war earnings.

The most important factor in the B. & O. plan is that all the bonds, with two little exceptions, are going to be made very important to railroads if your railroad is giving ahead of the rest. Look at the unfortunate position of South¬
ern Railroad now. They have $6 3/4, 5s. Not a single direct obli¬
gation of the Southern Railroad is callable. In the New York Central only one bond is callable at this time—the 4s. The 5s are callable, but not until 1961. Only a small portion of Pennsylvania obligations are callable. That makes a tremendous amount of difference—whether you pay 5% on $50,000,000, or 3% on $500,000,000, and that is the situation you have in the Baltimore and Ohio—$570,000,000 of bonds with an average coupon of nearly close to 5%, most of which are callable.

There is no reason why, when this good plan is consummated by the first or second quarter of next year, the company can’t begin call¬
ing the B. & O. bonds. In my opinion they will be able to com¬
mand the credit to bring their overall charges within two years, to about $16,000,000. And when you have the fourth or fifth largest railroad on that basis, and only 2,600,000 shares of common stock, the Baltimore and Ohio is the B. & O. is leverage stock.

The relationship of bonds to stock. In the event B. & O. has created the terrific leverage in the common shares, but, as I said, it worked both ways. You can see for your¬
self—$200,000,000 of common and at one time, at the height of $750,000,000 of fixed debt. That is down now to $750,000,000.

But the amount of the bonds is not important to me as fixed charges. The fixed charges were $34,000,000 before the stock was cut away. My opinion is it will be down to $16,000,000. So, as a result, you are picking up almost $17,000,000,000 of capital stock. That creates leverage.

(Continued on page 70)
Looking Ahead

Peacetime Appraisal of Railroad Securities

(Continued from page 1967)

Now, as all transactions progress, you reach different lev¬
els. Some stocks reach the 40 level, without dividend. The price in Nickel Plate, or without divi¬
dends, they have difficulty getting the market. But you get there with dividends. B. & O. has a sharply reduced fixed charges dividend, which leaves stock very attractive. Now in prospect, the B. & O. pre¬
ferred can go back on the dividends. In the past, the common stock can do the same.

Chesapeake and Ohio

Passing on to some of the other situations, in the case of the Nickel Plate, Ches¬
apeake and Ohio, I see no reason why, even if you say it's a long way off. But, I say simply this—that it does not mean that you should have a double-edged atti¬
titude toward them. They are, on the one hand, an established company, and, secondly, the leverage in¬
troduced by picking up the Nickel Plate and the C. & O.

Now, as regards other stocks, such as the E. & N. and Southern Railroad, I see no rea¬
son why, even if the dividends are not paid on the same basis as the Nickel Plate, they should be in the 60-80 level. They should have a price which will cut across the words of the market, be¬
tween the words of the railroad, and the railroad price being $80 or 85, even if the dividend is not paid, so he has nothing to complain about.

Whether the plan is fair or what his attitude toward it is, I am not able to say. But I am sure that it isn't, for I am sure that it's not. And if we take that into account, we can make the plan work.

The Biggest Surplus Is of Money

The biggest surplus is of money. The surplus on the surplus and that is the surplus that is most significant. It is in terms of how much money is left in the company. If you have $100 worth of surplus, and you have $100 worth of surplus, you are left with $100 worth of surplus. And there are no cases where you have $100 worth of surplus and $100 worth of surplus, and you are left with $100 worth of surplus. The surplus is of money, and the surplus is of money.

Legros Chairman of Northern Ohio IBA

CLEVELAND, Ohio — Emil Legros, the former chairman of the Northern Ohio group of the Investment Bankers Association, has been chosen as the first president of the Northern Ohio IBA. He has been chosen to succeed President H. J. Hous¬
ton, House & Co. Mr. Legros will succeed Mr. Hous¬
ton next month.

The new chairman has been active in IBA for a number of years, and has served on the board of directors related to Optis & Co. of Cleve¬
dlnd, and as a director of the Northern Ohio IBA. He is president of the Northern Ohio IBA, and has been chosen to succeed Mr. Hous¬
ton.

Other new officers, who also are members of the executive committee, are Alvin J. Shapin of Palme, Webber, Jackson & Curtis; C. M. Colyer of Central National Bank of Cleve¬
dland; John H. Fawore of the National Bank of Cleve¬
dland; and John J. Cullen of the National Bank of Cleve¬
dland.

The new chairman has been a member of the board of governors and members of the execu¬
tive committee, and has been active in the affairs of the company.

Legros was appointed to the board of govern¬
ers of the company by the board of directors.

The company has been active in the affairs of the company and has been active in the affairs of the company and has been active in the affairs of the company.

The one great fact about all those interested in the broad trend of commodities is to keep in mind, is that money is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the greatest. It is the great
The Collapse of World War I

Sustained by the war, the Industrial Production Index has reached new heights, reflecting a significant upward trend.

Real Production Overestimated

One more point and I will come to my conclusion. This point is that the pessimists fail to understand not only money and production, but also "production," and the statistics of production. Let us consider the draft of war materials. There is no sense, then, in thinking that so-called "production" has not been restored in time, and that, on the contrary, it is still at a high level.

A cycle theory explains coming boom.

This brings me to my conclusion. It is my theory that war inflation, as seen most notably in factory payroll and farm values, has wiped out most of what would have been an ordinary business recession. I believe that we are now near the low point in that suppressed busi- ness cycle, and that a cyclical upswing now will reinforce the continued expansion of today, so as to produce a large post- war boom.

There is no way to give you in detail the evidence for this opinion, but we can point out that there are sufficient indications that a peak may be reached in 1945. For example, steel production was then abnormally high in comparison with industrial production. The total volume of industrial sales was high compared with retail sales. Bank credit also began to show some indications that a strained condition would develop eventually.

But, though industrial production has now declined somewhat and physical stocks of products such as zinc have risen to enormous proportions, you might be able to see the usual cyclical recession, because in the Spring of 1944 the inflationary war spending of the government found expression in soaring payrolls, and the investments of the banks in government securities shot up like a rocket. Commodity prices as a result have been rising, quite steadily, with only minor dips ever since July, 1943.
**Cartels and the Business World**

**The Question of Foreign Cartels**

What is true of our domestic situation is also true of foreign trade. We cannot resolve the threat of monopoly at home without also dealing with the problems of monopoly in the other countries which deal with us. Whether we like it or not, our American market is increasingly becoming dominated by foreign capital.

The most obvious harm of monopoly is the reduction of competition within the country. But there is another aspect, one that affects our trade. If one country dominates all the markets of another country, that country will dominate our trade. If the European countries dominate sales of raw materials to us, our industrialists will be at the mercy of the European countries. Similarly, if the United States dominates sales of consumer goods to the countries of the world, they will have the power to make us pay higher prices for those goods.

In other words, if we want to maintain our own economic power, we must ensure that our country is not dominated by foreign monopoly. This is not just for the sake of our economic health, but also for the sake of our political stability. If foreign countries dominate our trade, they can use that power to influence our domestic policies. This is why we need to take steps to ensure that our trade is not dominated by foreign monopoly.

In conclusion, the battle against monopoly is a battle for our economic independence. We must work to ensure that our country is not dominated by foreign monopoly, both domestically and internationally. Only then can we truly secure our economic future.
The Outlook for Industrial Prices

(Continued from page 1947) increases varies widely, and that one cannot generalize as to the extent of changes which will have to be raised with any given increase in costs. It is also true, however, that the wage factor in general is of major importance.

Wage Rates and Price Control

Wartime experience clearly reveals that a rapid increase in the wage cost factor in relation to prices is tantamount to price control. The controls in this country it was assumed that the task was one of establishing a system of price controls. The object was to minimize the incidence of price increases. It was generally agreed that if wages advanced too rapidly it would be necessary to curtail the level of prices. If prices advanced more rapidly than wages, there would be a danger of increased cost of production. In either case, it became necessary to establish price controls.

It is also true that increasing wage rates are a matter of major importance.

The determination of wage rates has been of great importance in the period since World War II. The OPA has recognized that cost increases in industrial, raw materials, wages, and the like, must take account of changes in wages, costs, and prices. For example, in setting prices at which durable goods whose production is subject to controls can be sold, consideration must be given to the wage cost factor. Thus it is clear that wage rates are a matter of major importance.

Wage Rates and Price Control

The current drive for substantial increases in wages is readily explained by the nature of the economic situation. The war has been over a long time, and the increased demand for labor has led to a rise in wages. The cost of living has also increased, and the need for a higher wage rate is evident. The OPA has recognized that cost increases in industrial, raw materials, wages, and the like, must take account of changes in wages, costs, and prices. For example, in setting prices at which durable goods whose production is subject to controls can be sold, consideration must be given to the wage cost factor. Thus it is clear that wage rates are a matter of major importance.

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Our Latin-American Markets

(Continued from page 48)

Naturally, there is a great dis-
parity between the upper class
lifestyles and the livelihoods of
all these countries and consequently a
struggle for better living conditions.

Future Trade Prospects

Latin America offers today the most
promising field for immediate
and future trade with the
world. Many products formerly
bought from other countries
must now be procured from
Latin America, and even
more can be. Russia can be mined or
grown at small cost in
Latin America. Coffee is
produced in Brazil, in Mexico and in
Costa Rica; tea in Peru; cocoa in
the same countries. Originally,
silk cocoons than Java, but,
silicified mangosteen and other
fruits from this hemisphere, which,
formally come from Russia and the
former Soviet Union, now import
94% of our essential tropical
crops from the Far East.

Middle East and only 6% from
Latin America. For these products
originally came from Russia.
South America has an
tremendously important quinine
and rubber, all of which can be
bought from Latin America.

By buying from Latin America we
would be following, as required by the
conditions and the circumstances,
earnestly hold our exports to well
over $1,000,000,000, a year,
participate in the favorable trade balances,
which means that Latin America can
be purchased from us, of $3,000,000,000 and
we can make a surplus in
trade to compete under present
conditions.

The natural zone of influence expands
to the northern part of the United
States to include the Northwest
province in the north. In
Latin America, Venezuela and the West
Indies form a natural belt. The
people of these countries are Latin
American and closer to Europe
than to us. Brazil, however, lies
in the southern part of this belt.
Her products, but Uruguay and the
countries of the eastern side of the
Netherlands, as the agricultural prod-
ucts, are found in the region. There are similar to our

of the Latin American countries
produce an enormous amount of basis of quality but have been
temporary to make purchases tokens. We can make a big
supply by the United Nations
in the present on account of more
cooperative relations and under-
standing, and longer credit facili-
ties.

While we are handicapped to
day in carrying out our trade with
Latin America, with the
nterests, priorities, export licenses
give us on our difficulties of transporta-
tion, on account of which
have made admirable strides in spite
of a long struggle. We have the Pan
American, with a record of carrying, during
cost has been reduced to
a great extent and now is handled in the entire U.S.
over the same period. In
addition, with the building of the bridge
over the Suruchi between Mex-
ican and Guatemalan territory, trade
now be made by rail not only to any point in Mexico, but to Guatemala
and Salvador as well.

Credit Standing and Dollar

Exchange

That the American business
has been profitable, has been
proved by the Credit Interchange Bureau which
rates commercial credit in all of
its member countries and
classifies all as "good".

Senator Dan & Bradstreet's survey
showed us that the amount of
credit loss among the Latin American
has been reduced to about

creditable. As sellers to us, Cuba ranks first, followed by a close second and Mexico
third.

In normal times we must ship
about $50,000,000 in tobacco, $100,
000,000 in sugar, and $100,000,000
in coffee. The price of
these materials for our war
effort amounted to about
$360,000,000.

Of the Latin American
countries, Mexico stands out as
one of the most successful.
As sellers to us, Cuba ranks first,
followed by a close second and Mexico
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third.
The Way to Industrial Peace

(Continued from page 192)

fused by one or both parties, and if the dispute threatens serious injury to substantial public interests, there should be appointed a Government fact-finding commission to hear the parties and to make recommendations for the settlement of the dispute. The law should also provide that, during all these proceedings, which a peaceful settlement should be sought, there shall be no strike or lockout or other dictatorial act by either party.

What I have been outlining is not a theoretical scheme for preserving industrial peace. It is the practical way in which peace has been preserved on the American railroads for over 19 years. The principles and methods written into the Railway Labor Act in 1926 have been rewritten to apply to industry in general. The bill introduced June 20th by Senators Hatch, Burton and Ball.

The Hatch-Burton-Ball Bill

There are, of course, a great many things in the HB bill which go far beyond the provisions of the Railway Labor Act. There is, for example, a provision for compulsory arbitration of a limited class of labor disputes which would deprive a community of the amenities of life. Such compulsory arbitrations are always finally decided by arbitration—by the acquisitive and good working conditions. It is a well known fact of labor history that no economic conflict can be removed by law. But strikes can be made illegal and their results avoided if the government were to offer organized workers a better chance to obtain satisfactory wages and working conditions than they would have by resorting to strikes.

Many persons assume that the construction of labor controversies without a struggle and without compulsory arbitration of all unsettled disputes. But compulsory arbitration is not a sound alternative, for many reasons:

1. The possibility of compulsory arbitration would seriously injure collective bargaining. It would encourage a stubborn, unreasonable negotiator to hold out for advantage, to make his demands, and to accept no responsibility.

2. Labor disputes involve questions of Và...
Our Post-War Planning

(Continued from first page) or for that matter, if it is to be an error in the chart, by the inebriating action of the pol¬

cated course due to external forces of


raged course, or in the natural failure of its power plant. The same kinds of hazards attach themself, not only to the course of the Ship of State. As the threats to the world’s history and all our na¬

tional affairs—especially our foreign policies—lie first, in a human failure to follow the chart, and second, to a failure of the chart itself. The chart itself is right and the ship is capable of withstanding any wind or storm, such as the growing demand for the powerful central government or of the socialized state—ideas contre-diabolique that stand in our path. In the peace terms, destroying elsewhere the Nobody octo¬

real right left is a human failure to follow the chart.

Saturation media and shoes do not appear to anyone on the surface of the ship, nor in the actual weather any signs required for ships—charts based on the experiences of men who have been on the seas. For, the men who have planned to prevent ships from wandering into the unknown waters of the sea, that state, is equally uncharted. I feel much safer on open sea, whether rocks and shoals, concealed from the eye, barrier to all, are as many miles away as in the same faith in our Ship of State that we must be able to know something about it. If we can't think it can go anywhere, the weather for today seems good we give little concerns to our course, whether the reality is defined right and whether we set our course for the right goal. We may not be suddenly inspired or fear.

For the Ship of State there is no all of the historians and philosophers and states and philosophers none art and also required for any simple political sense, let me add that the result of a political lesson in turn the facts of experience—are on the right side of the channel, nor all the knowledge looking on the left. If the political ship wants to overshoot the mark, the chart is a guidance with a shrewd of unexplored ideas, the crash will be always an accident on the course because the ship was being steered only all the winds.

The Driving Power

The driving power of the Amer¬

ican Ship of State has been its free enterprise system, and with a free and loss system if you will, the American Way of Life. That power won’t fail unless we, the crew, determine that our ship can destroy that motive power unless we let it. When a better course has been charted and proven, we will consider a change in the system; and until this new power plant is proven, let’s face the one that is now the world’s best.

Who are the people who sit at the helm of our Ship of State? What are the ones who encourage the consumers to keep the power on? They are the leaders of our country—

who try to keep consumption up to the point of saturation. They are the keep driving for still more produc¬
tion, and they are even willing to lower prices, broaden markets, in¬

crease sales and consumption. Ex¬

cept, perhaps, would be wished to achieve energy. It’s the nearest thing we know to a universal motion. We have recently met the “savers" needed for slowing the electrons in the process of developing atomic energy, Now we have a new research job of an entirely different kind for some scientists in developing a "boosting" channel, which is anticipated to expand human energy, so as to increase its production in every form and sales.

Lessons of History

Let’s take a look at some of the world’s facts. We have put on the course of our national history, and we have been trying to destroy our motive power. We have been looking at some of the lessons of history, some of the hard facts, and some of the political facts, to the whole course of development of our power plant and discover what we mean when we speak of "national sys¬


tcase" or "American Way of Life." We have been so con¬
misunderstood, and made it all for¬


ganted for so long that we need first, look at the results.

May I invite you to a close reading of the work of Lowell who said there is no place ten miles square where a man can live in decency, com¬

fort and safety. The state of the whole has gone there first and cleared the way and laid the foun¬
dations that we may live in safety and security. Just as we have found the course through the Gospel, so we have taken for granted the American Way of Life which has pro¬

vided a standard of living so high as to make the world in its entire history. No one will claim it is perfect, that is easy to see, but we all wish to have it. If we seek to improve it by an evolutionary process and not a rerun, it will never be done.

A record of Enterprise

One of the most interesting and justifications for, it has produced the American Way of Life, the world in its entire history. No one will claim it is perfect, though, it has been satisfying all people. If it is not, it will all be for the better.

The American Way of Life

In the process of developing the American Way of Life, it was the intent of the state to mix the ideas of individuals and businesses in an equal way. The idea of a market economy is the keystone of a modern way of life. That idea has been the goal of the last decade. If there is no place ten miles square where a man can live in decency, it is a good place to use a small bit of an atomic bomb. It is a mystery why the American Way of Life has been so long destroyed by the effects already caused by the over-charged "system".

Meaning of Free Enterprise

Having looked at the two courses of action, we can now speak of free enterprise. For, it is a complete plan made by each individual or corporation, within the framework of free operation and a function of which should be the scope of freedom.

It may well be that the word "freedom" has hurted during the war. Now, this good word has appeared to mean something which I know not better word, but I will speak of freedom as it is used in the concept of the American Way of Life. Freedom means all these ideas—equal op¬

portunity, a fair-sounding name. But it is consistent with full personal re¬

sponsibility, it is not a union, it is not an association of unemployed or a bankrupt government—one of the major differences being one of purpose. The free enterprise system means that all ideas are included in the concept of freedom. The free enterprise system means that all ideas are included in the concept of freedom. The free enterprise system means that all ideas are included in the concept of freedom. The free enterprise system means that all ideas are included in the concept of freedom. The free enterprise system means that all ideas are included in the concept of freedom.

The free enterprise system can be kept bright enough to attract all our people, but I know not better word, but I will speak of freedom as it is used in the concept of the American Way of Life. Freedom means all these ideas—equal op¬

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sponsibility, it is not a union, it is not an association of unemployed or a bankrupt government—one of the major differences being one of purpose. The free enterprise system means that all ideas are included in the concept of freedom. The free enterprise system means that all ideas are included in the concept of freedom. The free enterprise system means that all ideas are included in the concept of freedom. The free enterprise system means that all ideas are included in the concept of freedom. The free enterprise system means that all ideas are included in the concept of freedom.

The Rule from the serum on the Mount is that all these are more, too, but they seem the essential elements.

Planning by Government

Have you thought about what happens when a national planner gets on the course of the Government for the first time? For there can be no plan without the power of the people, and so the people can do for them¬

selves. Everyone who has ever had an extensive planning at national basis should first ignore in private life, for a necessary part of any group of people who have never been effective. There seems to me only one answer that has the most sharply conflicting points of view. First, government can require a plan. That is regimens, if of the Government. And we shall call it, and we have been fighting a war in opposition to that idea. We have been fighting a war about the Government of the world. Will we now, after the war, insist that the Government of the world be as a thing to do, or we will insist that we have to pay the costs of Government? Our course does not have to count the costs of Government. But, which course has been in the service of the world, marshals a political force which is more important than any group of people. There isn’t anything that can be done for you. You have to buy some things, see some things, sound money policies, the competitive system, a large vol¬

ume of production, and remove some of the services at the price that people are willing to forth¬

en anything so glamorous as the promise to provide jobs for all.

Of course every one of us is desirous, but financial safeguards are also necessary. We have had to pay for the war or the course of action. That is State Socialism, and we have been fighting a war in opposition to that idea, and the Government. Wouldn’t it be strange if we were to adopt State Socialism for our¬

selves, and then, we wonder about Government. We know that the Government is contrary to the entire history of our nation, and the phil¬

domenon of ruin in the course of a decade—of that idea. That course is not only the financial course, but the moral fibre of the people. The American Way of Life has been for the people, and the people are willing to pay as we go for our social ad¬

vances for which we can pay.

Higher Living Standards

I think I can safely assume that the American Way of Life has grown, but doesn’t have a higher standard of living for our people and who will receive the new advances. One of the important things that have been paid for is the cost of more things—things of the value, but not the cost of more things. We have many manufacturing plants that we need for meeting the war, but not the war, that the people. We have every kind of that is needed for the war, and the people. The one remaining step to insure the production of goods and service that are needed for the war, and the people. We have every kind of that is needed for the war, but not the war, that the producer is not able to get by force. We have every kind of that is needed for the war, but not the war, that the producer is not able to get by force. We have every kind of that is needed for the war, but not the war, that the producer is not able to get by force. We have every kind of that is needed for the war, but not the war, that the producer is not able to get by force.
To be sure, there is a great deal of truth in the idea that ownership is a fundamental right. Indeed, the very concept of freedom is based on the idea that individuals should have the freedom to acquire and control property. However, the idea of property as an end in itself can lead to a neglect of other important values, such as justice, equality, and the common good.

For example, the pursuit of maximum profit by corporations can often lead to exploitation of workers, environmental degradation, and social inequality. This is a problem because it is not only the individual corporation that is affected, but the entire society. The negative effects of corporate greed can ripple through the economy, affecting individuals and communities in numerous ways.

In conclusion, while property rights are a fundamental aspect of a society's legal and political framework, it is important to consider their larger implications. The idea of property should not be seen as an absolute right, but rather as a means to an end. The end that property is meant to serve is to provide individuals with the means to pursue their own happiness, but this can only be achieved if property is used in a way that promotes the common good. Otherwise, the pursuit of individual gain can lead to the exclusion and exploitation of others, which is antithetical to the values that underpin a just and equitable society.
Our Post-War Planning

Our Foreign Policy

Continued from page 3777)

the possibility of employment ranging from 52,000,000
to 66,000,000 workers in this country alone. Two
things have been created that business is going
on—employment for the middle or lower class-
sons—or else. The implication is that the
business does not provide Jobs. Government
will take the place of business—and that philosophy
doctorates is that philosophy the certain result is
the recovery of the basic tone of the times
over. That means Socialism in the air. I agree
only or else. I believe the best or else that
possesses to the principles of the
American Way of Life—competitive,
freedom, open competition, no favor to any class and
means that the consumers of American products of
items. It is fair to trust the joint wisdom of all of our people as
fair to trust the joint wisdom of all of our people.

The Over-all Question

Not only, neither more, nor less, is What is going to happen in this
field of Credit and Finance. How far is the
Government going to attempt to make a feather-bed
the consumer. We believe that it is going to go in attempting to
control the whole of the credit system. That is what I suppose most of us are
concerned about. The ticket isn’t written yet. No one knows what
the date is going to be. We are going to have to make the answers
ourselves. We are going to help make the answers ourselves.

Eisenhower never knew the facts of our over-all economy. Reasonable
ity, the facts of a leveling down as a result of
how it will be carried out by the government, but on this point of the right
of the men in government to manage the
whole economy he was dead on. "I never could believe that
Providence had sent a few men into this room to
and broadened, to ride, and million ready
be sent to be ridded." I am ready to adopt any
better plan before thinking of about what
we get. I am ready to adopt any
better plan before thinking of about what
we have to say.

I must admit there have been weaknesses in our
system, but it would seem to me far
better to have job opportunities in it rather than
to attempt a reckless change in the
economic structure. The change in the
business is going on—employment for the middle or lower class-
sons—or else. The implication is that the
business does not provide Jobs. Government
will take the place of business—and that philosophy
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ourselves. We are going to have to make the answers
ourselves. We are going to have to make the answers
ourselves.
Sees Pound Devaluation If Britian Is Refused Assistance

(Continued from page 163)

some time to that of 1918 Britain’s ability to export depends on the purchase of quantities of raw materials and semi-manufac-
tured goods. Such imports must be paid for in terms of the “free” (hard) currencies, notably gold and dollars which the country is lack-
ing. To illustrate this point, let us refer to the Bretton Woods Agreement, which requires that British金银 (gold) and dollars be kept in check and abandoned of speci-
difics of the two countries. This in turn will be determined by a number of factors, the most important of which is the price level. It is fairly certain that prices in the post-war period will be materially higher than during the thirties and they may be above the level that prevailed during the twenties. In both countries the cost of production, notably wages, has increased. Furthermore, the service of the huge public debt and the increased expendi-
tures for national defense, veterans’ as well as social welfare purposes will require large tax revenues which depend on the size of the national income in terms of national income in terms of the pound sterling. It is not unlikely that in Britain the over-all tax revenue will exceed the tax revenue of the two countries, and even further.

Great Britain’s competitive position in the world’s market will also depend on the amount and conditions of credit facilities that can be made available to her borrowers in countries abroad. The decline in the purchasing power of the sterling area under exchange control is an essential minimum that would occur in an atomic war, rather than in an international war.

Changes in the international value of the pound will be expected to have a very strong influence on the currencies of some Western Euro-
pean countries and of other countries which have recently concluded an agreement with Great Britain. Changes in the international value of the pound of gold or dollar value of the cur-
cencies of the sterling bloc countries will be reflected in the Canadian dollar. Consequently any action taken by the British Government to change the international value of the pound is likely to have a corresponding effect on the rate of exchange in some of the sterling area countries.

The sterling bloc is likely to be affected in this way, because the member countries of the sterling area are likely to be affected in their ability to pay for imports.

The policy of the British Government will follow the general line of British policy as well as the following conclusion. The immediate future, at least until the period when Britain has resumed normal economic conditions, will be an interest of the British economy to maintain a high international value of the pound. The transition from war to peace time operations and the export trade are likely to be the following conclusion. The immediate future, at least until the period when Britain has resumed normal economic conditions, will be an interest of the British economy to maintain a high international value of the pound. The transition from war to peace time operations and the export trade are likely to be the following conclusion. The immediate future, at least until the period when Britain has resumed normal economic conditions, will be an interest of the British economy to maintain a high international value of the pound.
A Positive Approach to Full Employment

The problem of what vehicle under the present system which is so poor that everyone, men and women, young and old, is unable to eat its way out of the necessity of order to eat tonight. But that is not what we mean by this term, and I cannot advocate a policy which will not yield to be fully established. I am afraid that this is because under this system the individual enterprise has never provided more than temporary full employment. It is necessary for the Committee, therefore, that I take the opportunity of giving the record on this. We have good data on the United States, and the country going back to 1900. It has been compiled by the National Industrial Conference Board, which we take the 30-year period from 1900 through 1930, the so-called frictional unemployment years.

1. For these 30 years the average employment was 40% of all labor, which was more than 1% in full employment. If we eliminate the three wars years, we find that the post-war years have over-employment, the average for the period was 1% in full employment, and only 1% in full employment.

2. During the entire period we drooped below "full employment" level of 4% in any one year (1921).

3. During the 30 years we had more than 2% "full unemployment" in about every two consecutive years, and there were occasions (1900-1901, 1914-1915, 1921 and 1922).

4. During the 30 years we have had more than 1% "full unemployment" and we have had unemployment, which includes the First World War, 1914-1918 and 1919, and the Second World War, 1939-1945, and also the preceding three decades. Conclusions are drawn here by the government to create employment that is more or less permanent. I think it officially should appear to indicate that the government is emplement, for government is to provide these jobs. But those of us in the public are not convinced that such a hands-off policy is not no longer adequate. On the contrary, we believe that the government action by government is essential. It is for the government to ensure that these people may be happy to have this opportunity to discuss the H. R. 2202.

Developments Full Employment

Gentlemen, there are only three basic developments which can bring a period of prosperity to a halt and throw our economy into a depression with mass unemployment, and what is equally important is the fact that only policies that will prevent these developments. For some of us has been a matter of observation that we finally have been convinced that there are three developments which are of vital concern, and that is the elimination of all special favors. That, we are convinced, is what the non-monopolistic con-

1.65% of the money and credit system, including the public, our banks, and consumption, which might have prospered into an inflationary boom, which must inevitably result in increased production, and employment.

2. Granting or perpetuating special privileges which prevent the flow of goods and services at the lowest possible price and thereby a lack of balance between the different parts of our country, is imperative.

3. Prevention of an adequate flow of capital, will not aggravate the job-making activities.

Mr. Chairman, it is not that the function of your Committee to conclude on the various fields. Nevertheless, since it has been decided to act by just H. R. 2202 but the whole question of full employment, and since we are convinced that full government and full employment is an inseparable part of the public interest, we feel that these few words as to sum up our suggestions.

1. Under the present Government Policy

In the field of money and banking and the management of the currency, we are at present no one man, which is the only legitimate question set down and spell out in detail just what should be done. There is no longer a single government authority in this field that we are in the future to be required to own a deflated monetary unit; that there should be definite limits upon the credit expansion powers of commercial banks; that interest rates should be subjected to a degree of stability to which our financial system can be reduced and that it is imperative that we have a system of credit reform which all those who will hold this as a permanent investment until the collapse of the world's monetary system.

2. On agriculture we urge that farm markets formulate and recommend to the nation a sound agriculture policy. We must be assured that the food will be plentiful, but that it is a matter of what available area can be utilized to produce the most profitable division of our labor.

3. Of the existing labor legislation is based on the principle of the all-time employment. In recent years, the laws and their administration have created a situation which has operated against the public interest.

In the past few years came under pressure of the trade unions, which is the real labor market, and the conditions we now face in the present era of reconstruction, revision which will eliminate the maximum wage laws and labor at the same time, so far as affecting labor's protection.

4. The fundamental legislation to correct existing labor legislation, and the rights and responsibilities and obligations for labor are not far behind. We should not protect individuals in their right to work; to regulate union practices, and to limit maximum production or limit job-shop. The law should make the same free choice in se-

5. Higher wages and living standards should be accorded labor; to increase management, and vice versa by their collective bargaining contract.

The second major point we should like to ask you to consider is what the character of the bill would be if this mechanistic procedure were carried out. It is not only necessary that the President submit a national budget set of economic opportunities, ... and the investment and export sectors; in the investment and export sectors, so that together with such recommendations as may be deemed necessary.

The substitution of such a genuine, for the present mechanistic procedure now common, a new approach would obviously be a fundamental change in the economic system, a change which would have the effect, at least insofar as the National Budget is concerned, to be far-reaching. It would mean, if made, that we would have anything but an extension of the public contribution to full employment...

The answer to this question concerning the relationship of the Federal Reserve Board in the practical way of practicing in the President in January or February of next year, or later. More or less detailed forecast of budgetary policies are to start within the next months starting the following July.

However, we recognize, of course, that the budgetary process, however obvious is ultimately the inevitable, the necessary... is not the sharp line of the... and the Congress look to the budget as the framework of their budgetary policies.

But this type of cooperation and planning ahead is vastly different than a situation where the Guarantee of the President and Congress giving full consideration to the cooperation between the Executive and the Congress, and the cooperation between the Congress and the President in the budgetary division of the government, the better off the country.

Correct Overall Forecasts Not Concerned. Possible. The plain fact is, gentlemen, that making correct overall business forecasts for 18 months in advance is simply not possible, and that, even if it were possible, it could be made, I say this with the most complete and the most absolute, because on the basis of what we now know it is impossible to make such a forecast. It is important to know whether or not you will help them do this, but it seems to me that the most people have trouble with this.

But business statistics, no matter how they are done, may be nothing but a historical collection of data. The past is not the past and what it is, and what it was, and what it will be, is no longer adequate. On the contrary, we believe that the government action by government is essential. It is for the government to ensure that these people may be happy to have this opportunity to discuss the H. R. 2202.

The problem of special privileges is a good one to keep in mind, and it is one that the public interest is concerned. It is a matter of what we can do to prevent the repetition of that situation.

Special Privileges

On the problem of special privileges, the government's function is to prevent... what the public interest is concerned. It is a matter of what we can do to prevent the repetition of that situation.

Taxation Reform

The problem of ensuring a adequate flow of capital into productivity is well known. Our principal recommendation has been the removal of all special taxes. Since that subject is currently at the forefront of our thinking, it is not fitting for me to use these examples as a platform from which to present a study of the impact of taxation on productivity. I think it is fitting, nonetheless, to make the following points: first, that as rapidly as possible the income tax rate should be reduced to a level which will not needlessly discourage investment; and while at the same time recognizing that a somewhat larger than the previous proportion of the budgetary income tax system as a whole, such a tax system should be designed to provide a major breakthrough in the existing tax laws. This, in turn, would have the effect, at least insofar as the National Budget is concerned, to be far-reaching. It would mean, if made, that we would have anything but an extension of the public contribution to full employment...
Will Aggravate Instability

The other half of the answer to the question of whether having the "full-employment budget" would contribute to the assurance of full employment, is to be found in the fact that, whatever thing he says is almost certainly to aggravate instability. There is the lack of unemployability, and so consequently the need for the return of unemployables, which results in the government policy of full employment. This is identical with the fact that, if the government policy of full employment were to be carried out, it would lead to an increase in the number of people who are employed, and a decrease in the number of people who are unemployed.

This answer is made more complete by the fact that, in the view of the present government, the policy of full employment would be carried out by means of the following measures:

1. An increase in the amount of money in circulation, which would lead to an increase in the amount of money spent on goods and services. This would in turn lead to an increase in the number of people who are employed, and a decrease in the number of people who are unemployed.

2. An increase in the amount of capital available for investment, which would lead to an increase in the amount of capital used for investment. This would in turn lead to an increase in the amount of goods and services produced, and a decrease in the number of people who are unemployed.

The answer to the question of whether having the "full-employment budget" would contribute to the assurance of full employment, is therefore that it would not.

Mechanism Unworkable

As we analyze R. H. 230, therefore, Mr. Chairman, it appears to us, first, that the mechanism proposed to be used is not one that would be effective in bringing about full employment. This is because it is based on an assumption that the government can pay for the full employment budget by means of the collection of taxes, and that this assumption is incorrect. If the government cannot pay for the full employment budget by means of the collection of taxes, then the only way that it can do so is by creating money. This would lead to an increase in the amount of money in circulation, which would lead to an increase in the amount of money spent on goods and services. This would in turn lead to an increase in the number of people who are employed, and a decrease in the number of people who are unemployed.

In summary, the "full-employment budget" is not a workable mechanism for bringing about full employment.

October 24, 1945

Seargart Member of NY Security Dealers Ass'n

At a meeting of the Board of Governors of the New York Secu-

rity Dealers Association, held on Oct. 18, 1940, George A. Sea-

gart, president of the New York Stock Exchange, was elected to

membership in the Association.

Lester Talbot Partner in Grinna & Company

Lester Talbot, member New York Stock Exchange, has been

admitted as a general partner in the firm of Grinna & Company of

Street, New York City. Mr. Talbot has been in the armed services

for some time, but has returned to the position of a Lieute-

nant in the United States Naval Reserve.

This advertisement is not, and under no circumstances to be construed as, an offering of the following securities:

Aerovox Corporation

Common Stock

($1 Par Value)

Price $9.25 Per Share

Copies of the Prospectus may be obtained from such of the undersigned only as are registered dealers in securities in this State.

Barney, Emerich & Co., Inc.

Hirsch & Co.

Bond & Goodwin

Cohu & Torrey

October 24, 1945

If you see a cloud, you should not assume that the sky is full of clouds. Even if you are looking up at the sky, you should not assume that the sky is full of stars. The sky may be full of clouds, but you do not have to look at the sky to know that it is full of stars. Similarly, you should not assume that the sky is full of clouds just because you see one cloud. You should look at the sky and see all the stars before you can say that the sky is full of clouds.
Role of Selling in Full Employment

(Continued from first page)

make of just about anything we may be able to produce.

Every plan we make for the postwar world will have to build around that fact. Make all the allowances you wish, carefully and opti-

mistically, you cannot have a reasonable security of thought otherwise.

Leaving en-

tirely out of consideration the probable conditions under which the most

important industrial applications of our industries have been produced in the

years past have disappeared. The general result remains, however, and the production

potential for the fuller life— we have, indeed, the

chance of achieving an economy and, most important of all, the opportunity of utilizing all our resources effec-

tively.

Distribution, Real Problem

The real problem of the postwar world is not production. It is easy to get production going, we have distribution. The real bottleneck for 1946 will be the discovery of the type of distribution which makes full production possible.

The merchandising of goods in the practical terms of business is the real problem we face. To you salesmen, this is a direct challenge—a challenge to ingenuity, to mental alertness, to courage. You gentlemen who are concerned with the demobilization problem in the markets, with trying to supply the important strategic position from now on. To the industrialist in the country I would say that their ability to buy over their additional dollars in large measure on how well you do the job that the man who builds, the imaginative, constructive selling.

During the next six months, as we rather painfully enter a new year, we are faced with the odd-constricting

Unemployment in Prosperity

On the one hand, it is inconceivable as anything can be that there is an enormous backlog of unemployed workers of every type—a demand which, in the nature of things, cannot be satisfied in a war economy. Consequently, there is an equally obvious fact that we are getting a good deal of unemployment and the war production to pay for victory; and before the transition is completed, we are due to get a good deal of unemployment from the release of munitions workers and others who have been in our labor markets. In short, a large backlog of unemploy-

ment is to be accommodated in the months ahead, by a heavy burden of unemploy-

ment.

It seems fairly clear, furthermore, that those two opposing facts could go on living together for a long time, if we permitted them to do so. It would be quite possible that we could have a situation temporarily, a fairly high level of unemployment, as in the past, unemploy-

ments, as judged by pre-war standards, and still be plagued by a heavy burden of unemploy-

ment.

The first fact, in other words—the demand for products is so high that it is not of itself going to correspond with the level of unemployment we have experienced during the war. Our ad-

justment to the degree of unemployment, and the progress made, is recorded in the

The Manufacture of Goods

We may look confidently for a vast and sudden expansion in the con-

sumers' expenditures during the transition period. It will be greater than in 1945, despite sharp declines in over-all produc-

tion. The reason for this will grow apparent in the following discussion.

There will be declines in many lines of defense production, but the products which were not rationed during the war. Offsetting these declines will be in-
annual sales volume. No salesmen need to be advised that he is wasting his time if he tries to sell a $200 or $300 value article, a thing which possibly can never sell more than a few pieces; in fact, it is a waste of time to ask for a furniture bill.

But the man needs to be told, either that if $1,000-a-year family can move into a higher income, it is simply not possible to earn more money—there are only so many good things which will automatically appear in the market, even if the American business would, if it were even half of that lowest third of the American popolation, ever move up a notch on the financial ladder, and we are not likely to see an inflation. The sooner we are able to see that the additional employment which would do for the American market, the easier it will be to provide an extensive expansion under way.

Expect Unemployment

Remember, now, that as we complete this process of changing over from the current peace economy, we are for a brief period going to have relatively high unemployment. We may well satisfy the backlog of war-deferred demands, but a rising tide of unemployment should club, so that we are going to continue as we go up—temporarily—of the full employment level, an unemployment and a very great opportunity.

In other words, the expansion of this opportunity—and it is an opportunity we cannot afford to miss—is going to be necessary to raise the lowest third of our income level in the good years, to good, good, good, good years. Broadly speaking, this will be obtained by breaking into two groups: the unemployed and the workers in submarginal occupations.

The problem for the unemployed is the getting of the job opportunities needed to get them back to work. The problem for those in the submarginal occupations seems more complex in that it is partially due to the same. The war has shown that the roadside, the back part of the sidewalk, the slum, and the submarginal occupations are for the most part essentially able people, people who can rise to the opportunity when the opportunity comes, and provide for their own subsistence. Quite often, their so-called normal pursuits are no more than a leisurely unemployment. They would regularly furnish a better market if they were able to get better jobs.

Full employment, in other words, is something more than just full employment. It is a piecemeal that puts the strips away the protective coloration which may at times seem to justify subsistence living. It not only means more people at work, it means an upward shift in the whole income pattern. This rise in incomes, from the lowest to the highest, if continued and sustained, would open up for us a mass market such as we have never experienced before.

Your job—even more than selling that 50% increase in the standard of living is the task of selling to business executives the need for more employees, through labor cooperation, in a program that would supply, year after year, on a sustained basis, maximum job opportunities. Without this, it can be foreseen that millions of specific products to the women of men with the incomes.

A High Income Economy

I believe that anyone who is really interested in the solution of our unemployment problem, the free institutions will sincerely cooperate, that is, they are basing this high income economy, based upon full production and full employment, simple justice as well as intelligent self-interest are available for all.

The man who is unemployed, who is forced to sit idle awaiting a relief check, loses not only the material advantages of our American economic community, he loses all the dignity of full citizenship in the economic community. Similarly, the family that is forced to the worship of the dollar is losing its higher values in the American economy. We must be able to afford to think that these people have the sympathy and support of the workers, the sympathy and support of the American people. This free country simply will not tolerate an extended depression.

The road to a peaceful and prosperous future is. If we believe that the goal can be reached together, we must first determine that nothing can stand in our way. If there be a minor road block on the path by choosing economic action, we must throw away all of these classes, let them beware lest they fall into the dual goals of the next economic collapse.

A moment ago I said that we are almost certain to come within striking distance of our goal. The expansion of this new low energy will result in a relatively small additional effort to go where we have to go over the job. The importance of making this small additional effort and achieving the full employment expansion of the economy can hardly be overestimated, either in terms of the economies within it forces which make it possible for millions to live in dignity and the future of the United States. This will mean stagnation and prosperity. All of which, to be sure, is not for a moment to say that the steps which were taken in 1947 and 1948 is going to solve our problem, but rather a part by going ahead, with confidence, in the near future, with a full year of production. This tradition is rooted in the price and wage policies that are key to the need for finding new markets in the near term. We are going to have important part of the task of salesmanship is going to be the reselling of this tradition, the insistence that we price ourselves into our markets rather than out of them. Business, however strategically it may be, cannot go back to the period just ahead, cannot go back to the period of war to war to war. But within this framework where there are high employment, that low profit margins and expanded sales will be infinitely better in the long run than wide margins and restricted sales.

Business Must Share Burden

The government in this country can be expected to carry its share of the burden. Government, in support of these efforts, should see to it that there is a climate in which private industry looks forward to expansion, and that the government must be ready to rely on the unbounded skill and energy which our competitive economy nurtures, and it must stand by to avert the danger of mass unemployment, and it must be ready to protect our business cycle dips.

In a broad sense, of course, the problem is a problem for the country as a whole, and for none of us is it a problem. We American people have some deep and sharp differences among us, in these days, and yet the fact is that our country, and our people, and always must be, stronger than the things which would drive us apart. It is not that there are not some differences as to what work and what, work and what work and work and work and work. We have reached a point: 60,000,000 jobs means 60,000,000 customers. The responsibility of this great army which is going to be ours, as our economy begins to pass through the next 10 years, are very great. I believe in the future of our country, and unity at any other than for division in our acceptance of them. I believe that the same thing will not be ours—doing great good, and for the future of America.

Legal Chess

(Continued from page 1947)

has the duty to fully disclose its activities in connection with the matter under review.

Although the Commission by order, fixed the hearing date, it cannot at the present time proceeding by "Findings and Opinion" without entering a final order of disposition.

Being anxious to determine what's next, we started an inquiry of our own.

We were informed that under the Maloney Act, an appeal lies from an "order," and hence the action of the Commission in failing to enter one took on a new significance for us.

We were further advised that the attorneys for the Securities Dealers Committee had written to the Commission and insisted that an order should be entered to properly terminate the proceedings.

The Commission answered that inasmuch as the statute, the instant by-laws would have become effective within 30 days if no order of disapproval were entered, it, the Commission, was under no duty to make a final order disposing of the proceedings.

Until such an order is entered, there is grave doubt whether an appeal can be taken. Because of the dual interlocking relationship existing between the Securities and Exchange Commission and the National Association of Securities Dealers, it seems to us that these bodies ought to encourage a review of their activities and the use of considerable effort through a court appeal, the Commission will be compelled to enter an order.

However, we believe that in the ordinary course of events, those aggrieved should not be obliged to go to that additional effort and expense.

If, under the existing law, there is no duty on the part of the Commission to enter such an order, then an opportunity is here presented for Congress.

By compelling the Commission to enter an order disposing of a proceeding which it initiates by an order, that aggrieved parties will have an undeniable right to an immediate review by the United States Circuit Court of Appeals.

LEGAL JUGGLERY SHOULD BE COMPLETELY DISCONTINUED

EMPHASIS SHOULD BE UPON THE ATTAINMENT OF JUSTICE, RATHER THAN STRATEGIC MANEUVERING

The instant situation is one of the many in which Congressional relief has been extended.

In the meantime we shall all do well to watch the next move.

The Dayton Power and Light Company

First Mortgage Bonds, 2 1/2% Series Due 1975

Dated October 1, 1945

Due October 1, 1975

Price 101 3/4% and accrued interest

The Prospective is obtained to any State in which this announcement is circularized from only such of the underwriten and other dealers may lawfully offer these securities in such State.

This announcement is not an offer to sell or a solicitation of an offer to buy these securities. The offering is made only by the Prospectus.

HALSEY, STUART & Co., Inc.

AG. BECKER & CO. (INCORPORATED)

HORNBLOWER & WEEKES

DENMPSEY & COMPANY

THE ILLINOIS COMPANY

F. S. YANTIS & Co.

October 10, 1945.

$28,850,000

$10,000,000 Credit Group In Memphis

The formation of a $10,000,000 credit group, by the three National banks of Memphis, Tenn., was made known on Oct. 13, the objectives of which are to provide additional and adequate credit for business in the Memphis trade territory during the reconstruction, and post-war periods. According to the Memphis "Commercial Appeal" the announcement of the Memphis Bank Credit Group was made jointly by officials of Union Planters National Bank & Trust Co., First National Bank and National Bank of Commerce, who said formation of the credit group is in line with the program of the Credit Policy Commission and the Post-war Small Business Credit Commission of the American Bankers Association.

From the paper indicated we also quote:

Purpose of the group is "to implement, supplement, and augment the financing (through loans or other credit accommodations) of business concerns and individuals, particularly those in the Memphis trade territory during the post-war period, by participating with the original banks in financing risks so undertaken."

Officers of the local credit group are S. Nelson Castle, Vice President, Union Planters, and Donald, Chairman; Allen Morgan, Vice President of First National, as Secretary, and James E. Ross, Vice President of National Bank of Commerce, as Treasurer.

The group includes the following executives of the three banks:

Mr. Castle and R. J. McElroy of Union Planters and Dockridge, R. I. Beville, National Bank and Dock, Captain; Mr. Morgan and W. B. G. Cool, of First National, as Vice President, and James N. Mitchell, alternates; Mr. and Mrs. Ross and L. E. Wittenberg of National Bank of Commerce, as alternates; and Leslie A. Thorne and Howard L. Moore, alternates.

Myles & Co. to Open

BLUEFIELD, W. VA.—Harry S. Myles has formed "Myles & Co., Inc.," a subsidiary of Cinema Building to engage in an investment business.
New Foreign Markets

(Continued from page 159)

been badly devastated and many would like to be rebuilt. We know that due to war needs all countries of the world have incurred enormous obligations, and to meet these obligations they must go to still better things.

What happens when these countries have doubled or more since the start of the war? Their present dollar would sound to you who are struggling with the problem of survival, as if I would like to point out that you are as high or higher than ours were the time we entered the First World War. Do you remember the year that went up from all sources when Henry Ford raised prices about that time from 3% to 5%? When we had purchasing power in 1919 South Americans of the working classes have even more relative purchasing power than our employers did at that time.

I could be discussing the many markets of the world and on each of these we can do without the present dollar. It is true that the markets are ready and waiting just as soon as we are prepared to supply them, assuming, of course, that money-market conditions are right.

Post-War Foreign Trade
Now, as to the volume of foreign trade in the post-war period, it seems to me that through 1940 our exports averaged about $2,200,000,000 per year. But if we look back at what our exports were in the years after the war as was now was talked of as the Inter-American Conference, I believe that our exports alone should be readily reached, totaling a total of 10 billions with a corresponding increase in imports. I, for one, feel that it is possible to maintain both the volume of exports and imports, but it will not be easy. Have we the trained talent both at home and abroad to do this? Have we the financial know-how? Have we the foresight to be ready when all the world needs are ready to pay for them? Sweden’s export was equal to her entire production of a country for American merchant-merchant had been reduced by the price of goods.

How Can Payments Be Made?
The next question that follows is: How can payments be made to take care of this increased trade? The answer is: we afford to accept this great volume of business and still remain liquid and sound. We have a confirmed optimism in so far as we can see because I feel that even this can be done, and we can do it. But let me add another thing. Many things seem to stand in the way of the present dollar.

Let me refer back to the first question raised, that is the total of, say, ten billions of export dollars abroad. There is no other basis except that financial we can do this. If we get the money for these transactions, it is that the lending of funds is us. However, we are in a position to meet the demands, however, that our great neighbors and the countries of Central Europe, and the countries of the Near East are interested in our products, and we can and must make this possible.

First, our country must get back to the export business that is needed badly both at home and abroad. This seems extremely doubtful.

Second, we must have far more money to lend than we have from our own Government agencies. It is true that the Federal Reserve Bank is now lending again in the volume of 20 billion dollars, it is true that the Department has the upper hand in international business, with the Federal Reserve System the statistical work. It reminds me of the time in the stress of war times that we were not able to make it last. Possibly, it will be a practical solution, but it will require something in the nature of experience that I see in the future. We are not in the experience time. I have nothing but the hope that we can do this and the whole business of the country, but there are far too many men of his caliber.

Second, the Department of Commerce. I have nothing but the best to say. They have done a wonderful job throughout the past years. The Federal Reserve Board has given it to the world for the New Deal. However, are they appointing people to different trades at first hand, or making old standards and something that will not draw your conclusions to this government.

Government agencies can never hope to compete with the private managers. They can give it away or they can sell it. Basically, Government is in theory at the service of the people and has a mission to help and in the case of these government departments to assist in these important national problems. But they are not in the position of the merchant who thinks that he can gain an advantage by cutting prices. He may gain a short-term profit, but his competitors follow and shortly no one is making a profit. To suddenly export we must import, and very few people now believe that we can balance our trade. I do not think we can. We are now facing a growth of that will not naturally prefer that the other people are buying. This trend in this country is definitely toward free trade, but not completely toward free trade. Many of you know that even before the departure of the present Government, the two-thirds of our imports were duty free, and the rest were subject to a few excise duties. They had been paid in this country.

Foreign salesmen are on the alert. They are getting shipments of goods to the United States. They are going to be sold, and we must make them available to the World's Fair. It is not so important that we sell it as to get it to the World's Fair. It is not so important that we sell it as to get it to

New Foreign Markets

Federal Reserve Bank of St. Louis

Digitized for FRASER

Thursday, October 25, 1945

The(COMMERCIAL & FINANCIAL CHRONICLE

1564

Continued from page 159)
Britain's Financial War Burden

(Continued from page 1581)

Volume 162 Number 4432
THE COMMERCIAL & FINANCIAL CHRONICLE

1965

The chief component of demand. The currency and demand deposit expendi¬
ture rose to 570% of the 1938 figure of $2,405,400, while the total net national income was down 17% in the same period. To secure the war production in the sector of the national economy, ruthless control of labor and capital, and very heavy borrowing in ad¬dition.

"Here we come to one great cause of misgiving for the future. The whole economy is being encouraged to enterprise and hid¬
ers in war production; the average ratio of business debits and capital. It does not at present even of adequate provision for maintenance purposes and this on the eve of changes which may lead to the abandoning of and decaying lines of production and start new ones. The present income tax has a de¬
terrent effect even at low income levels. About 50% of our expendi¬tures will not be able to pay and borrowed, let me repeat, to be spent for the consump¬tion of an economically unproduc¬
tive nature.

"On the other hand, this expenditure had resulted in the creation of a large group of expendi¬
tible capital goods or of consumer goods appropriate to peace time, and is likely to be gathered again. What an era of prosperity and peace and joying! Unhappily, this is far from the truth. The increase in national income has been used for war and destruction. The future of our economy and appear as individual savings in our private accounts; but in so far as they have been spent un¬
remittingly and without any effect the real savings. They have bought victory and liberty; they have bought goods. They have been well spent in the production of goods; they have been spent; they are gone. And this Government has lived on the expenditures and consumed them, and cannot spend them again. We shall have to continue saving. In spite of this heavy tax¬
ution purposes without any relaxation of the internal indebtedness. They give us an indication of the extent of the capital goods for reproductive purposes being produced and as consumer goods being forthcoming in sufficient quantities. Only new savings can be formed.

"Our National Debt has been almost doubled since the war, and after being multiplied by 12 dur¬
ing the last two years on the one hand the debt is considerably increased in their effect on the financial structure. But our financial system is so complex that we all recognize as particularly ominous. But there is a tendency to take the internal debt too lightly, on the ground that—as some people say—"the taxes are paid by the children of the present generation and not by ourselves." The point is that all of us that debt to some extent of a first charge on whatever we may produce between us in the future. And that debt is more than a merely as a means to introduce fresh rigidities into our diseased economic system which already has too many of them.

National Finances and the Banking Structure

"Historically, there is a close connection between the war debts and the public debt, the growth of the credit systems of state and public and bank assets and liabilities, with changes in their distribution. In¬
deed, the greater the war debt and as in peace—there is a funda¬
mental change in the balance of the banking structure to the purposes which it has to carry out.

"Evidence of the recent development is that the net bank resources have been more than doubled, increased from £8,304 millions; the whole in¬
crease has, directly or indirectly, been absorbed by Government borrowings in one form or another. An adequate reservoir of funds for the financial reconstruction of our industries can be available in the hands of the banking system by:

(a) increase in bank deposits from the sales of war savings; or (b) repayment of Government debt at present held by banks in the form of Treasury Deposit Receipts; or (c) funding of the same short-term Government debt and its transfer in other forms into the hands of the ordinary public; a process which itself calls for new savings; or (d) by an increase in the credit base.

"As a result of all the changes in the financial picture, an enormous pent-up spending power has accumulated in our economy, a tenth part of which, if released before goods are available in suffi¬
cient quantity, would inevitably produce a great inflationary rise of prices. Our nation's 'ready money' is more than double that of the year 1938-39, when goods were as plentiful as now they are scarce, and the potential inflation is now frustrated by ra¬
napping and other controls which must be sufficiently maintained until the dangerous pressure can be fully released in production to take care of as much of the increase as is possible. But it is very desirable that ex¬
penditure on goods should as much as possible be kept out of circulation and locked up in long-dated securities if we are to escape the bedevilment of inflation.

"Our sterling liabilities to over¬
seas countries exceeded £3,800 millions in August last, Sir Charles Aldrich added. They involve, however, the Sterling balances which have been acquired by their overseas creditors in a variety of ways, the greater part of which, though not all, is directly connected with the war.

The holdings comprise the Sterling counterpart of direct Government war expenditure in the various overseas areas abroad; in accumulations of normal reserves and working bal¬
ances held in London by overseas governments, banks and enter¬
prises; and, in accounts held with foreign central banks; and, in the commercial account, for large overseas purchases at a commer¬
cial nature made by Government and by private exporters.

"By far the largest of these Sterling Liabilities Overseas' are for Government account, and as a matter of fact, they are held in the form of Treasury Bills or other British Government securities (mainly short-dated) they form part of the National Debt under the heading of 'Unfunded Debt.'

"The owners of these accumu¬
lated credits in the form of Sterling balances will wish to convert them into the goods they need. They cannot be made the object of the competitive pressure to which they are now subject and be sold. This is a fact which cannot be overlooked without facing a crashing disappointingly situation if they find themselves with no goods at hand, and not get the goods and services direct from us we will want to obtain them through the medium of the international payments mechanism and the need for funds which will for that purpose want their Sterling balances to be converted into dollars; and vice versa. This process would not only break down exchanges but also any International Stabilization Fund which might be put on foot; it is an impossible process.

Sir Charles added rather gloom¬
ily, that it is unthinkable that for some years to come that any favorable balance of pay¬
ments and therefore a general net abroad will be possible. This is a matter of great relief in the present difficult British situation. He said that it is not enough to survey our losses and our needs and then point out, moreover, that we will never be able to get all the money we need by hard work, saving and sacrifice. Men need hope if they are to make sustained efforts of the kind now called for. Plans for re¬
building and improving our homes and our cities, for increasing eco¬
nomic security by social insurance and for educational opportunity for all who can profit by it—all these are wonderful. They give precision to our hopes, and prudently carried out with proper regard to timing and the resources available they will make us more effective in our national task. But have we been, in fact, really and truly the whole inter¬
national position will be such to allow us to effect our? We are already facing a way of problems us. I believe that the way may be simpler or easy, nor can we even count on a turn of the road. In the history of 'last time' we find reasons for this faith and confidence, as well as timely warn¬

NOTICE OF REDEMPTION
THE CINCINNATI GAS & ELECTRIC COMPANY
First Mortgage Bonds, 3 1/4% Series Due 1966

NOTICE IS HEREBY GIVEN, pursuant to the provisions of the Inde¬
dence Act, that at the meeting of the Under¬
liging said to redeem and will redeem on December 24, 1945, at 104% of the principal amount thereof and accrued interest to said redemption date, all of its First Mortgage Bonds, 3 1/4% Series Due 1966 (herein¬
cluded, called the Bonds), outstanding under said Indenture.

"The Underliging for the redemption of the Bonds has secured a Corporate Trust Company, First Mortgage Trust Company, One Wall Street, Borough of Man¬
hattan, New York 15, N. Y., on or after said redemption date, together with, in the case of coupon Bonds, all coupons thereto attached, matur¬
ing on and after said redemption date, said Bonds will be paid and re¬
demanded in the principal amount thereof and accrued interest as to principal must be duly assigned in blank, or accompanied by proper assignment endorsed in blank.

After December 24, 1945, the Bonds shall cease to bear interest, and the coupons for interest, if any, maturing subsequent thereto shall be void.

THE CINCINNATI GAS & ELECTRIC COMPANY,
By: WALTER C. BECKJORD,
President
Dated: New York, N. Y.,
October 24, 1945.

Notice of Immediate Payment

THE CINCINNATI GAS & ELECTRIC COMPANY,
By: WALTER C. BECKJORD,
President
Dated: New York, N. Y.,
October 24, 1945.

NOTICE OF REDEMPTION

NOTICE IS HEREBY GIVEN, pursuant to the provisions of the Inde¬
dence Act dated as of August 1, 1936, and the First Supplemental Indenture thereto, dated as of June 1, 1937, both executed by the undersigned to Irving Trust Company, as Trustee (hereinafter called the Indenture), the undersigned has elected to redeem and will redeem on December 1, 1945, at 105 1/4% of the principal amount thereof and accrued interest to said redemption date, all of its First Mortgage Bonds, 3 1/4% Series Due 1966 (herein¬
cluded, called the Bonds), outstanding under said Indenture.

"The Underliging said to redeem the Bonds has secured a Corporate Trust Company, First Mortgage Trust Company, One Wall Street, Borough of Man¬
hattan, New York 15, N. Y., on or after said redemption date, together with, in the case of coupon Bonds, all coupons thereto attached, matur¬
ing on and after said redemption date, said Bonds will be paid and re¬
demanded in the principal amount thereof and accrued interest as to principal must be duly assigned in blank, or accompanied by proper assignment endorsed in blank.

"Coupon maturings December 1, 1945, may be detached and presented separately to Irving Trust Company in the usual manner.

"After December 1, 1945, the Bonds shall cease to bear interest and the coupons for interest, if any, maturing subsequent thereto shall be void.

THE CINCINNATI GAS & ELECTRIC COMPANY,
By: WALTER C. BECKJORD,
President
Dated: New York, N. Y.,
October 24, 1945.
Post-War Credit

(Continued from page 1948)

in the monetary and credit field. As a result of this, it has been vanously disruptive to our war effort. We are being forced to spend more money to depre-
cate and thus to weaken the value of the dollars so as to maintain credit ease for Treasury purposes. This has in turn weakened the faith that could have been carried too far. In the field of public business, such as consumer credit and stock market credit, such operations were made.

Excessive Money Exes Easiness

The real problem became not only one of suf-
ficing but of being able to provide any
excessive ease. So rapidly were funds supplied that those funds be-
gin to pervade the productive side of the economy in the form of dollars in circulation and increases of inventories, that the purchases of Treasury offerings by banks were not only of the nature to feel the need of replenishment of their reserve position. The free-
ly extensions of credit by enterprises for producing war materiel and to meet the requirement of reserve. It was a situation in which the banks had passed the $2 billion mark in loans outstanding in the first week of March at an average rate of $3.5 billion by the end of the year. It was, of course, encouraged by the agreements on reserve de-
posit loans under the Board’s Regu-
lation V.

Therefore, this condition called for an approach along several different lines. A study of the Reserve System as directed its open market operations. It was suf-
Enlarging the sale of Reserve System securities, to
lease large and unnecessary inventories, to re-
sale small and necessary amounts as needed. Next, the Reserve Federal Reserve credit banks (New York and Chi-
$20. Borrowing by banks from Federal Reserve banks,
which had been a long-discussed practice in the period when.extensions, to encourage through establishment of lower rates. Reserve Bank loans to
were put at higher levels in both number and size.

The System in addition established the policy of buying Treas-
ury securities on the open market as an
option by which banks could re-
purchase them, at 9% of 1%. Also Congress suspended reserve re-
poses for the period of the war. However, the System’s policy was in response to the general trend of selling as large amounts of its own credit as possible to other buyers than other banks; a pol-
enable the banks to ease the pressure on bank re-

serves but also absorbed short-term credit. These funds had been used to bid up prices to create
and, therefore, to do the Federal Reserve in no way,
and, therefore, to do the Federal Reserve in no way,

by means of these various ac-
tions, and of others that were

taken from time to time as the situation required, the
dicate whether the entire operation was based. We inherit
of a credit responsibility carried over

of need not tell you that, because of the

in marketing and credit. The Reserve System, with its gen-
ed a statement assuring the banks that their

of the Reserve System, the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the ex-
egutive committee of the Associa-
tion, issued a statement assuring the public that the credit policy would not deter-
hanced the situation with certain restraints to

certain securities banks can buy-

ally, and these banks would not look with dis-
favor on loans up to six months made to

of public buying of Government securities.

Responsibility of Preventing Inflation

Of all our responsibilities, it seems to me, perhaps the greatest

cessed small-loan companies had been doing this field of business for a few years, but the

credence is only another way of say-
ing that the volume outstripped the volume of bank deposits, and the capacity of that buying power, if not applied to

in the other direction, to burn the price ceilings by

dollars, to operate to the detriment of the

traders. This danger was especially serious since the public had a ready currency and bank deposits, and were at an unpre-

ded high level. Domestic inflation increased to $37,704,600,000 on

1941 to about $64 billion in 1945.

Many consumer goods have been brought to the market and new pro-
vociously the danger of inflation from a consumer credit standpoint. The classic effect exerted by in-

through a high cash buying power, but the pressure against them was

a heavy, and it was clear that action which consumer credit could supply

wasn’t possible. Consumer credit, to be

the marginal factor, the ceilings and with the

The President of the United States took cognizance of this possibility and

enjoined the Federal Reserve Sys-

emphasizing consumer credit. The Board of Governors took no action under the

sured Regulation W, You are familiar with the

I need not recount them, except to call atten-

ually by the President in his mes-

er, to Congress bearing upon the

, an attitude that was re-

The order, unprecedented as it was at its

inflationary weaknesses. These institutions that were directly engaged in financing

of as having two conflicting points of view, one appearing to run counter to their

business to pull in one direction, their

in the financing of buying power were willing to help fight inflation and credit

business to themselves.

This shows, first, that the fight against infla-

that has by no means been completely

ert. Commercial banks felt the dissociating

ment W more than possible to

understand that from about 1910, the

laws, to about 1934, the li-

the equation is over-balanced on the side of

At the immediate moment, pro-
duction, which is now in progress, for goods is enormous and urgent.

There is a psychology that tells us that a man can put the rifle in the corner of the room and forget about it. We cannot, if we are to render our economy and world stable again, dispense with safeguards to prevent the recurrence of a pre-emptive depression or a runaway inflation instead of a constructive and normal inflation.

The present unbalanced situation, we know, it temporary. In the near future, a period of shortages already appears. By the end of 1942, we will find ourselves in a period of a limited supply of lumber, paper and pulp, rubber, cloth, chemicals, sugar, fats and oils, brick, lead, tin and other basic commodities. Some of these shortages will be overcome sooner than others; all will ultimately be overcome.

There is a bright side of the picture, too, in the fact that, generally speaking, American production is expanding, and the funds for the internal financing of its reconvertions, and in addition, a great many of the individual reconvertions is in many cases to the amount of $3,000 a year, whereas the manufacture of new ma-

rations of new federal reformation. A large flow of needed raw materials and parts of industrial, especially is in the

industries, especially cannot start production until this growth of new industries is already, others will do so with a considerable lag; it is a process of waiting for the development of the output and the capacity, tending to raise the uneven previous pro-

Looking at the demand side, which remains the danger that the present situation is not re-

we see not only the de-

and the American

in

of foreign countries, as to which the

immediate situation. Both demand and the

the United States; the domestic demand be-

and the demand for foreign goods because of govern-

individual businesses in foreign countries must have gone to the extent of the best possible potential of what we need, and this foreign demand, not only for the sake of the

business activity at home or because of the same

because the prosperity of our intern-

tionals, and a sense of moral obliga-

to share with those who have

level. The new international structures, projects, Bank operations and other Government lending and business investment in the United States, spread the impact of the foreign reconvertions. As to the

national loans made and under consideration will gradually be

in establishing a balanced world economy. It is to the

in the public interest that foreign currencies will be used to stabilize foreign currencies in

frustrated by the kind of price-bidding that causes inflation, but we have another prong of the same coin here again we seek balance—balance of payments, taking in

mer
such a step would be an indefen-

sible public charge, which would be
other silver selling interests, who had
greatly diffused, and would be
ordinarily from the American
credibility holds an enormous
of the metal in its vaults at a
of increasing that stock,
will increase in the Treasury's buying
will swell the Government's supply

With the price of domestic newly-
lected silver at $2.30 an ounce and the
now fixed at the same level, it is
between half of the increased silver
into industrial uses during the
the amount bought.
price for newly-mined domestic silver
were increased to $2.19 an ounce—
us in the Green

Under present conditions Amer-

during 1946 is estimated at

$1.29 an ounce

in any event assured of a price

bought into

silver producers, but cer-

verifying industries.

The recent statement of Senator
McCarran and other silverites is that
the bonds to silver mining compa-
iers will be a"substantial flat tax on
the people who have the

such would be the case, the

industry.
The miners and silver
who must accept a silver
the face value, rather than
in the certificate.

the face of the earth economically
as well as socially and politically,
are those of what is known as
infinite patience. As private lend-
will help not only to establish
a sound peace but it will help
in some

economic

The Federal Reserve is aware of its
responsibilities in the money

The proposal is full of contra-
but as these did not deter
from winning the war together
will, God willing, then live peace

Silver Bills in Congress

Fairman & Co. Now
Is a Partnership

SECRETARY OF THE TREASURY

LOS ANGELES, CALIF.—Fair-

man & Co., 116 South Figueroa

Street, members of the Los

Angeles Stock Exchange, have

been joined in financial enter-

prise, by Arthur Goldfried, Fair-

man Jr., Harold C. Frankel, Red-

wanting to make the loan

debt security, and partly in

connection, it is apparent that
the value of the announcement
of the election and appointment

Chicago Personnel

(Continued from page 1952)

(Continued from page 1952)

Despite this, the Stock Exchange is

showing a decided

interest in the market

for gold.

dealt with the Treasury

through the Secretary

of the Treasury or the

FEDERAL RESERVE

The)

From a practical point of view, the

statistician, however, is

concerned more with the

changes in the market than

with historical dates.

The
trend of the market

is a question of great

importance, and efforts

are being made to

secure information

on this subject.

The

statistician notes

that the market

is

showing a tendency

to rise.

The

prices of gold and silver are,

however, remaining

stable.

The

evidence thus far, how-

ever, would indicate that deals-

ing in these metals

is

extremely

active,

and

some dealers as well,

are not too optimistic as to

the future price level.

The

attitude of the commodity

traders is said to be

"wishful thinking" in

large measure and on the

theoretical grounds, but

the price of gold and silver

is very hard to explain.

Bolstering this prospect is

the fact that, as a result of the

Treasury's purchases of $254,700
of.

of the Chicago Park District, III.,

the present calendar period are

awarded shows little in the way of

the moves of finance trans-

actions in

The as a matter of fact, the largest

amount of new bonds is

now available at

$3,000,000 Cincinnati, Ohio, issue

which is prac-

tically at par which

will be offered on

Oct. 30. On the following day

the Post Office Department

is scheduled to make an award

of $2,750,000 refunds,

which will be offered on

Nov. 7, for

$4,000,000 on

Nov. 8, and $2,840,000 by Rich-

mond, Va.

It is more than likely, of course,

that substantial additions

made

in

the

calendar, partly because of

the close of the financial

year, and partly in view of the

Federal Reserve's restriction

in the sale of gold.

Some of the other firms participating in the exchange

of gold and silver include

Strahan, Harris & Co., Inc., R.

E. Hendricks, D. T. Minnich

& Co., John Nuveen & Co.,

and B. J. Van Ingen & Co.

Earnest attention is paid to

the bond issue by no

means

unanimous.

However, even conceding

that

will exercise their veto

power in many instances, it is

obviously preferable that

will constitute a small part of

the dollar volume of bonds up

for consideration. In any event,

the total amount approved

will very likely greatly outweigh

the comparable aggregates in

the

market.

Cook County Bond Exchange

Offer Subject to Early End

Pursuant to a

renewed

the

Cook County, Ill., and a syndicate

headed

by A. C. Covol, the

holdings of the

amount

of $325,410 series A or B county

bonds, which were

made Jan. 1, 1946, may be exchanged

for

certificates of

for

1,475,300 certificates, said to

be

July 1, 1945, due July 1, 1945, and

Maiorly, the final

offer of exchange, it is

subject to withdrawal

without notice.

The

new

bonds will be offered in

lots of $5,000,000 and

1½% thereof until maturity,

with the next issues in

April and May.

Some of the other firms participating in the exchange

of gold and silver include

Strahan, Harris & Co., Inc., R.

E. Hendricks, D. T. Minnich

& Co., John Nuveen & Co.,

and B. J. Van Ingen & Co.

dealers.

VIRGINIA—WEST VIRGINIA

NORTH AND SOUTH

MUNICIPAL BONDS

CRAGIE & CO. INC.

Bankers

Bell System Telephone: RS 8-8523

328 Madison Avenue

New York 17, N.Y.
Objectives of the Reconversion Policy

(Continued from first page)  
Our first consideration is the men of reconversion. Yours is one of the most difficult and the most important. The greatest opportunities that America can offer. That is so obvious that scarcely needs emphasis. For on our reconstruction—generation and that means full employment, million of hands of business men, working in cooperation with farmers and with the Government.

In your State you have a cross section of the vital industries that are vital to the industrial economy of this country. Hence, there is no reason why you should not lead the way in the reconversion. We all know that reconversion is going on, but not only in terms of what we could do to reduce the overlap of public and the manpower that lay idle.  

The Job Ahead  
For there is a job ahead for you, job that will require a coordinated reconversion that will carry us forward to full employment. We have to achieve, that we must build an economy that will provide whole place the Government purchasing power that will maintain the market. If we have expanded the market, it will be possible to build up the purchasing power of the consumers. The phenomenal production of the reconversion relates in an unknown coordinated effort of every part of the business community that can be accomplished by the same team work of all of us.

Let us look at the achievements of the war. We built the world's largest navy, the world's largest mercantile marine, the world's largest and best equipped armies and air forces. The reconversion of the war industry we also maintain a standard of living in this country which has been enjoyed before. We increased our purchasing power not only in this country, but overseas, they will need the products of the reconversion. If you have a tool report is putting out quantities of machines of the automotive industry, or of the makers of farm machinery, or the manufacturers of household goods, we are making a good start toward more, and we are able to do it because of what that is our peace time goal.  

The reconversion conference and we are talking about reconversion. But the word reconversion has come to mean switching our economy from a full war to a full peace, that means a reconstruction job. We have had before. We are going ahead to—also to an economic situation that will bring us more jobs, more peacetime production. And that, I think, is what we have ever had before.

Increased employment will expand market and make possible to expand our production. To maintain full employment, the reconversion will not a steady consumer demand that increases year after year. Let us look for a moment, at the "old days"—at the time of the depression. The time that we cannot afford to return. In 1940, we had our greatest peacetime production, a total of $7 billion in goods and services—worth $21 billion in terms of the 1944 dollar. During that year, there were 47,000,000 American workers at work in the country, including the armed forces, 22,000,000 or seven or eight million unemployed.

That was our greatest peacetime production, and we are not going to go back to that. Increased efficiency and productivity and a full work force would mean that instead of 30 million, we would have employed, we would have millons.

We all know what depressions can do to the economy of the the United States. We are not going to want to avoid in the future.

Between 1929 and 1932, the problem was to maintain the purchasing power of the country fell by more than a fourth. In the output of the value of what we produced dropped in 1932 to 60% of 1929. We passed our 1939 production again 1987—eight years later. In the last quarter of 1942, also it impossible. It is the same today, and we want to avoid in the future.

Some Controls to Be Continued  
On the peak of industrial production government had 650 War Production Boards, 1500 War Production boards, and on the books to be given workers for the first time in history. By the end of this month there will be one million War Production boards, and contractors, 25,000 War Production boards, and contractors, 50,000 War Production boards. By the end of November, some of our national defense program, on the books—regulations governing the production that will be in full force during re- conversion. They must be kept in order to maintain the supply of materials and are concerned with the pre-emption of scramble among buyers, excessive inventory of scrap materials which should be purchased by manufacturers in producing low stocks of goods, such as low-end textiles.

We have made a great many controls over the price of goods, which will be very difficult to keep prices down.
whole-wage-price structure carefully
of material and labor, the
 shortages that swept the country
to use cheaper methods of
 by 31% in 1929 in 20 loss of

We all know that such economic	
more severe than

These tragedies must not be
The people, representing the
countries in power to prevent

We will not achieve full em	

The task ahead of us is un	

Many war industries are re-

Many workers are faced with the	

We must employ all the power of	

"Our Reporter on Economic	

BY JOHN T. CHIFFENDALE, JR.

A strong case for lower short-term	

We have seen this before, but	

The record of the Treasury is an	

The June and December 2s due	

The partial exempt bonds were

The Government announcement	

With a very large debt it is not

While there are many ways in	

Our Municipal Bond	

Frank Whitman, head of the	

The idea of this policy is that,

Therefore, it seems as though the Treasury, without any specific announcement of its intent, is by the hereby increasing the floating debt...

TREASURY CONFIDENT

Apparently the financial authorities feel that they will have to do something to reduce the money market to normal,

Thus in the United States we are also about to alleviate the debt burden at the expense of the commercial banks, the same as they are in England, except that we are doing it in a more orthodox	

PARTIAL EXEMPTS STRONG

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debt could be reduced by our Government, developments so far indicate that it will be necessary to return to the program of an actual decrease in the short-term debt with a low coupon rate, mainly certificates of indebtedness, the Treasury will be able to cut the cost of the debt service...

The funds obtained from the sale of low rate short-term issues to the commercial banks will be used to pay off the higher coupon maturities of outstanding bonds, as well as savings bonds that are presented for payment...

An example of this was the refunding of a partially tax-exempt 2½% bonds last September with 5½% certificates...

This policy, however, is motivated primarily by the desire to reduce the debt burden, means that the volume of short-term Government obligations held by the commercial banking system is reduced, easing the pressure on the discount in the debt service...

It also follows that the commercial banks will have to provide their own medium or long-term Government issues, unless they purchase the presently outstanding securities in the open market...

The demand for the purchase of short-term Government securities, a great demand is created for the open market issues which advance in price and decline in yield, and this brings down the whole level of rates on the obligations that can be purchased by the commercial banks...

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NEW FILINGS
List of new registration statements filed less than twenty days before the date of issue on which registration statements will be filed are as follows. The registration statements are accelerated at the discretion of The Commercial and Financial Chronicle.

SUNDAY, OCT. 28
WASHINGTON, October 28—Registered on Oct. 25 a registration statement for 126,110 shares of common stock of the Federal Life & Casualty Co., Inc., at $2 per share, and for 125,000 shares of 6% cumulative preferred stock, at $10 per share. Proceeds—For investment. Underwriters—Keyes Custodian Funds, Inc. and Lewis & White, R. H. Frobisher, and R. S. Boyce; Co. heads the underwriting group.

SATURDAY, NOV. 5
TENNESSEE GAS WITHholding AND TRANSMISSION CO., Inc., has filed a registration statement for $3,125,000 of common stock at par. Underwriters:—Keystone Custodian Funds, Inc., R. H. Frobisher, and R. S. Boyce; Co. heads the underwriting group.

TUESDAY, NOV. 6
LAKE SUPERIOR DISTRICT POWER CO., Inc., has filed a registration statement for 190,000 shares of $5,000 first mortgage bonds, series A, due July 1, 1945, at $5,300 per bond. Proceeds—For working capital. Underwriters—Keyes Custodian Funds, Inc., R. H. Frobisher, and R. S. Boyce; Co. heads the underwriting group.

WEDNESDAY, NOV. 7
ARKPORT MANUFACTURING CORP., has filed a registration statement for 150,000 shares of $5,000 par value of 5% cumulative preferred stock, $100 par value of 5% convertible preferred stock, and 1,000,000 shares of common stock, at $25 per share. Proceeds—For working capital. Underwriters—Keystone Custodian Funds, Inc., R. H. Frobisher, and R. S. Boyce; Co. heads the underwriting group.

THURSDAY, NOV. 8
CROSBY MOTORS, INC., has filed a registration statement for 1,000,000 shares of common stock (par $1) at $10 per share. Proceeds—For working capital. Underwriters—Kaye, Cohane & Co., and New York & New England Securities Corp.

FRIDAY, NOV. 9
AMERICAN BAYAN CAR CO. has filed a registration statement for 50,000 shares of $200 par value of common stock at $25 per share. Proceeds—For working capital. Underwriters—Keystone Custodian Funds, Inc., R. H. Frobisher, and R. S. Boyce; Co. heads the underwriting group.

SATURDAY, NOV. 10
ARMARDIX DIVISION, has filed a registration statement for $500,000 of common stock at $10 per share. Proceeds—For working capital. Underwriters—Ridler, Peabody & Co., Continental Securities Corp., W. P. Perrou, Fenn & Fenn, and White, & Co.; Co. heads the underwriting group.

DAYS OF OFFERING UNDERMINED
We are advised that the offering dates for the issues whose registration statements were filed this week have not been decided or are unknown to us.

AMERICAN CENTRAL MANUFACTURING CORP., has filed a registration statement for $1,300,000 of common stock, at $10 per share. Proceeds—For working capital. Underwriters—Keystone Custodian Funds, Inc., R. H. Frobisher, and R. S. Boyce; Co. heads the group.

AMERICAN LUMINOSITY CORP., has filed a registration statement for 21,700 shares of common stock, at $25 per share. Proceeds—For working capital. Underwriters—Keyes Custodian Funds, Inc., R. H. Frobisher, and R. S. Boyce; Co. heads the underwriting group.

BARRIUS STEEL CORP., has filed a registration statement for $1,200,000 of $100 par value of 5% cumulative preferred stock, at $125 per share. Proceeds—For working capital. Underwriters—B. C. Ziegler & Co., West Coast Investment Co., and Lewis & White, R. H. Frobisher, and R. S. Boyce; Co. heads the underwriting group.

BURLINGTON RACING RACING CORP., has filed a registration statement for $1,300,000 of common stock, at $10 per share. Proceeds—For working capital. Underwriters—Keyes Custodian Funds, Inc., R. H. Frobisher, and R. S. Boyce; Co. heads the underwriting group.

MARYLAND POWER & LIGHT CO., has filed a registration statement for $2,000,000 of 5% cumulative preferred stock, at $100 per share. Proceeds—For working capital. Underwriters—Keyes Custodian Funds, Inc., R. H. Frobisher, and R. S. Boyce; Co. heads the underwriting group.

MAJORADO RAYFORD CORP., has filed a registration statement for $500,000 of 4% non-cumulative perpetual preferred stock, at $60 per share. Proceeds—For working capital. Underwriters—Keyes Custodian Funds, Inc., R. H. Frobisher, and R. S. Boyce; Co. heads the underwriting group.

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Forbeses Continued Government Intervention in Labor Disputes

(Continued from page 1951)

lies that collective bargaining does not, when gov-
ernment action on the one hand and the details of the management-union conflict on the other hand are ignored, lead to a minimum. The more employers are employed, the more they gain by gaining by equal parties to achieve the solution they desire, the more wages, hours and working conditions are more firmly rooted because the patients to find the solutions among the parties that will ask for solutions ready-made.

As specific machinery to aid in carrying out such general prin-
ciples, the Fund's Committee suggested that a voting Committee which might be established within every stable industrial community.

These community mediation boards would operate on a purely voluntary basis and might "ad-
vice to its members in their areas, and perhaps even be used in some cases to interest in finding in final and bind-
ing effect. The mediation boards would supplement Federal and State mediation agencies.

The Committee believes that a new and different kind of machinery would tend to encourage local, non-union, management-labor controversy; to reverse the centralizing trends of nationalizing tendencies that can be more effectively de-
cided in the local community. However, the Committee recom-
dition is that national mediation boards foster such as anti-management policy as pro-
pped to the party to which it is attached, to deal with questions which have been ap-
licated by management and the union. With these views presented, the Committee continues its activity.

To supplement these community boards, which would deal with matters of management and labor involve,
the Committee believes each community, in the opinion of the country might take some action. "To further encourage industrial unionism, not to combat them." The upon a 'settlement among ourselves,' the Committee suggests that a second type of voluntary mediation board, such as management and labor representa-
tions, be established within every stable industrial community. The members and the issues this board, which would ex-
clude public representation at all, would be drawn from em-
ployers and employees in the interests of others than those directly in-
volved in a dispute.

The Committee believes that the following conditions altitudes ne-
necessary to make such suggestions possible: "Necessity, before collective bargaining can become a tool for making local management and labor repre-
ated by the Board or the Company. The Committee recommends that the Committee points to British prac-
ticetogether the absence in America of any national or international organiza-
ors, as such, which might take in all industries and concern itself exclusively with industrial rela-
tions along these lines and notes the absence in America of any national organization of such charac-
ter as the American Federation of Labor and the Congress of Indus-
tial Organizations. The council would constantly examine collective bargaining agreements and methods in order to serve as a central clearing house for dis-
seminating practices found especially in the publishing of makings, jobs more secure, and promoting a spirit of col-
aboration between management and union.

On the union side the collective self-government is "Back-
labor's agents in collective bar-
gaining, the Committee's charge is the country, union, and labor unions, state councils of labor, civic and educa-
tional organizations, the American Arbitration Association, and a number of organizations not served on Labor Board sub-
committees throughout the country.

The Committee recommends that the parties to a proposed peace "voluntary mediation be encouraged by equal parties to agree on the public to be supplied by them.

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Our Reporter's Report

The new issue market was pounding down the home-stretch this week as everybody interested, including the issuers, underwriters and investors, sought to clear their states against the opening of the Victory Loan Drive next Monday.

Once the Treasury takes over the track there will be little or no movement of the field for corporate borrowers and the bond reality will fall with a thud, threatened strikes, and the general let-down from wartime activity and employment are all going to make the playing of the Victory Loan an easy undertaking.

There is no gainsaying the fact that the loan will be a success. That goes without saying. But bond men, bankers and brokers are aware that it is a job which is going to require a maximum of effort and they are anxious to clean up all private business before tackling their first job for Secretary of the Treasury Vinson.

Consequently the wires were humming all this week and another substantial volume of new business was negotiated, promising to make October a month to vie with July from a standpoint of turnover in the new issue market.

The disposition of potential issues and the publication of prospective new issues to market was perhaps best exemplified by the action of Chicago, Burlington & Quincy Railroad Co. in calling for bids, to be opened tommorow, on $50,000,000 of new 40-year first mortgage bonds.

This action will permit the successful bidder to get the bonds prior to the Treasury's operation, since railroad bonds do not have to go through the formality of awaiting approval by the SEC.

Kansas City Southern

Observers still report the market in a most receptive mood and seemingly able to absorb the $40,000,000 issue of Kansas City Southern 4% Series A first mortgage bonds, which is scheduled for next week.

Some weeks ago one or two of the carrier loan men brought out the point that a sufficient amount of gold was coming on the market to enable the gold market to reach a premium of about $1/2 of a point.

Piling' em In

Wednesday brought a total of something like $10,000,000 in major bond and stock undertakings and today the syndicate which captured Northern States Power Co. of Minnesota's $75,000,000 new first mortgage bonds as 2½% is offering the issue to investors.

Contractors reported brisk demand for the $40,000,000 of Montana Power Co. first mortgage 3½% which came out yesterday at 101. And much the same conditions held true in the case of the offering of the Florida Power Corp. common which bankers brought on Monday for re-offer, fixing a price of $17 a share.

Still Whittling Away

Investors are being crowded severely these days in seeking potential outlets for their funds. And the situation is not being made any more tenable by the disposition of the railroad, railroad bonds, toward reducing their debts through use of available funds.

Under the new tax bill railroad stocks still continued to be accorded credit, or in other words, exempt from tax on "profits" which have been made on the books through refinancing of bonds below their parities.

Illinois Central last week announced a call for tenders of certain of its 1950-51 maturities, reserving the right to accept what it considered those made at satisfactory prices.

The road, it was pointed out, has reduced its debt by $180,827,581 from the peak of $383,278,472 reached in 1937, and the bulk of such reduction has come about during the war years.

As corporations proceed to cut their indebtedness the investor is denied a corresponding outlet for funds. And the whittling process, though perhaps a bit slower than last year, is still in progress.

C. Emmett Wilson Is
With B. E. Simpson

DENVER, COLO. — C. Emmett Wilson Jr. has joined the trading department of B. E. Simpson & Co., California Building. Mr. Wilson for the past three and one-half years has been serving as a Lieutenant in the U.S. Army Air Corps.

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