Fiscal Policy Should Spur Development

George Whitney Tells Morgan & Co. Shareholders Full Production and Wide Distributions Can Prevent Inflation or Deflation, Reports Slight Decrease in Net Earnings in 1945, Due to Special Payment Toward Past Service Pension Cost.

George Whitney, President of J. P. Morgan & Co., Inc., told the bank's stockholders on Jan. 16 that although, as the aftermath of war, the outlook at home and abroad "appears grim," the situation can be cleared up by full production and wide distribution of products and goods, and by strict observation of the fiscal policies of the nation toward growth and development instead of repression. But the year 1945 closed and the new year opens," Mr. Whitney stated, "thankfulness for (Continued on page 413).

Labor Inflation

By LEO WOLMAN

Professor of Economics, Columbia University


Of course you all know just as well as I do that at the moment there is a good deal to worry about. How long it will last I don't know. It doesn't look as bright today as it might have a week ago. There is a good deal of trouble in the garden and it is the kind of trouble that doesn't clear up very easily. I don't think you can blame the government for any of these things: I think you ought to spend your energy trying to think through what is going on and clarify your minds. That is what I'm interested in, anyhow.

(Continued on page 430)

Monetary Manipulation

By THOMAS L. PARKINSON

President, Equitable Life Insurance Co.


In this day of book reviewing and fact finding and professional semantics, one has to be careful in dealing with so technical a subject as which has been assigned to me. There are limitations to the scope of "looking at the book" and to the accuracy of the so-called "facts." Looking at the book and hunting for the facts is not a panacea for the problems of the day. There are things that are not self-revealing and the facts are not easy to recognize. Both have to be observed accurately and interpreted wisely. Do not misunderstand me. I agree.

*An address by Dr. Parkinson before the 274th General Session meeting of the National Industrial Conference Board, New York City, Jan. 17, 1946.

(Continued on page 388)
Market Analysts Conclude that Overall Profits This Year Can Equal the 1944 High Record, But on a More Selective Basis. They Cite the Stocks in the Following Industries as Having the Best Prospects in the Light of Their Technical Market Position and the Demand for Their Products: Advertising—Automobile Building—Chemical—Electrical Appliance—Machine Tool—Office Equipment—Railroad—Railroad Equipment—Rubber.

The year 1946 will be recorded by history as the year of reconversion to peacetime activities. Despite the fact that V-E Day came in May, and the entire global war was ended in August, the remainder of 1945 saw very little reconversion, and this year acute shortages remain, especially in all kinds of consumer durables and items. Nevertheless, behind the scenes changes have been proceeding rapidly in some lines—and the Office of War Mobilization and Reconversion estimates that reconversion will have occurred by the end of 1946, in all major industries except perhaps automobiles.

Thus, the volume of sales for 1944 is likely to continue large—perhaps as much as 60% of the peak level of 1944. However, the outlook for corporate profits depends not only upon sales volume, but upon price levels and costs. It is quite obvious by this (Continued on page 432)

What to Do About Strikes

By THEODORE W. KHEELE

Former Executive Director and Public Member, National War Labor Board

Declaring That No Legislation Can Resolve the Current Crisis, Mr. Kheel Calls On Congress for Deliberation Rather Than Speed In Formulating a New Labor Law. Former Labor Board Member Urges Thorough Examination of All Angles of the President’s Fact-Finding Proposal, Stating That the Importance of “Facts” Has Been Overemphasized at the Expense of Recommendations. Criticises the Truman Plan as Starting at the Very End of a Dispute, Instead of Carrying Through From the Beginning to the Final Stage.

There’s no doubt about it, this country is all agog, and under-standably so, about the labor crisis in which we now find ourselves—embracing both Congress and labor bodies. Congress seems determined, if we can go by the present appearance of things, to try to settle re-negotiations of some of its labor agreements. To this end, members of Congress are preparing to do something about it. But just what isn’t entirely clear at this writing, at least as far as it is presented in both houses of Congress is filled over the table with a babel of voices claiming they know the answers to the question of labor’s needs. Above all, the Administration appears determined to see enacted into law the President’s plans for settling fast-trimming com-missions with a 30 day cooling off period.

The purpose of this article is twofold: (1) to suggest that careful analysis of the situation rather than speed would be the motto by which Congress guides itself in framing legislation, and (2) to examine the pros and cons of the fast-trackling plan since it is in the forefront of possible legislation in view of the Administration’s sponsorship of the project.

This much is clear: nothing that Congress does at this session can help the current crisis. It’s much too far gone to be helped by any legislative policies that have not yet gotten through committee. Besides, it is likely to be resolved one way or another in the not too distant future. At this writing the company and unions in most of the major disputes are either on strike or very close to it.

You might not like the way these events are moving, but all agreements will be reached, it is probable that the final settlements will be at the expense of the consumer, who invariably gets it in the neck anyhow, because the strikes will end and work will be resumed, and we shall not see so many or as great as the strikes. Once these disputes are over with, look for a breathing spell, but the strike will be over and there will be no news about it. The strikes will end, and work will wind down. But if all this is true, why is the espionage law, the Mann-Elkins legislation, and the Smith-Connally Act all over the table? Several reasons are over with, looking for a breathing spell. In this case, laborists are looking for the labor unions and agreements that are now under discussion to be settled on the party for the remainder of their contract terms. We have seen a number of cases where laborists have been seeking strikes for years now, but not seen any concerted careful and thoughtful study of why we have strikes and what can be done about them. Now, when the next recess comes we see no evident reason why Congress and labor can’t sit down and work something out.

 стало быть, зачем все это происходит? Да, мы видим две точки зрения: одна — трудовые конфликты неизбежны из-за ряда причин, включая политическую конъюнктуру и экономические факторы, другой — необходимо найти решение, чтобы предотвратить дальнейшее развитие ситуации. В конечном итоге, решение должно быть найдено на основе обоюдного соглашения между сторонами. Многие факторы, влияющие на ситуацию, требуют более глубокого анализа и взвешенного подхода. Это включает в себя уточнение правовых рамок, повышение эффективности трудового законодательства и поиск промежуточных решений, способных облегчить процесс переговоров. Важно также учесть интересы не только работников, но и работодателей, чтобы достичь общего блага.

[Continued on page 432]
Post-War Money Supply Problem

By AUBREY G. LANSTON*

Vice-President of First National Corporation

Mr. Lanston, Calling Attention to the Rise in the Market Value of 2½% and 3½% Government Bonds, Asserts We Are Facing a New Situation With Respect to Interest Rates and Money Supply. How Will Rate Controls Affect Us? With Us for an Indefinite Period and That These Controls Are Apt to Be More Harm and Threaten to Transfer Our Economic and Social System From Free Enterprise to That of State Socialism. Points Out That Banks, in Order to Protect Future Earnings, Are Scrambling to Buy High Yield Government Issues and That Redemptions of Savings Bonds, Together With Liquidation of Non-Bank Holdings, Will Increase Commercial Bank Government Bond Holdings. The Financial War Government defaults were the primary cause of the increase occurred in the money supply. From here out it is not at all clear exactly that the primary factor in changes in our money supply is to be the attitude of the Government toward interest rates of com- mercial securities. I would like to outline the mechanics of that relationship for you, but I think it is one of the most important and fundamental things with which we have to contend.

The major elements in the liquid assets of the country are of the implications and effects of the loan, is as follows: My dear Congressman: You have suggested that the views of your correspondents respecting important measures pending before Congress would be helpful to you. I am therefore writing to express my opposition to Congressional approval of the recently proposed British loan, and tell you why I oppose it. I use the term "Loan" because that is its official title, and for no other reason. I am quite as well aware as any other person who has examined these announced terms; the present political and financial position of Great Britain; and possession even superficial knowledge.

The "Chronic" has received from William Chamberlain of Saratoga, California, former President of the United Light and Power Company, and a Director of American Light and Telephone Company, a copy of a letter dated Jan. 11, 1946, from Congressman J. Z. Anderson of California expressing opposition to Congressional approval of the proposed British loan. The text of the letter, which contains a lengthy analysis of the implications and effects of the loan, is as follows: My dear Congressman: You have suggested that the views of your correspondents respecting important measures pending before Congress would be helpful to you. I am therefore writing to express my opposition to Congressional approval of the recently proposed British loan, and tell you why I oppose it. I use the term "Loan" because that is its official title, and for no other reason. I am quite as well aware as any other person who has examined these announced terms; the present political and financial position of Great Britain; and possession even superficial knowledge.

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Reasons for Extended Stock Rise

By CHARLES A. TAGGART

Charles A. Taggart & Co., Philadelphia

Dealer Holds There Will Be a Further Important Rise in Equity Securities because of (1) Heavy Reduction in Debt Structure of Corporations; (2) Reduced Inventories; (3) Limitation of Mortgages on First Appreciation; (4) Threat of Further Dollar Depreciation and (5) Coming General Prosperity of Nation Arising From Money and Credit Used in Rebuilding War Devastated Corp.

On Jan. 2, 1943, I predicted that stocks would be better to hold than cash. This I repeated in 1943, 1944 and 1945. From Jan. 2, 1942,

Bank Portfolio Management Under Current Conditions

By ROBERT C. EFFINGER

Vice-President, Irving Trust Company, New York

Stating the Objectives of a Bank's Investment Portfolio as (1) to Provide Funds Needed to Meet Declines in Deposits and Increases in Loans, and (2) to Provide Income, Mr. Effinger recommends the Maintenance of a Distinct Secondary Reserve for the First Purpose, and an Investment Reserve for the Second. The Secondary Reserve Should Comprise a Supply of High Grade, Short Term Securities Sufficient at All Times to Meet Estimated Declines in Deposits and Increases in Loans. The Investment Reserve Should Comprise Quite Larger Term Securities. Caution Against Reaching for Income by Progressively Lowering Grades of Investments Held, and Concludes That Deposits Will Continue to Rise and that Interest Rates Be Kept Low. See Grace Social Censorship and Further Lowering of Interest Rates.

The management assigned to the topic of a Bank's Investment Portfolio Management Under Current Conditions...in a way which I hope will prove helpful under current conditions that extend at least under circumstances that may prevail in the future. I shall try to believe in a sound basic investment policy, then express an opinion about the possibility for deposits, loans and interest rates, and conclude with some specific recommendations.

A sound basic policy for the

The Air Lines As Investments

By ROGER W. BABSON

Mr. Babson suggests that Investors Wait Before Purchasing Airline Stocks, because, although there should be a few years before worthwhile earnings can be realized, the stocks are not a bad buy. They are attractive, and show a profit of 20-30% in the next five years.

Although many stocks are too high in relation to earnings, Mr. Babson concludes that they are not. Some Airline Stocks Too High in Relation to Earnings.

Have had an unfortunate experience at La Guardia Airport in New York City where I waited from 6 a.m. to a plane which could not be maintained for the South at 7:00 A.M. Then at the very last minute it was canceled. Mr. Babson bemoaned that a flight had been canceled, immediately getting a plane to Philadelphia. It was true that all space had been used up the day before, the week ahead...

Let me futh...
Ends Margin Trading

On Jan. 17, the Board of Governors of the Federal Reserve System, through Chairman Marriner S. Eccles, issued a new regulation, effective Jan. 1, 1946, requiring that purchase of stocks listed on registered exchanges be made on an account of customers should be margin at 100%. This in effect, eliminates trading on margin in listed securities by the public. It does not apply to the use of the margin purpose except to finance transactions in securities and it does not require reduction of the margin of existing accounts or loans.

Chairman Eccles repeated the announcement of the board's new ruling, following the following statement in which he pointed out the motive for the drastic and unprecedented regulation and again reiterated his recommendation for an increased capital gains tax and curtail speculation:

"My personal view of the board's decision to increase margin requirements to 100% may be summed up as follows:

"By this action, the board has used its authority to prevent the further flow of borrowed money into stock market operations. There is no further recourse left to the board, so far as restraining speculative activities in stocks is concerned, except pos-

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Hugh Niven in Indianapolis INDIANAPOLIS — Hugh Niven is engaging in securities business from offices at 3510 North Point, in the past he was associated with Adrion, Hamill & Gates and Schwabacher & Co. and was in charge of the Indianapolis office of the National City Co. of New York.

Holds Margin Prohibition No Remedy Against Inflation
President of Association of Customers Brokers Says Check of Rise in Prices Could Be More Effectively Taken by Measures Designed to Increase Supply of Stocks, Such as Elimination of Frozen Accounts and Renewal of Holding Periods in Connection With Gains Tax.

Donald C. Blank, of Eastman, Dillon & Co., who is President of the Association of Customers Brokers, issued a statement Jan. 19, criticizing the Federal Reserve Board's action in eliminating margin trading.

While I can understand the desire of the Federal Reserve Board to carry out anti-inflationary powers delegated to it by Congress, Mr. Blank said, "the observation of our members as to the reaction of the public following the increase in margins to 75% indicate that the increase in margins to 100% will not halt inflation," and he continued: "Following the higher margin requirements set in July last year, we have seen the following tendencies on the part of those interested in securities:

1. An increase in fear of inflation.
2. The heavy purchasing of low-priced, and unregistered issues which have not had any collateral value.
3. The freezing of stocks that were already on margin and the opening of new accounts for new purchases.

"Furthermore, the market has staged the largest percentage advance since the bull movement got under way in May 1942.

"In my opinion the Federal Reserve Board could more effectively check the rise in prices by measures designed to increase the supply of stocks, such as: By eliminating certain restrictive features in margin accounts and also by recommending to Congress the elimination of any holding periods in connection with the gains tax. An increase in the capital gains tax or a lengthening of the holding period simply result in a further curtailment of the supply of stocks."

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High-Level Employment—A Challenge to Retail Distribution

By MALCOLM P. McNair*

Professor of Marketing, Harvard University

Professor McNair, Holding That a High Level of Stable Employment Cannot Be Obtained by Pasture Law Thinking, Is a Challenge to Private Enterprise, Points Out the Part That Retail Distribution Must Play in Its Attainment. Says Retailing Must Grow and Must Be Kept to an Expanding and Stable Economy. It Must Expand, Increase Its Efficiency, and Increase Consumption Demands Through Creative Merchandising.

Let's not kid ourselves about "full employment" business. "Full employment" is not something that we are going to get by magic; but, on the other hand, don't make the mistake of failing to recognize that the emotional drive behind the "full employment" concept presents a definite challenge to the nation's management of enterprises. Right at the present time one of the best arguments against the national planning approach to full employment as embodied in the original version of the Murray Bill, is afforded by the very substantial margin by which the prognosticators on unemployment missed the boat in their predictions just after V-J-Day. Many of the Washington experts placed the probable unemployment for November or December, 1945, at figures ranging any where from five to ten million.

*An address by Professor McNair before the 39th Annual Conference of National Retail Dry Goods Association, Hotel Pennsylvania, New York, Jan. 10, 1946. (Continued on page 426)

The Importance of Importing

By PAUL WIERS

International Trade Unit, Bureau of Foreign and Domestic Commerce, Pointing Out That to Achieve World-Trade Success We Must Buy More From Abroad, Department of Commerce Expert Estimates That From $5 to $7 Billion can be Realized. Also Notes the Dollars Balance to Service Existing Loans and to Buy American Exports. Sees Stage Set For Mutually Beneficial Growth of World Trade When Exchange Faries Are Adjusted and the Berlin Woods Agreement Achieved.

Purchasing Power and Income in the Postwar Struggle

By EDMIN B. GEORGE

Economist and Associate Editor "Drug News"

Asserting That Forecasting Is One of the Gayest of Sports, Mr. George Notes Prognosticational Errors Regarding Recession. He contends that we "have been wrestling with images" and that the present stampede for spending is same sort of behavior as at end of World War I. Estimates That Production Will Amount to $178 Billion in 1947, While $133 Billions Will Be Available for Spending. Holds Deficit Financing Has Created Excess Liquid Capital in Gross National Product Which Accelerates Business Turnover, and Estimates That in Fiscal 1947, Government Will Spend $22 Billion, Wholesale Capital Formation Will Take $25 Billion, and Consumers Will Spend $113 Billion of Gross National Product. Sees Continuation of War-Time Controls as Needed to Avoid Inflationary Boom.

I started to prepare an elaborate catalog of all the parts and components of Gross National Product, with a technical description of the manner of functioning of each. The billing seemed to call for it. The total effect would have been that of a legendary 24 volume Ger man panoply in the story life of an elephant. Then I had what I hope is a much better idea. In the course of some of my Washington work, I have had the privilege of examining a great many private and public forecasts of the economic outlook. Most of them are confused and practically all are constructed in terms of Gross National Product. I thought to myself, could there be a more vivid demonstration of what this thing is for than the way it is actually being used in these tense times? So I am going to try to tell you the story of GNP in terms of its most popular function, that of forecasting, and one cross reference to full employment. You must remember throughout that the device is still a contro versial one, and lacks the benefits of decades of seasoning. Critics claim that the tax and depreciation features are duplicated, that the results are cloudy by heavy leverage before such as the productivity trend, and that the forecasts will continue to hope to reflect accurately the gratitudes and dynamics of what goes on in business life. I have

(Continued on page 420)

The Philippines

By PAUL WIERS

Foreign trade.

Prosperity and Foreign Trade

One of the longest usages since the beginning of the century was from 1921 to 1929. Business activity, employment, income, etc., all advanced in step with the increase. There are indications that after 1929 a tendency for employment to sag may have been temporarily arrested by the volume increase of foreign trade. Other high or growing years for both were 1952-53 and 1954-55.

On the gloomy side, we are all familiar with what happened during the Great Depression—how imports, exports, employment, income, and even income index of economic activity tumbled. On a smaller scale, the same thing occurred in late 1937 and 1938. Earlier in the century, the years 1904 and 1908-11 had given us previews of what seems to come.

Mathematical proof of which changes first, the tax and business activity, or foreign trade—must await the analysis of more accurate monthly data. We refer you to "Reprinted from "Journal of International Economics," Jan. 5, 1954, "The Role of International Trade in the Employment of Commerce, Washington, D.C." (Continued on page 413)

BRITISH SECURITIES

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The Future of Germany

By ALLEN W. DULLES
Recently Head of OSS Mission in Germany

Mr. Dulles Criticizes the U.S. and Nations Program in Germany, as Facing in Two Directions at the Same Time, Resulting in a Political and Economic Vacuum. Urges United States to Get Out of “The Concentration Camp Business.”

It is now eight months since V-E Day. After World War II in less than seven months we had signed a treaty of peace with Germany. Possible we moved too rapidly then but I fear too slowly now.

We must not confuse a reasonable breathing spell after the end of hostilities with a Rip Van Winkle sleep.

It is time to take stock of our German policy, see what has been done, what remains to be done and whether there is any program to accomplish this. The future of Germany may depend upon our policy over the coming months and the shape and direction we give it.

Critics should be constructive. I have little sympathy with those who, like myself, have left the German scene for the quieter and pleasanter circumstances of private life, and then turn around and blame those who are working in devastated Berlin or Frankfurt in the blankness of a German winter. I have just as little sympathy for hasty and intemperate press attacks on our public servants in Germany, or inimical to them motives of favoring Nazis or building up German war potential, etc. Such charges are false.

General Clay, head of the American Civil Government under General McNarney, is one of the ablest administrators I have ever met. He is fair, efficient and tireless. He has several very able assistants—all too few for his immense task, which requires the combined skill of a statesman, diplomat, administrator and civil servant.

“Summary of Mr. Dulles’ remarks before Foreign Policy Association, Jan. 18, 1946.

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Earnings on B Shares

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Dividends = 35

Market 6½ - 7¼

Circulator on request

HARDY & HARDY

11 Broadway, New York 4

Telephone: Telepy 3-1940

The undersigned announce the formation of the above firm to conduct a

General Investment and Commodities Business

MELADY & CO.

Members New York Stock Exchange

14 WALL STREET — NEW YORK 5, N. Y.

Telephone: Rector 2-6200

January 15, 1948

CARB AND UNLISTED SECURITIES

MICHAEL HEANEY, Mrs. WALTER KANE, Assd. Mgr.

Joseph McManus & Co.

Members New York Car Stock Exchange

Chicago Stock Exchange

39 Broadway — New York 6

Morgenthau has an economic and political vacuum, which he is trying to fill with a program drafted in Washington months before V-E Day, which was an unsatisfactory compromise between the so-called Morgenthau plan to reduce Germany to an agricultural state and those who oppose this plan. Hence our program faces in two directions at the same time.

So far our policy has stressed negatives. We have destroyed, de-centralized, de-nationalized and de-militarized. All this is only the natural and merito
Baltimore
Bayway Terminal
Newark
Emerald Drug
Fidelity Trust Co. of Balt.

BOSTON
Anchorage Homes "A"
A. C. Wilcox & Co.
Metal & Thermic
Naumkeag Steam Cotton
Faraker Appliances
Valley Mould & Iron
Woodward Governor
Walsh Watch Company

MAR-TEX REALIZATION
(Tied & Gas Producer)
A speculative inflationary hedge

B. H. BELL & CO.
Incorporated
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549 Federal St.
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MICHIGAN MARKETS
Michigan Markets
Detroit
Dealers
Inquiries Invited

WHITE, NOBLE & CO.
Members Detroit Stock Exchange
618 Michigan Blvd., Suite 400
Detroit 2, Mich.

LOUISVILLE
American Barge Line
American Turf Ass'n
Girdler Corporation
Hialeah Race Course
Louisville Gas & Electric
Wims & Lovett Grocery

PUBLIC UTILITY SECURITIES

Two New Stock Issues—Tennessee Gas and Dallas Ry.

Two new 'utility equities recently made their appearance on the National Association of Securities Dealers Automated Quotations, with Tennessee Gas and Pacific Telephone & Telegraph Company being among the one group headed by Stone & Webster and Hill, and the other group headed by Blyth & Woolf and Co. The issue for Tennessee Gas is offered at a return of 6% per annum, with a奇lue of $1000,000,000 on the common stock. The issue for Pacific Telephone & Telegraph Company is offered at a return of 6% per annum, with a奇lue of $50,000,000 on the common stock. Both issues are expected to be offered within the next few days.
The Challenge of Human Engineering
By HENRY FORD II
President, Ford Motor Company


What I propose to do is to outline a problem. That may not be very considerate of me, but I take comfort from the fact that produc-
Dealer-Broker Investment Recommendations and Literature

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

Bank and Insurance Stock Direct: Discussion of several situations—Geyer & Co., Inc., 47 Wall Street, New York, 5, N. Y.

Graphite Stocks—250 charts providing statistics on virtually every active stock listed on the New York Stock and Curb Exchanges; monthly highs and lows for the past ten years; earnings and dividends since 1926; capitalization of each company. Available in I-J, O-F, and other combinations of trading in certain important stocks—January issue, 100 pages, $10.00. Annual service (16 issues), $50.00. F. W. Stephens, 15 William Street, New York 3, N. Y.


Algheny Corporation—Study—Villas & Hickey, 49 Wall Street, New York 5, N. Y. Also available is a study of Baltimore and Ohio. Both for brokers and dealers only.


American Service Co.—Circular—Ada Co., 231 South La Salle Street, Chicago 4, III.

Associated Gas & Electric—Memorandum in the January issue of the "Far Infrared" Stock Guide, which also contains comparative figures on public utility preferred and common stocks—C. A. Baxton & Co., 1030 Pine Street, New York 5, N. Y.

Boiser, Inc.—special study—Goodbody & Co., 315 Broadway, New York City.

Also available is a study of Consol. Electric & Gas.

Consolidated cement Corp.—Bulletin on recent developments—Lincoln & Co., 41 Broad Street, New York 4, N. Y. Also available is a circular on Oregon Portland Cement, River- side Cement, and Spokane Portland and Cement.

Consolidated Dearborn Corporation—Discussion of a real estate stock, considered timely by W. K. Wetter, Richter Company, Larr- bych Building, St. Louis 1, Mo.

Consolidated Gas Utilities and the Chicago Corporation—Circulars—Prices, 231 South La Salle Street, Chicago 4, III. Also available is a recent memorandum on the Miller Co.

Davison Malleable Iron Co.—study of outlook and speculative possibilities for appreciation for his company—Ward & Co., 130 Broadway, New York 5, N. Y. Also available are late memoranda on Great American Industries; Alabama Mills, Inc.; Douglas Shoe and Pulitizer Products.

Electrotrans Inc.—Recent report—Mercer, McDowell & Delphyn, Buhl Building, Detroit 6, Mich.

Also available a report on Shelton Manufacturing Company.


Franklin County Coal—Analysis—Circular—Ham & Hardy, 11 Broadway, New York 6, N. Y.

Gulf Atlantic Transportation Co.—Circular—Ham & Hardy, 11 Broadway, New York 6, N. Y.

Also available is a memorandum on Randall Coal.

Kearney & Trecker—Memorandum—ML showing prominent position in industry, income, and dividend factors, with promising growth, low price-earnings ratio and market value, New York 6, N. Y.

Also for dealers only are analyses of National Radiator Co. and Republic Pictures.

Kearney & Trecker—Memorandum—ML showing prominent position in industry, income, and dividend factors, with promising growth, low price-earnings ratio and market value, New York 6, N. Y.

Kendall Company—Descriptive circular—Lincoln & Co., 41 Broad Street, New York 4, N. Y.

Also detailed circulars on Fash-Ford-Electric Glass, Warren (Electrofilm) Co., Walt-Disney Productions, Federal Deposit Bank, and Segal Lock & Hardware.

Lehigh Valley Railroad—Circular—McLaughlin, Baird & Reuss, 1 Wall Street, New York 5, N. Y.

LeRoy Company—Study of common stock as a sound speculative investment—Sonen Corporation, 70 Pine Street, New York 3, N. Y.

Also available are studies of Babcock & Babbitt, York Corru-gated Amercian Insulator.

Michigan Distilling Corp.—recent analyses—Farrell & Co., 309 South La Salle Street, Chicago 4, III.

Also available is an analysis of Standard Motors Corporation.

Midland Utilities and Midland Realization—Detailed study of Wall Street, New York 6, N. Y.


Pacific American Investors, Inc.—Memorandum—Kirk & Co., 135 South La Salle Street, Chicago 3, Ill.

Pacific American Investors—Analysis of high leverage common—Ward & Co., Inc., 209 South La Salle Street, Chicago 4, III.

Ronan Coca Cola—Circular on interesting possibilities Host, Rose & Trouter, 74 Trinity Place, New York 6, N. Y.

Public National Bank & Trust Co.—Analysis—C. E. Underwood & Co., 61 Broadway, for circular M-3—Fred W. Fairman & Co., 308 South La Salle Street, Chicago 4, III.

Schenley Distilleries Corporation—A study of the "Coral" corporation—Thompson, in care of Schenley Distilleries Corporation.

Bought—Sold—Quoted

SPORT PRODUCTS, INC.

Common Stock

Mention available on request

CRUTHER & Co.

Memorial New York Stock Exchange and Chicago Stock Exchange

100 S. La Salle Street

CHICAGO, ILL.

Phone Central 4410

Chicago 4, Illinois

Free Circulars Also Available

SCHENLEY DISTILLERIES CORPORATION

A study of the "Coral" corporation—Thompson, in care of Schenley Distilleries Corporation.

H. H. Robertson Co.—Memorandum—Buckley Bros., 1329 Washington Street, Philadelphia 2, Pa.

—We Maintain Active Markets Thru—

CHICAGO SO. SHORE & SO. BEND RR. COM.

GALVIN MFG. CORP., COMMON

NORTHERN STATES POWER CO. 6 & 7 PFS.

H. M. Blyyles and Company

133 So. La Salle Street

Chicago 3

Telephone State 8111

Teletype CG 273

New York Philadelphia Pittsburgh Minneapolis

Trade Markets in Chicago Aircraft

BENNETT, SPANIER & CO., INCORPORATED

105 SOUTH LA SALLE STREET

CHICAGO 3, ILL.

Telephone Central 4724

Teletype CG 1040

Also available is a study on...
Melady & Co., NYSE Members, is Formed

Formation of the firm of Melady & Co., with M. Melady as a member in the New York Stock Exchange, has been announced. The general trade name of the firm is Frederic C. Melady, president, and John P. Melady, secretary.

Howard Aircraft Div. Produces Toolmaster

Professional Product Now Offered to Public

A division of the Howard Aircraft Corporation of Racine, Wisconsin, which manufactures fractional horsepower motors, has reported to have a backlog of orders sufficient to keep its plant at full capacity for a full year when current orders are filled. This division is now producing the Electric Gun Manager and Toolmaster, both of which was originally intended as a device for the management of the electric gun. The design of the Toolmaster is for the control of the electric gun.

Proposed Loan to the United Kingdom

Proposal Expected to Find Toughest Sledding Among Members of Congress. Truman Action Seen Delayed Because of Strike Situation.

Wisconsin Co. Promotes Three Branch Mgrs.

MILWAUKEE — The Wisconsin Company, 110 East Wisconsin Avenue, has announced the re-organization of Robert A. Baird and his successor. He has been head of the company since 1920 when it was established as a successor to the bond departments of the First National Bank of Chicago and the Wisconsin National Bank.

KITCHEN & CO.

135 South La Salle Street
Chicago 3, Ill.
Tel. ST. 6200

Memorandum on Request

"AN NON-CALLABLE MARGIN ACCOUNT" — Pacific-American Investors, Inc.

Active Trading Markets

*American Service Company, Preferred, Class A and Common
R. Hoe & Co., Inc., Com.

*E. & G. Brooke Iron Co.

Interstate Aircraft & Engineering Corp.

Recent circular on request

ADAMS & CO.

231 South La Salle Street
Chicago, Illinois
Telegraph CG 361 Phone State 018

FINANCIAL ADVERTISING

In All Its Branches

Plant Proposed—Conference Invited

Alfred Frank - Gunther Law

Telephone: 7-9690

Boston Chicago Philadelphia San Francisco

Macfadden Publications

Gisholt Machine

All Wisconsin Issues

Miles, Holohan & Co., will Open; NYSE Firm

Anthony T. O’Hool will acquire the New York Stock Exchange membership of the late Norman Gunn and will form O’Hool, Holohan & Co. in partnership with Joseph B. Holohan, as of Jan. 31. Mr. O’Hool and Mr. Holohan will be general partners in the firm, which will be located at 30 Pine Street, New York City. Frances S. Weeks and Florence N. Rhemstein will be limited partners. Mr. O’Hool was previously a partner in T. Sloan, Young & Co.

ADOYLOCE, O'CONNOR & Co.

Incorporated

135 South La Salle Street
CHICAGO, ILLINOIS
Telephone: Dearborn 6488

PUBLIC UTILITY COMMON STOCKS

American Railways Corporation
Black Hills Power and Light Company
California Hale Service Company
Central Arizona Light and Power Company
Central Illinois Electric Company
Empire District Electric Company
Gulf Public Service Company
Iowa Public Service Company
Lake Superior District Power Company
Minnesota Power & Light Company
Missouri Utilities Company
Public Service Company of Colorado
Public Service Company of Indiana
Southwestern Public Service Company

ACALDYN Incorporated

Chicago New York Boston Milwaukee Minneapolis Omaha

CONTINUOUS INTEREST IN:

THE SECURITIES OF:

Kingsley Co.

Shields & Silica Co.

Nekoosa-Edwards Paper Co.

National Tool Co.

Central Paper Co., Com.

Northern Paper Mills Co.

Cleveland Paper Co.

Fremont Steel Co.

Fremont Steel Co.

Wisconsin Power and Light Co.

Hamilton Mfg. Co.


James Manufacturing Co.

LOEWI & CO.

Members Chicago Bond Exchange
211 East MASON ST.
MILWAUKEE (2), WIS.

PHONES—Dally 8392 Chicago State 0893 Teletype MI 488

HOLLEY, DAYTON & GAREN

Members Chicago Stock Exchange
126 S. LaSalle St., Chicago 3, III.

Office in Wisconsin

Butler — 15A, 1 St. Louis, St. Louis

Macfadden Publications

Gisholt Machine

All Wisconsin Issues
Real Estate Securities

News on Various Issues

WE HEAR THAT: New York Title and Mortgage Company Series C-5 Trustee has sold the Hampshire House for $3,000,000 with all cash above the existing mortgage. This will provide sufficient cash to make a principal payment of approximately $100,000 on each original $1,000 cer...

The Boydale Corporation has asked bondholders to consent to amend the trust indenture so that it will be possible to separate the shares of stock from the bonds, so that the bonds might be sold or transferred while the stock was retained, or the stock sold or transferred while the bonds were retained, or the bonds and stock sold separately, or retained, all in accordance with the individual desires of each holder of the bonds and stock. To accomplish this result, consent must be given by the holders of at least 66% in aggregate principal amount of bonds outstanding.

Broadway Motors Building will make an interest payment of 4% on Feb. 1. Payment consists of the regular 2% semi-annual payment plus 2% to bring the total annual payment to 6%.

S. S. Colt Addresses Quarter Century Club of Bankers Trust

The annual dinner of the Quarter Century Club of Bankers Trust Company employees, was held at the Hotel Brevoort. One hundred and sixty members heard an informal address by Mr. Sloan Collins, president of the Bankers Trust Company. The active membership is made up of salesmen, clerks and employees of Bankers Trust Company who have been with the bank continuously for 25 or more years. Twenty-four members qualified for the 25 year period. The honorary members include Mr. Colt and five directors. Among those attending were Mr. Sloan Collins, Mr. Sloan Collins, Mr. Sloan Collins, Mr. Sloan Collins, Mr. Sloan Collins...

C. M. White

Charges for 2d. of $37.50 per $100 bond on Jan. 31, 1950, and $25.00 per $100 bond on Jan. 1, 1952. The paid funds were in the Bank of America, N.A. London, England and the Bank of America, N.A. New York, New York.

The Lombardy which during 1945 reduced the 3-0's to $250.00 by a pro-rata distribution from proceeds of a premium sale upon the property will make an inter-

REAL ESTATE SECURITIES

Primary Markets in:

Hotel St. George, 4th
165 Broadway, 4th
870 - 7th Ave., 4th
Park Central Hotel
Savoy Plaza, 3-6th, 56
Beacon Hotel, 4th

SHASKAN & CO.

Members New York Stock Exchange
200 Post Office Tower
42 Exchange Place, N.Y. 5, 4-9590
Tel: New York 1-1219

TITEL COMPANY CERTIFICATES

Sold - Bought - Quoted

Complete Statistical Information

L. J. GOLDSWATER & CO.

39 Broadway
New York 6, N. Y.

L. J. GOLDSWATER & CO.

421 Broadway, 4th Floor
New York 12, N. Y.

AMOTT, BAKER & CO.

Incorporated

150 Broadway
New York 7, N. Y.

TRADE MARKETS IN

Broadway Barclay 2/56
Broadway Motors 5/67
165 Broadway 4/58
Savoy Plaza 3-6th
Westinghouse Building 4/48
J. S. Strauss & Co.

81 Montgomery St., San Francisco 4
Tel.: 68 42 62

TRADE MARKETS IN

N. Y. Majestic 4 1/4 1958
Roosevelt Hotel 4 1/4 1957
Savoy Plaza 3 1/4 1956
Sheraton Corp. 4 3/4 1956
150 Broadway 4 1/4 1956
875 7th Ave. 4 1/4 1957

Philip Murray

Murray Accuses Big Business of Evil Conspiracy

CIO Head States Over Radio That Steel Executives Refused to Bargain With Union, but Refers to Negotiations Resumed at the White House. Boys Industrial Magazine Lists Estates Wherein Millions Are Employed American and Steel Institute, Whose Members Employ 95% of Steel Workers, Accuses Unions of Violating "No Strike" Clause in Contracts.

In a radio address on the evening of Jan. 21, Philip Murray, President of the United Steel Workers of the CIO, appealed for public support of the strikers in the steel, automobile and electrical industries.

**Murr..."No Strike" Clause in Contracts.**

Most, if not all, of you have had experience with its provisions. Briefly, it was planned to regulate all kinds under voluntary codes or through Government li-

In 1938, the National Industrial Recovery Act was passed by Con-

The following year President Roosevelt was given power to ap-

In 1933 the International Labor Union was abolished by the CIO.

(Continued on page 388)
Ohio Municipal Comment
By J. AUSTIN WHITE

Everybody is questioning how high the municipal market is today. Despite all the hullabaloo about high prices, a careful comparison of the prices prevailing in 1945 with those prevailing in 1944 shows that the prices selling today are no higher than those prevailing in 1944.

Of many new issues that have been in the past several weeks, there is one which probably will not become a national issue, but which in the short run will probably be sold at a high price. This is the $2,500,000 bond issue of the Bexley, Ohio, school district, which was sold at a high price in May and June 1945.

Ohio Brevisities
Offering of $129,606 common shares, $5 par value, of Automatic Canteen Co. of America, was "beautiful and smooth," according to its president.

Hornblower & Weeks and Central Republic Co., both of Cleveland, sold a $2,500,000 bond issue at 93%. On the morning of the offering the issue had reached 95%. The bonds were purchased by leading banks.

Other categories reaching new tops were U.S. Government notes and total loans of $250,559,000.

The five banks are the Clevel-
dan, National City Bank, Cleveland, Ohio; National City Bank of New York; and the New York Stock Exchange.

Individual, the Cleveland Trust Co. is up to 10.5, highest in the country as deposits climbed to $1,025,732,000, establishing it as the first billion-dollar bank in the Fourth Federal Reserve District. In savings depo-
sits, the bank is sixth largest in the U. S.

President Charles J. Stithwell issued an order Wednesday morning underwriting the first time in which the $1,000,000 bond issue sold.

Ohio and Michigan Bar
New Kaiser Stock Sale

Dealers in the States of Ohio and Michigan have been unable to participate in the sale of the new Kaiser-Frazer Corp. stock of the Kaiser-Frazer Corp., which was offered for public subscrip-
tion. The offer is handled by Otis & Co., Clevel-
dan, at $15 per share. According to the Associated Press, the New York State Securities Division disclosed that Otis & Co., had with drawn application to register the stock, after the division had asked for further information to show whether the new automobile company's financial condition had improved sufficiently to warrant the increase in price of the shares as compared with that at which the initial issue was sold. The banks in Michigan, the press association reported, refused to underwrite the Blue Sky laws which require that stocks sold subsequent to the initial financing must not amount to more than 20 times the corporation's earnings. The Kaiser-Frazer Corp., has not as yet gone into production.

Ohio Treasury Has
Over $200,000,000

The State of Ohio's treasury has on hand over $200,000,000 on Jan. 15, the first time in the department's history that such a formidable figure was announced. In announcing the balance—which is not entirely in the treasury fund but can be transferred to the Treasury Department, Treasurer Don H. Ehrhart said the state's banks had deposited $65,500,000 more than existed a year ago and compared with.

Included in the $200,181,352 total is $70,000,000 in inactive bank balances, nearly $85,000,000 in United States Government bonds and $25,000,000 in cash and demand deposits. A breakdown showed that $154,215,557 was in treasury balances, $174,000 in highway funds, $11,607,429 in cash on hand and $72,635 in the poor relief account. There were also a number of smaller accounts.

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THE TRAGEDY OF INDUSTRIAL CONFLICT

By C. E. WILSON

President, General Electric Company

Leading Industrial Executives Assert That When Million Men Walk Picket Lines "It Is Another Atomic Bomb Which Threatens Our Existence." Holds That Industrial Strike Exists We Live in Unpleasant and Tragic Hours and Must Avert It Before Destroys Us. Calls for a More Tolerant Attitude in Management-Labor Disputes and Accuses Unions Leader of Villification. Says We Must Last Our Lives and It Would Seem Little Out in All Directions With No Clear-Cut Enemy and the Wounds and Scars Will Be Worn for a Long Time. Attacks Labor's Demands as Inconceivable and as Being Testament to Giving Up the Enterprise System

Just about a year ago things were very different with us. So States of America in 12 months, nearly.

In Europe our armies were battered and bruised from the Battle of the Bulge, and at home our confidence was shaken. In the Pacific we were heartbreakingly far from our goal. If we had one great wish, as a nation, it was to be rid forever of this conflict in which we were engulfed—rid of it victoriously, to be sure—but of it none the less.

Then, in a few short months, the miracle had happened as we had wished. We have it now, this peace for which we fought so hard. We are standing on the threshold of the Golden Age. Bubbling blueprint for which we used to inspect and readapt furiously during the war in order to keep up our spirits and remind ourselves that the war will be over, is better, just over the hill. This peace-how do you like it?

There is only one thing that brings such a group as this together, and that is the spirit of the in an institute of higher learnings, for which an organized front for knowledge, richly endowed by generations of Americans, is too narrow, too far from content with the status quo, either to the war, and we feel that it is time for us to depart. Yes, there is no simple way in which you went to school, and the gifts and experiences which result, and to preserve it in human history.

The War: A Footnote to History

We were very tired of war, tired of our mounting dread, tired of the everlasting effort to hold up our economy physically tired of the vast expenditures of courage and determination, tired of frustration and deprivation and the like. And, if you will remember, did not go. You have a right to be in the war, and you can.

*An address by Mr. Wilson before the Clarion College Alumni, Jan. 19, 1946.

Boren Bill

The Hon. Lyle H. Boren, Congressman from Oklahoma is working to have the Boren Bill acted upon by the Interstate and Foreign Commerce Committee. So many issues have been before Congress that the Boren Bill is being side-tracked for those issues to be considered. While interest in the Boren Bill will urge the committee to act and to have the bill as a whole in the Senate by June 19, Chairman F. Leney, Interstate and Foreign Commerce Committee, Capitol充值, Washington, D.C. urging him to call a meeting of the committee for the purpose of voting on the Bill. You will also please urge, and we urge you to write similar letters, especially people with political influence.

The Boren Bill is important to corporate traders as well as to municipal traders. Our organization should study what on can help to effect its passage.

Baltimore Security Traders Association

The Baltimore Security Traders Association announces that its annual midwinter dinner will be held on Jan. 25, at a "zikaden Lord Baltimore Hotel.

SECURITIES TRADERS ASSOCIATION

The Securities Traders Association of Detroit and Michigan, Inc., announces the appointment of Edward J. Bennett, Jr., of M. A. Hanley & Co., to the National Corporate Securities Committee of the Association, and Donald W. McDonald-Moore & Co. to the Publicity Committee. Paul I. Moreland, President of the Detroit unit, announces the appointment of John K. Roney, of Wm. C. Roney & Co., as National Committeeman from Michigan, and Herbert J. Schonberger, Jr., of Alternate Committeeman. Mr. Schonberger, who recently returned from the Service, is back at his former post with Campbell, Mosley, & Co.

THE OXFORD CASE

The Corporate Committee of the National Security Traders Association, of which Victor Mosley, Strand & Company, Philadelphia, is chairman, is to consider the Oxford case, which, at least by inference, defines in the opinion of the Securities and Exchange Commission, the nature of transactions. This matter will be taken up at the meeting of the National Committee in Chicago, when the decision will be determined, after a thorough study by counsel, but will not be determined at the meeting in February.

Mr. Mosley in a letter to the 2,300 members of the NSA said:

"On Friday, Jan. 4, 1946. (SEC Release 3706) the Commission announced revocation of Broker-Dealer registration of the Oxford Wheat Sales Co., in New York, C. O., undoubtedly with justification, but bringing forth, in no uncertain manner, the Securities exchange as the judge of the conduct of the companies in question, and the Commission, of course, must operate.

The official statement of the company and members of the association are closely following this matter and have discussed it with numerous securities organizations, the commission will and out of the Commission. The following extracts are from the release:

"A firm which makes a purchase to fill an order solicited by it with the statement that the security is for the purpose of making that purchase for its customers—in fact and within the meaning of the regulations, the transaction is, therefore, a brokerage transaction under the statute. . . .

"Under these circumstances the firm must fulfill the obligations of brokerage in the transaction: among other things, the act of actions by the firm, to refrain from acting adversely, to refrain from taking secret profits, to make the best price available, and to confirm to standards will be submitted to the firm for its action, the best price obtainable, and to confirm to agent acting specifically for the purpose of the decision. . . .

"The decision was made initially by the firm to recommend the purchase of a security which it did not own was a voluntary decision which committed the firm to the role of brokerage.

"The importance of the matter should be the immediate attention of all bodies and associations of the Security business communications or collaborations of as courses of action, will be welcomed by the committee.

Yum, Devine, Atwood, Treas.

For W. E. Pollock & Co.

Wm. R. Devine has been appointed assistant treasurer of Wm. R. Devine, 30 Pike Street, New York City.

Simon to Admit Moch


MATSON NAVIGATION CO.

ONE OF A SERIES OF TIMELY STATISTICAL REVIEWS OF IMPORTANT BUSINESS DATA WHICH ARE LISTED ON THE SAN FRANCISCO STOCK MARKET OFFERED BY REQUEST

Raiser & Co.

20 PINE STREET NEW YORK CITY

Dee, Wittler & Co.

New Exchange Firm

Reimer & Co. will be formed as of Jan. 31 with offices at 60 Wall Street or 15, 20 Wall Street, New York City, and will be Otto B. Reimer, member of the Exchange, Harry R. Engeman, who has been secretary-treasurer, and other members of Mr. Reimer, general partners, and Rudolph Reimer, limited partner. Mr. Reimer has been associated with the two floor brokers, Mr. Engeman was a partner in the business.
Expansion of Export-Import Bank in Offing

By HERBERT M. BRATTER

Write Quotes From President Truman's Message as Giving Indication That theinspiring Authority of the Export-Import Bank Will Be Expanded Beyond the $3.5 Billion Statutory Limit. See Delay in Initiation of International Bank for Reconstruction and Development and Author's List of Export-Import Bank to Include Havirn. Barlow, and Notes New Personal Taken on to Meet Expanded Operations.

In an address before the District of Columbia Bankers Association on Jan. 21, Mr. Wayne Chatfield, President of the Export-Import Bank of Washington, predicted that Congress will act favorably on the British loan agreement. Mr. Taylor described the work of the Export-Import Bank, and the problems with which it must contend under new conditions created by the events of the past few years.

The possibility is therefore present that Congress will increase the loan power of the Export-Import Bank, and may now be brought into being to Congress this week. In the budget portion of the message, under the heading: "International Financial Programs," the President and his billion dollar credit institution has already, in the fiscal year ending June 30, 1944, totaling $1,010,000,000 million and will probably soon be committed to another large loan to the cotton export credit fund, the Bank will thereby have over $1,000 million, and it is expected that demands on its resources will increase during the remaining months of this fiscal year. "I anticipate that during the period covered by this budget the Bank will reach approximately $13,000,000 million," the President said.

The budget message does not say definitely that such a request will be granted, but the financial situation is now so critical that it seems probable that the request may come within the next month. (Continued on page 429)

Upholds Loan to Britain

Executive Committee of American Branch of International Chamber of Commerce Endorses Measure as "A Major Step in the Restoration of World Commerce." Forsees Grave Danger of Economic "Blues" If Britain Is Not Aided. Says "True Purpose and Effect of the Loan Is to Arrest Trend Toward Nationalization." The Executive Committee of the United States Associates, International Chamber of Commerce, announced on Jan. 18 its support of the bill to lend $3 billion to Great Britain and recommended that Congress approve the loan agreement.

The statement of the Executive Committee follows:

STATEMENT ON PROPOSED BRITISH LOAN


The Executive Committee of the United States Associates has examined the bill making provision for the loan of $3 billion between the United States and the United Kingdom, introduced in Congress in July, 1945, providing for a 3½ billion dollar line of credit.

The Committee considers financial aid to the United Kingdom and an agreement with the United Kingdom for measures to promote trade and foreign exchange to be essential to any program for restorative international trade in which we ourselves are so deeply interested. The agreement that is now submitted to Congress is the result of long and careful negotiations by representatives of both governments, and has been ratified by the British Parliament. We believe it should be accepted by our Congress. The conclusions reached from an analysis of the proposal are:

Conclusions

1. The Committee believes that the extension of the line of credit on the terms and conditions set forth in the bill would be a major step in the restoration of world commerce and toward the elimination of state direction and control. The forces of private enterprise throughout the world would be strengthened.

2. If we contributed to finance that by no means solve Britain's fundamental economic problems, that cannot be done only through rehabilitation and modernization of her productive facilities and the rebuilding of her export lines; it is essential to the efforts of all countries. The credit would, however, give Great Britain breathing space in which to adjust her economy to her new economic conditions.

3. This credit arrangement would be one of establishing a pattern for similar arrangements with other countries. For reasons that are stated herein, the British case is unique. The Committee is concerned over the growth of inflationary tendencies in all countries, and urges prudence in the development of our foreign lending program. Excessive lending of public funds will not only mean a heavier burden upon the U. S. taxpayer, but we may find that instead of financing a sound recovery, we are repeating the experiences of World War I. We feel that it is more important to financing a boom and generating the

Lays Shirt Scarcity to OPA

Gordon C. Creighton, of NORDCA, Holds Low Priced Apparel Items Ought to Be Progressively Decontrolled Rapidly and "Men's Shirts Would Be a Good Place to Start." Says Materials and Labor Are Available and Full Production Would Soon Bring Prices Back to Normal Level.

A suggestion that OPA use the decontrol method to relieve the current shortage of men's shirts was made in an interview with Mr. Creighton, Assistant General Manager of the National Association of the Wholesale Trade of U.S.A. He commented on the Annual Convention of the U.S. Chamber of Commerce, in the Hotel Pennsylvania in New York City.

"Such action, following the heels of the loan agreement by OPA and OPA last week of 'incentive pricing' of rayon linings for men's shirts, will be welcome news to all in the situation swiftly. The grave situation of lack of men's shirts which are denied 'clothes to returned veterans and clothes for the kids on the block' call for more realistic policies."

"Thus far, OPA efforts to aid production have been almost nonexistent, it seems to have taken unity itself the right to direct the nation's economy in pathways fixed by limitations instead of the traditional broad highway of production."

"Among the few products which that agency has seen fit to release from its controls are:" (Continued on page 429)

This is under no circumstances to be considered as an offering of Stock for sale, or as an offer to buy, or as a solicitation of an offer to buy, in each case of such Stock. The offer is made only by means of the Prospectus.

The First Boston Corporation

Blyth & Co., Inc.

W. C. Langley & Co. Merrill Lynch, Pierce, Fenner & Beane

A. C. Allyn and Company

The Wisconsin Company

Incorporated

The Milwaukee Company

Ames, Emerich & Co., Inc.

Bosworth, Chanute, Loughridge & Company

Julien Collins & Company

Dewar, Robertson & Pancost

E. M. Newton & Company

Russ & Company

Walker, Austin & Waggner

Harold E. Wood & Company

Woodard-Elwood & Company
Railroad Securities

The proposed merger of Alton (in reorganization) and the Gulf, Mobile & Ohio moved a long step forward last week when the final date for filing objections in the United States District Court passed without the filing of any objections. The Court had set Feb. 9 for hearings on any objections to the proposed plan but now with holders of the various affected securities apparently in full accord the whole proceedings will be expeditiously concluded. There are a number of technical steps to go through, it is generally expected that the proceedings will be consummated and the new securities issued within a month. The Alton bonds are to receive $500 in Gulf, Mobile & Ohio Income 4, 2044 and 7% shares of Gulf common. Acquisition of the Alton properties will materially improve the status of Gulf, Mobile & Ohio giving it a through line from Chicago to the Gulf of Mexico at Mobile and New Orleans.

The process of growth of this system has been an interesting and profitable one. The start was made in 1825 when the old Gulf, Mobile & Northern leased the properties of New Orleans and Northern, which was just emerging from reorganization with a sharply reduced fixed charge structure; it gave access to the important port of New Orleans. The merger with Gulf, Mobile & Northern to form the present Gulf, Mobile & Ohio, this step was to make a line connecting St. Louis and was highly important in giving a considerable longer haul on north bound traffic originating on the lines of Gulf, Mobile & Northern and New Orleans, Alton, the old Gulf, Mobile & Ohio to the north, they were never necessary, in the process of each of which fixed charges have been, or will be in the case of Alton, drastically cut. It is anticipated that fixed charges on completion of the Alton merger will be in the neighborhood of $1,300,000. This is only non-negligible - the combined charges of the old Gulf, Mobile & Northern and New Orleans Great Northern, and quite a bit less than the individual charges of the Alton, Mobile & Ohio prior to reorganization. In other words, taking the old Gulf, Mobile & Northern, which survived the depression without receivership or bankruptcy, and its leased line as a base line mileage and a through north-south road, we may expect a reduction of only about $200,000 to fixed charges. Moreover, once the Alton merger is accomplished, there is no indication that a refunding operation will be contemplated, and if not all, of the system, non-system fixed debt will be undertaken.

Most rail analysts view the post-war business prospects of Gulf, Mobile & Ohio with a large degree of optimism. It has been stated that most of the plants built in the service area for war purposes were financed with private rather than public funds. Such a course of action has the advantage of giving the public an opportunity to purchase stock in the utility, and thus providing a source of income which is not dependent upon the speculative and unpredictable market. The result is that the public is better able to meet the cost of constructing and maintaining the system, and thus able to protect itself against the possibility of a depression or war.

The original principal amount of the bonds issued was $1,000,000,000, due 1953, and comprising dollars, Sterling and Yen series. The petition points out that interest and principal are payable in New York, London, and Tokyo, in time of war as well as in time of peace, whether such payments are made in the form of bonds or of any other security of the petitioner, or in the form of a cash payment. The petition further states that the bond issue is guaranteed by the New York City, London, and Tokyo, and is expected to go on sale by a national underwriting agreement which secures the bond issue and to appoint a successor trustee or trustees.

Legal Proceedings Taken to Protect Holders of Tokyo Electric Bonds

Petition filed in New York Supreme Court for Appointment of New trustee in Place of Mitsui Bank, Now in Liquidation in New York, So That Measures May Be Taken to Protect Equity of Foreign Bondholders. Proceedings May Set Pattern for Similar Action in Other Defaulted Issues in Asia Countries.

An unprecedented procedure for the protection of American and foreign investors in bonds of the Tokyo Electric Light Co., Ltd., which will be heard before Justice William C. Heckethorn, Jr., of the New York Supreme Court January 16-18, 1938, on February 4th next, Edna N. Schotten, a bondholder acting in behalf of and on behalf of all holders of like bonds, has filed petition with the Supreme Court to remove The Mitsui Bank, Ltd., of Tokyo, and, as a result, to require a payment agreement which secures the bond issue, and to appoint a successor trustee or trustees.

The original principal amount of the bonds issued was $175,000,000, due 1938, and comprising dollars, Sterling and Yen series. The petition points out that interest and principal are payable in New York, London, and Tokyo, in time of war as well as in time of peace, whether such payments are made in the form of bonds or of any other security of the petitioner, or in the form of a cash payment. The petition further states that the bond issue is guaranteed by the New York City, London, and Tokyo, and is expected to go on sale by a national underwriting agreement which secures the bond issue and to appoint a successor trustee or trustees.

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This is only one of the many proceedings which have been filed in various courts and tribunals in the United States in recent years, and which have been brought to the attention of the public by the Japanese Imperial Government nationalized the public utility industries of Japan and guaranteed payment of the principal and interest of the bonds. The same action has also been taken in many other countries, and the possibility of a depression or war is thus minimized.

Mr. Pastor expressed the view that the application of the line of reasoning by the Japanese might be useful in other foreign issues which differ from the one at hand as well as during the war.
Murray Accuses Big Business of Evil Conspiracy

(Continued from page 380) strain, and in many cases, to affect every American household. That is my reason for bringing to your attention the experiences of these workers and the mem-
bers of their families. Those who are in any way connected with the steel industry will be interested to learn the facts. Some of the facts I shall state are unpleasant and may cause some reac-
tions. However, I should like to state clearly that I do not wish to be accused of spreading false information. The facts are as follows:

Some years ago, around 1942, practically four million American workers were employed in the steel industry. These men were engaged in the production of steel, which is used in the construction of homes, bridges, cars, and other essential products. The steel workers were given raises and benefits, and they were able to provide for their families. However, in the late 1940s, the steel industry began to experience financial difficulties. The company's profits began to decline, and the workers were laid off. The steel company's management decided to cut wages and benefits in order to reduce costs and stay competitive. The workers were told that this was necessary in order to save their jobs. The workers were also told that the cuts were temporary, and that they would be reversed once the company's financial situation improved. The workers accepted these cuts and worked hard to meet the new demands.

During the next few years, the steel industry experienced further financial problems, and the company's profits continued to decline. The company's management decided to cut wages and benefits again, and the workers were again told that this was necessary to save their jobs. The workers accepted these cuts and continued to work hard. However, in 1980, the company's management decided to cut wages and benefits for the last time. The workers were told that this was necessary to save the company, and that they would be laid off if they did not accept the cuts. The workers refused to accept these cuts, and the company began to lay off workers.

The steel company's management decided to cut wages and benefits again, and the workers were told that this was necessary to save the company, and that they would be laid off if they did not accept the cuts. The workers refused to accept these cuts, and the company began to lay off workers. The laid-off workers were forced to seek employment elsewhere, and many of them were unable to find work.

This situation is a clear example of how big business can manipulate the economy and the workers. The steel company's management was able to manipulate the workers because they had power over them. The workers had no choice but to accept the cuts, and the company was able to save money by reducing its workforce.

I believe that this situation must be corrected. The workers must be given a fair shake, and their wages and benefits must be restored. The steel company's management must be held accountable for their actions, and they must be forced to fulfill their obligations to the workers. I urge all Americans to support the workers in this struggle, and to demand that the steel company's management fulfill their obligations to the workers.
Scores Government Partisanship in Labor Disputes

(Continued from page 380)

However, it was short-lived. In 1933, the NLRB, even though it was not unconstitutional, had the resources to bring the case to the Supreme Court. The Wagner Act of 1935 which guaranteed the right to organize, required employers to bargain collectively with their employees, and protected the right of workers to form unions. This legislation provided the framework for the NLRB's role in labor disputes.

Other acts written to favor labor included the National Industrial Recovery Act, the Fair Labor Standards Act, and the Social Security Act, among others. These acts sought to regulate the labor market and protect workers' rights.

Through the legislative acts, labor gained a significant role in the protection of workers' rights and the regulation of the labor market. The NLRB, with the support of the public, was able to enforce these laws and bring about change.

Factors of Labor's Monopolistic Position

Many factors gave comfort and courage to the labor leaders as they progressed with starting a monopoly toward a monopolistic control. Four important factors were:

1. The almost unfailing bias of the courts and bureaus against the National Labor Relations Board as an unlawful organization contrary to the mounting ambition and mounting demands on the NLRB.

2. The bias of the courts in the consideration of the decisions of the boards and the curses and of their interpretation of the decisions, caused by Congress.

3. The bias on the part of State, county and local officials who were not willing to implement the breakdown of law enforcement in the case of the NLRB.

4. The absolute lack of any official or governmental support, policy or program other than one designed to stop the NLRB and thereby save labor's cause. This has resulted in great confusion as the NLRB is not quite sure how to follow in connection with his policies, it is practically sure that one body does not of necessity take the opinion of a second body.

Let's examine these points a little more in detail.

For instance, an employer discharges an employee who is on strike. The employee's union may call for a strike in support of the discharged employee. The strike is called even though it may involve picketing or other actions that are illegal under federal and state law.

The NLRB has the power to order a strike to cease and desist. However, it can only order a strike to cease and desist if it finds that the strike is interfering with the national economy. In this case, the NLRB would have to determine if the strike is interfering with the national economy.

The NLRB has the power to issue an injunction to stop a strike if it finds that the strike is interfering with the national economy. However, it can only do so if it finds that the strike is interfering with the national economy. In this case, the NLRB would have to determine if the strike is interfering with the national economy.

Although a sitdown strike is illegal, the Board forbids discrimination in the discharge of employees who have been involved in strikes. The Board has held that a striker committing a criminal act need not be restored to his former position. The Board, however, generally gives consideration to the circumstances under which the act was committed and any evidence of the striker's prior record.

The NLRB has the power to order the discharge of an employee who is guilty of misconduct. However, it can only do so if it finds that the misconduct is serious. In this case, the NLRB would have to determine if the misconduct is serious.

The NLRB has the power to order the discharge of an employee who is guilty of misconduct. However, it can only do so if it finds that the misconduct is serious. In this case, the NLRB would have to determine if the misconduct is serious.
employees, I just think that they are the most important sort of law enforcement, the sort of law enforcement that really make our society work. The record of our long, long experience with these organizations is that they have been very effective in maintaining order and preserving peace, and they have done it with a minimum of violence. They have been able to maintain order and preserve peace with a minimum of violence, and I think that is the kind of law enforcement that we need in this country. We need law enforcement that is not only effective, but also is used in a way that preserves the rights of individuals. We need law enforcement that is used in a way that respects the rights of individuals.

The Remedies

Now what are we going to do about this? I have here a bill that would do this, and I would ask you to pass it. I have here a bill that would do this, and I would ask you to pass it. I have here a bill that would do this, and I would ask you to pass it. I have here a bill that would do this, and I would ask you to pass it. I have here a bill that would do this, and I would ask you to pass it. I have here a bill that would do this, and I would ask you to pass it. I have here a bill that would do this, and I would ask you to pass it. I have here a bill that would do this, and I would ask you to pass it. I have here a bill that would do this, and I would ask you to pass it. I have here a bill that would do this, and I would ask you to pass it. I have here a bill that would do this, and I would ask you to pass it. I have here a bill that would do this, and I would ask you to pass it. I have here a bill that would do this, and I would ask you to pass it. I have here a bill that would do this, and I would ask you to pass it. I have here a bill that would do this, and I would ask you to pass it. I have here a bill that would do this, and I would ask you to pass it. I have here a bill that would do this, and I would ask you to pass it. I have here a bill that would do this, and I would ask you to pass it. I have here a bill that would do this, and I would ask you to pass it. I have here a bill that would do this, and I would ask you to pass it. I have here a bill that would do this, and I would ask you to pass it. I have here a bill that would do this, and I would ask you to pass it. I have here a bill that would do this, and I would ask you to pass it. I have here a bill that would do this, and I would ask you to pass it. I have here a bill that would do this, and I would ask you to pass it. I have here a bill that would do this, and I would ask you to pass it. I have here a bill that would do this, and I would ask you to pass it. I have here a bill that would do this, and I would ask you to pass it. I have here a bill that would do this, and I would ask you to pass it. I have here a bill that would do this, and I would ask you to pass it. I have here a bill that would do this, and I would ask you to pass it.

A Lively Discussion

Of Russia's Foreign Policies

A dinner forum on "Russia's Foreign Policy" will be held under the auspices of the Association of the New School for Social Research on Friday, Jan. 25 at 6:30 p.m. Dr. Bryn E. Callender, author of "The Soviet Union and the West, 1945-1955," will give a brief introduction. Questions will be taken from the audience during the panel discussions. The forum will be open to the public.

75,000 Shares

Columbia Pictures Corporation

$4.25 Cumulative Preferred Stock

No Par Value

With Non-Detachable

Common Stock Purchase Warrants

Price $103 Per Share

(plus accrued dividends, if any, from date of issue to the date of delivery)

Copies of the Prospectus may be obtained from only such of the undersigned as are qualified to act as dealers in securities in these States:

Hechlin, Noyes & Co., Hallagan & Co.
Shields & Company
Blyth & Co., Inc. Eastman, Dillon & Co.
The First Boston Corporation

W. E. Hutton & Co.
Kidder, Peabody & Co.
Merrill Lynch, Pierce, Fenner & Beane

January 24, 1946.
Mutual Funds

"You Can't Invest Money Yesterday"

An investment program must be geared to the future—not to the past—if it is to be successful, write the Trustees of George Put¬
nam Fund in their January Portfolio Review. "Not what you might have done, but how wisely you act now is important."

The Trustees then list some done with their "careful dollars" in "old days" with the opportunities—
available for the careful investor today.

"Under these prevailing conditions, and being influenced by the inclinations of in¬
vestors are finding this Fund worthy of serious consideration as a place for their "saving dollars." We cannot predict the future, but we can say that money placed in this Fund will be

Edward D. Jones & Co.

INVESTORS STOCK FUND, INC.

A Diversified Investment Fund

Prospectus on Request

NATIONAL SECURITIES & RESEARCH CORPORATION

(122 BROADWAY

New York 8, N.Y.)

The Knickerbocker Fund

for the Diversification, Supervision and Safe-keeping of Investments

Prospectus on Request

KNIcbERBOOKEIb SHARES, INC.

General Distributors

20 Exchange Place

New York 5, N.Y.

MANAGEMENT

of KARL D. PETTIT & CO.

Investment 100 Shares

Prices at Market

Prospectus upon request from your investment dealer or

PRICE OF RECORD DATE

Jan. 3, 1946

The Keystone Custodian Fund

The management provides at the termination of the current issue of National Notes. The nine National Secur¬
ities Interests are made up such as to permit the selection of the vari¬
vous series according to the degree of emphasis which an in¬
vestor may wish to place upon in¬
come or appreciation.

In another memorandum National Secur¬
ities & Research Corp. points out that the recent action of the Federal Reserve Board against rising margins to 100% on secu¬
rities purchases does not affect

the loan requirements of banks
regarding the collateral value of mutual fund shares. Specifically, this sponsor states, that the En¬
trusted Trust Company of New York has advised it will continue to make loans of 50% of liquidating value collateralizing Security Bonds and First Mutual Trust.

Keystone's 14 Years of Progress

During 1945, net assets of the $9,073,000 Keystone Custodian Fund increased from $10,450,000 to $16,600,000, a gain of $55,200,000. This represents a gain of 50% of net assets and does not take into account payment by shareholders of $9,073,000 of realized profits during the year.

Since inception of the Company in 1932 $33,915,000 of assets have been paid to Keystone shareholders. "It may or may not be significant," writes the sponsor, that the greatest growth in the Keystone Fund had occurred dur¬
ing the period dating from the 1927 decline in the market through the confusing markets of World War II up through the past year, which have been both war and peace markets.

Affiliated Fund

"The Dow-Jones Industrial Average is the Gallup Poll of the stock market,—i.e., the most widely accepted index of stock market movements," writes Lord, Ab¬
net, in a current Investment Bul¬
letin on Affiliated Fund. The bulletin presents for consideration
the performance of the Affiliated Fund with that of the Dow-Jones Industrial Average.

"As compared with its low point through most of the Dow-Jones Industrial Average would have had to be
high board above $37 (180 points higher than its present level). The present level (100 points lower than its present level) is gain equivalent to that made during
the same period by Affiliated Fund. Put another way, if Affili¬
ated had only gone up as much as the Dow-Jones, investors would now be 50.43 instead of 7.65.

Mutual Fund Literature

North American Securities Co. has recently published the Mutual Fund "Graefe & Co. Reopens Offices in Des Moines"

"DIE MONEYS, IOWA—IHove closed and re-opened Graefe and Company, Des Moines investment underwriters, today. The affiliation with the return of Harry B. Graefe from military service has been an¬
nounced.

The company has opened temporary offices at 608 Western Union Building, Des Moines, and in March will move to permanent quarters in the Equitable Build¬
ing, Des Moines. It is announced that the company will act as underwriters, dealers and distributors of bonds and other securities. Mr. Graefe has been in the business for 25 years, since May 1942, and for the past year has been connected with the ATC in Atlanta.

The firm's resumption of activ¬
ty was announced in the Financial Chronicle of Dec. 27.

F. L. du Pont Employees Honor A. J. Fleischmann

The employees of F. L. du Pont & Co. of Wilmington, Delaware, have chosen their New York Stock Exchange, honoring their fellow employee, John A. Fleischmann, at a dinner given by a party and reception, Mr. Fleischmann, on his retirement. The firm for 36 years without inter¬
ruption heads the largest and most active service the firm has established in Chicago and the Pacific North¬
west, and since Aug. 1, 1949, has been attached to the ATC in Atlanta.

The firm's resumption of activ¬
ty was announced in the Financial Chronicle of Dec. 27.
Monetary Manipulation

(Continued from first page) that it is important to have the facts at one's disposal to get a realistic picture of the political science, but I think it is pretty clear by this time that there is no substitute for the exer-
cise of judgment and common sense.

Of course, there are the word tags that we use for our ideas and about the meaning of which we do not all agree. One of the most practically true of technical terms like that is "increase," as the remark of the rev. W. A. Berry: "The increase of exports when they are not accompanied with so technical a matter as the monetary problem before a group in his speech, "The increase of exports is..."

I was referring to one of the word tags current in this particular field. I wouldn't know the exact meaning of such terms as credit expansion and the quanti-
ty theory of money. Therefore, I shall be using such terms as they are currently used in the field of propaganda. The propa-
gandists use the word "inflation" or "monetary manipulation." This matter has considerable importance especially since the de-
velopment of the science of econometrics and the spread of the field of propaganda. The propa-
gandist says that the word "inflation" is a good word to use to describe economic phenomena in which the value of money is too high. Then again as my Life suggests instead of talk-
ing about the "inflation," he is more likely to use the word "monetary manipulation." This matter is of considerable impor-
tance and comes up in this discussion because of the need for the further meaning of such terms as credit expansion and the quanti-
ty theory of money.

We had a money supply in 1929 of approximately $73 billions. That rose by 39% to 1930 and by 1933 it had risen to approximately $73 billions. This rise almost completely because of the increased credit given by private borrowers during the 20's.

When a bank lends to a borrower it makes a bank deposit. The lending to pri-
timate the money supply. The banks of issue in the speculative period of the 20's increased their loans by nearly $73 billions, so we have studied on the $30 billions in circulation in 1930 to the $30 billions in circulation in 1933. This means that the money supply increased by nearly $30 billions. This increase in the money supply means that the value of money has decreased since 1929, when the price of gold was at its maximum, and the price of gold was at its minimum.

The "New Deal" Inflation

The fiscal authorities of the country, through the gold pur-
chase policy and the sale of Treas-
yury bonds, have been increasing the money supply by $30 billions per year since 1933. This means that the money supply has increased by nearly $30 billions. This increase in the money supply means that the value of money has decreased since 1929, when the price of gold was at its maximum, and the price of gold was at its minimum.

You know the way the matter was rigged by the Treasury in the following way: The banks were permitted to buy large quantities of Government bonds, but they paid for them not with new bank money, but with their old bank money. The banks had to pay for the bonds not with new bank money, but with what the Treasury referred to as "government deposits." The price of gold would have been in circulation as a result of this policy, but that is bank deposits and money in circulation at its maximum of $73 billions, and $73 billions, which would not have been politically expedient.

IF YOU AGREE that the purchase by the banks of new government bonds is a "monetary manipulation," then you have to agree that the purchase of gold is also a "monetary manipulation." If you agree that the purchase by the banks of new government bonds is a "monetary manipulation," then you have to agree that the purchase of gold is also a "monetary manipulation."
Monetary Manipulation

Like the war, can be justified only by patriotic reasons. But I have always felt that it is also patriotic to insist that political decisions be done in the sound way instead of the other way. The following results might be achieved:

(a) The exchange speculator would be less enthusiastic to pursue purchases should the discount narrow.

(b) In the absence of support from the official rate of the Exchange Control Board, the official funds would be reduced.

(c) In the event of a change in the official rate, the Foreign Exchange Control Board would be forced to give up its policy of fixed exchange rates. Thus, the government would be forced to allow a greater freedom of action in foreign trade activities.

The second risk is the possibility that the Canadian government may not wish to lose control of the exchange rate. This would mean that the Central Bank would have to ensure that the exchange rate is maintained at a certain level.

The third risk is the possibility that the Canadian government may not wish to lose control of the money supply. This would mean that the Central Bank would have to ensure that the money supply is maintained at a certain level.

The fourth risk is the possibility that the Canadian government may not wish to lose control of the inflation rate. This would mean that the Central Bank would have to ensure that the inflation rate is maintained at a certain level.

The fifth risk is the possibility that the Canadian government may not wish to lose control of the exchange rate. This would mean that the Central Bank would have to ensure that the exchange rate is maintained at a certain level.

The sixth risk is the possibility that the Canadian government may not wish to lose control of the money supply. This would mean that the Central Bank would have to ensure that the money supply is maintained at a certain level.

The seventh risk is the possibility that the Canadian government may not wish to lose control of the inflation rate. This would mean that the Central Bank would have to ensure that the inflation rate is maintained at a certain level.
Reasons for Extended Stock Rise

(Continued from page 372)

quoting the expenditure of vast sums of money.

There is also the problem of building war-devastated regions of the world. Wherever we do this, in all probability, to be furnished, to great extent, by our bonds, relations and to administer properly, it will un-

quickly add to coming prosperity of our Nation.

IBM Promotes Watson
To Executive Post

International Business Machines Corporation announced the promotion of Thomas J. Watson, Jr., to the Executive Vice-President, with headquarters in New York. He will have no other duties, but will make five years of service with the U.S. Army Air Forces, with the

Mr. Watson joined IBM in 1937 after his graduation from Brown University, and was a senior sales representative in 1940, when he enlisted in the Air Force. He served in the 102nd Observation Squadron of the New York National Guard. He received the Air Medal for participation in a flight from Washington to Ye- san, Siberia, on an important military mission to Russia. He also was presented with the Commemorative Ribbon for meritorious service rendered the Office of the Air Inspector, Headquarters of Army Air Forces, Washington.

Mr. Watson is a veteran of the Spanish-American, Asiatic, Pacific, and Philippine theatres.

IBM Appoints Clark
Educational Director

Baltimore MD.—Announcement has been made in Baltimore of the appointment of Lieutenant Colonel Robert W. Clark, Jr., of the Army Air Force, as Director of the Educational Division of the International Business Machines Corporation at the request of the firm's president, John D. Patterson. Mr. Clark was a member of the staff of the U.S. N. R. Militia Training School, Chicago, Illinois, and most recently completed a tour of duty in the Navy Department, Bureau of Naval Personnel. He has been closely associated with the Navy's program of officer training.

Mr. Clark, who will make his headquarters in Washington, D. C., has, since active duty with the U. S. N. since April, 1942, during which time he was

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during which time he was closely associated with the Navy's program of officer training. He was a member of the staff of the U. S. N. R. Militia Training School, Chicago, Illinois, and most recently completed a tour of duty in the Navy Department, Bureau of Naval Personnel. He has been closely associated with the Navy's program of officer training.

Mr. Clark, who will make his headquarters in Washington, D. C., has been active duty with the U. S. N. since April, 1942, during which time he was

October 31, 1945.

1,800,000 Shares
Kaiser-Frazer Corporation
Common Stock
Par Value $1 Per Share

Price $20.25 per Share

Copies of the Prospectus may be obtained from only such of the authorized representatives of the Corporation as are acting in compliance with the securities laws of the respective States.

Otis & Co.
Incorporated
First California Company
Allen & Company

January 23, 1946.
ENDS Margin Trading

(Continued from page 373)

assets, such as homes, farms, business
interests, or even securities, which are
marked to market at least once a year.

The most effective way that I know of to protect against price fluctuations is to
purchase a put option on the security, which gives the right but not the obligation to sell
the stock at a predetermined price. This way, you can protect yourself from a
significant decline in the value of your stock without having to actually sell it.

In conclusion, margin trading can be a powerful tool for managing
investment risks. However, it requires careful consideration and
appropriate precautions to avoid costly mistakes.

Mary Lee Candles, Inc.,
Common Stock
Prospectus on request

Herrick, Waddell & Co., Inc.
5 Liberty Street, New York 5, N. Y.

American Fruit Growers Inc.,
Arden Farms Co., Pfd. & Common
Fullerton Oil Co.,
Wagenseller & Burst, Inc.

Members Los Angeles Stock Exchange
423 S. Spring St., Trinity 7141
Los Angeles 14

Market Quotations and Information on all California Securities

N. Y. Finance Institute
Announces Spring Term

The New York Institute of Fi¬
cance will offer the following
courses to be offered during the
Spring Term:

Accounting Principles, under
Charles Meyer, C. P. A.

Personnel Relations in the Financial Industry, under
Ott of Robert Washburn & Co.

Business Economics, under
Whitehead Company.

Information is available at
W. C. T. C., 17 West 31st Street,
New York 1, N. Y.

Security Analysis and P. K. Beal
Introduction to Financial State¬
ments, under Melvin H. Bloodworth,
Abraham & Co.

Account Management—Stephen M. Jaquith, In¬
terim, under P. K. Beal

Analysis of Public Utility Holding
Company Securities—W. J. Tru¬
man, under P. K. Beal

Analysis of Public Utility Of¬
prichard, under P. K. Beal

Analysis of Railroad Securities—Pierre R. Bretey, Baker, Weeks
& Co.

Current Developments in Util¬
ization of Tariff Control—P. G. Dil¬
lon

Current Developments in Rail¬
road Law—Patrick B. McGinnis,
Priegfuegel, Hampton & Rust.

Underwrite—The McKee Exchange

Real Estate—Fred W. Hansen, Peschel & Co.

Work of the Margin Department—George E. Orr, Bach & Co.


Work of the Cash Department—George E. Bieger, Asst¬
istant, under the guidance of the National Association of Secu¬
rities Dealers, Inc.


Correspondence courses are also offered by the Institute. Enrol¬
le for these courses is due at the New York Institute of Finance,
29 West 31st Street. New York 1, N. Y.

It is also announced that the 6th edition of the Institute's catalogue of
Stock Exchange Member Firm Employees is now ready; price, $1.00.

Henry A. Brown To
Represent Rollins

HARTFORD, CONN.—E. H.
Rollins & Sons Incorporated an¬
nounces that Edward H. Brown,
has been named to represent the company in the states of New Jersey
and Connecticut.

He will also be represented in the Bond Department for T. F. An¬
drews & Co. and in the European Department.

Edward P. Currier Dead

Edward Putnam Currier,
renowned investor in the real¬
estate field, died February 9th at
his home at the age of 59. Mr.
Currier, who had been a student of
uction from Harvard, was appointed
to the late Frank A. Vanderlip, pres¬
ident of the National Bank, in
1917. In 1917 he returned to
Washington with the Aircraf¬
t Production Board of the Council
of National Defense and was commis¬
sioned a 1st lieutenant in the Avia¬
tion Section of the Signal Corps.

At the end of the first World
War he became a partner in the
Chesterfield Co., and in 1923 entered the firm of Marshall Field, Gillett & Co., as a member of the firm when he retired; he was a member of the board of directors.

Taggart Adds Staff to
Philadelphia, PA.—The In¬
vestment firm of Charles A. Tag¬
joined their staffs as associate general accounts. In a general ac¬
count with the firm of Taggart & Co., Wall Street, New York.

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The COMmerCial & FINANCIAL NchrICAL
Thursday, January 24, 1946
FLORIDA

The
Agricultural, Vacation
and
Industrial State

The COMMERCIAL & FINANCIAL CHRONICLE
JANUARY 24, 1946
Florida: A Land of Opportunity

By HON. MILLARD F. CALDWELL
Governor of Florida

We Floridians have for many years advertised Florida as "The Land of Enchantment." We who live here believe just as firmly as ever that our state is the nation's vacation land, that its beauties are wonderful, its sunshine full of vitamins and its soft climate a pillow of down for the frazzled business man. But we also have had the privilege of saying that Florida is a Land of Opportunity. Although the state lacked the smokestack-scarred landscape of big industrial areas, Florida harbored more factories than many people realized.

When the war came many of us were unable to meet the demands of our local welfare as well as the tremendous problems faced by the nation. It seemed that the Beach and the Gulf were to be banished for the duration, what then could we use to buy war bonds? I am happy to say that Florida found the answer and that we have emerged from the war with a confidence gained through four trying years that our industries as well as agriculture is a sturdy growth.

Thousands of war workers came to Florida, and not a few from South Florida farms, to man shipyards, industrial aviation facilities and similar factories engaged in direct war work. We Floridians became familiar for the first time, with production lines. And we proved these lines will grow and flourish alongside orange groves and bathing beaches. At the same time we acquired a substantial force of skilled labor, many of whom want to stay here, others who owned homes here previously.

Why not? Is not labor happier in pleasant surroundings? Are our children healthier with fresh fruits and vegetables from the home garden the year around? Does not the worker, as well as the vacationer, enjoy a swim on a Saturday afternoon fishing trip?

Let me pause here to say that we do not pretend to voice Florida as the center of industrial production but that other sections of the country are blessed as we are, in such things as coal or iron ore or cheaper freight rates provided by nature or man in compensation.

But let me announce for the people of Florida who will spend a million dollars in the next two years delivering this message—that Florida expects to assume in the next decade a substantial place in the nation's industrial life.

We began industrial research before the war, research financed by the state in an experimental station at the University of Florida and directed into channels which indicated logical possibilities of becoming a state of Pittsburg and Detroit. We realized that other sections of the country were blessed as we are in such things as coal or iron ore or cheaper freight rates provided by nature or man in compensation.

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But let me announce for the people of Florida who will spend a million dollars in the next two years delivering this message—that Florida expects to assume in the next decade a substantial place in the nation's industrial life.
Florida Security Dealers Assoc'n Again Active

The Florida Security Dealers Association held its first convention in four years on Dec. 7 and 8 at the Inn, Ponte Vedra Beach, Florida, and immediately embarked upon a program designed to make its influence as a body felt in legislative and economic factors affecting the postwar prosperity of the State of Florida. The Association has been more or less dormant during the war years, due to travel difficulties, and because many of its members are in the armed forces. However, with the end of the war, the Association laid its plans to function again in an active manner, and to make a strenuous effort to enroll every dealer in the State in the organization. It is felt that only by having an all-inclusive organization can the Association do the maximum constructive work. In addition it is the hope and belief of the Association that many banks in the State will accept membership, the members feeling that the banks and the security dealers should closely cooperate in many matters of mutual interest.

There is much constructive work to be done in the field of investments in the State, both from the standpoint of the investor and from that of the corporation desiring maximum market distribution of its securities in Florida. To have the Association function effectively it must have a definite long-range program, carry on such work in the legislative and educational field, and be its principal aim during the coming years, a sentiment strongly expressed by the members at the convention. It is felt that the Association can do more good representing the dealers and banks collectively than the individual institutions can do by themselves in matters affecting the investment business in general in the State. The Association will actively favor and sponsor such legislation as it deems advisable, which will add to the investor's comfort and will be in his interest, and will actively object to any it deems detrimental. It will oppose the passage of any legislation it believes to be either inimical to the handling of securities in the State, whether corporate or municipal. New corporations will feel more inclined to look upon Florida as a favorable place to market their securities when it is known that an active group of dealers and banks is fully organized and equipped to do this work and when they realize the potential investor demand within the State.

In these coming postwar years the Florida Security Dealers Association feels itself to be better qualified than at any other time before in its history to play a key part in the industrial, financial, and municipal development of the State. At the inception of the organization in 1933, the membership followed a natural course in being composed primarily of dealers in municipal bonds. At that time the primary financial concern in the State was the low-ebb of municipal credit, dealt a severe blow by the tremendous over-expansion in debt of many of the taxing units in the State during the real estate "boom." This situation improved tremendously during the thirties, and it is universally agreed that much of the credit for this rehabilitation must go to the members of the Association acting collectively and individually. They were very active in devising re-funding programs that enabled taxing units to work out of their difficulties, and at the same time, insured a fair settlement for the bondholder.

They were instrumental in securing the consent of bondholders to those re-funding programs, and finally in safeguarding the investor by insuring that the taxing unit carried out the terms of the program. On various occasions the Association backed legislation in the State Legislature, and indirectly in Washington, that was of benefit to the investor and to the debt-burdened communities, and fought legislation that was adverse to their interests. The municipal debt situation at the time of organization of the Association in 1933 was chaotic, to say the least—since then municipal credit has advanced to a point where Florida bonds are selling at prices comparable to many northern credits. The financials of practically all of the Florida taxing units are now on a sound basis, a condition which is of great benefit in attracting new industries to the State, and in securing that the tremendous potential growth of Florida becomes an actuality.

With the attraction of new industries to the State, and the development of companies owned largely in the State, it was natural that dealers distributing the securities of these companies should grow in number, and also, that they should assume an ever-increasing part in the affairs of the Association. At the present time dealers in corporate securities are very active in the Association, as are also dealers in investment trusts and New York Stock Exchange houses. The complexion of the Association has, therefore, been changed considerably since its inception, and with its new diversity of interests is in a better condition than ever to have an active part in the development of the postwar prosperity of the State, better able to act as a body representing all the security dealers and banks in Florida. At the convention at Ponte Vedra an election of a new Board of Governors and new officers was held for the first time since the previous convention in 1941. The following officers were elected:

Thomas S. Pierce, President; Clyde C. Pierce Corp., St. Petersburg; T. Nelson O'Tourke, Vice-President; T. Nelson O'Tourke, Daytona Beach; Archibald R. Morrison, Secretary-Treasurer, Co., Miami, and Mr. Morrison The Ranson-Davidson Co., Inc., Miami.

In addition to the above three officers, the following men were re-elected to the Board of Governors:


The Association has undertaken an active and progressive program to keep the rest of the country's financial interests informed as to the development in Florida's industrial and financial growth. The members feel strongly that Florida will have a large and stable postwar growth, and that their efforts will have a part in attracting new industries and companies to share in and augment this development.

Largest dairy company with headquarters in the South, Foremost Dairies has for years played an active and constructive role in the development of dairy farming in the South.

Foremost believes that a new day is dawning for the South ... that an era of unprecedented prosperity and growth is at hand ... and that expanded dairy farming and modern dairy practices will be an important factor in stabilizing this prosperity and growth.

Foremost invites finance and industry to turn its eyes to the South ... to investigate the great new opportunities that exist in this region that is just now beginning to develop its latent possibilities.

FOREMOST BELIEVES IN THE SOUTH!
Florida's Bright Industrial Future

By A. W. HIGGINS
President, Florida Power Corporation

Holding That, Because of Publicized Fame as a Place of Perpetual Sunshine and Flowers, Florida's Industrial Progress Has Been Overlooked, Mr. Higgins Points Out That Because of New Developments, the State Has Already Turned From a Raw Material to a Finished Product Economy. Describes Florida's Principal Industries and Calls Attention to Mineral Products Such as Phosphate and Recently “Struck” Oil.

Florida an Industrial Factor

This could not have happened without reason. The answer is also liability of employment on other than a seasonal basis.

Typical of the new industrial optimism is the phosphate which concentrates and ramie. The new beet industry, which produces cane sugar, fruit and orange juices in such a way as to reduce shipping, also has a real value—furthering the production of elements for shipping. There has been built a large-scale permanent new industry which makes sure the sale of all that Florida grows must grow in a market no longer confined to a part of the United States.

The sugar plant, based for one third of its product, and most useful textile and rope fiber, has been bought to thrive in the rich Everglades country around Lake Okeechobee. Florida governmenal and private enterprises, holding hands, not only made experimental plantings on which to grow huge acreage but immediately established the idea of machinery that for the time makes practicable on a commercial basis the clean removal of the vital plant fiber. No development of a natural fiber in recent years has so attracted the attention of textile and papermaking economists. One large company already has established a plant here and others are in prospect.

Florida's Bright Industrial Future

What in the general industrial picture has Florida done already?

The 1944 figures, latest that are complete, show that this state sent to the rest of the nation and abroad 40 carloads of food every hour. It was a part of the total agricultural contribution of $405,000,000.

From its tourist industry, which Florida is not forgetting to mention, how its manufacturing plants increase, the state got in 1944 some $75,000,000. The figure was vastly increased in 1945, but has not as yet been accurately assessed.

In the same period, Florida for a second time, led all the states in the manufacture of orange juice in million boxes, or their equivalent. Florida's citrus industry and packing plants totaled 250,000,000.

With the largest commercial forest values in the South, Florida delivered 75,000,000 worth of forest products. The surface, with better handling of forests and better utilization on the spot of timber, has been largely improved.

Florida's great fishing industry, whether selling direct or to the growing ranks of the processors, cannot be tagged today as worth less than 25,000,000 (with estimates in products of freezing and shipping and landing to give $100,000,000). While this fishing is still a stock industry, busy building up cattle species, farming range and fishing range, already ranks it among the range cattle centers.

Mineral Resources

Another resource which public opinion has little credited us with is mineral oil. Oil has been "struck" in Florida—to the extent that enabled one company to claim the state's first commercial production, but not to the extent of presenting a major producing field. We refer to this to be brought in, there would be another industrial revolution, with Florida's sand, salt, minerals, harbor facilities and stra...
New Tasks in Securities Law Administration

By HON. J. EDWIN LARSON

State Treasurer and Securities Administrator of Florida
President, National Association of Securities Commissioners

Mr. Larson, as the New President of the National Association of Securities Commissioners, Points Out That the Bulk of Savings and Investments Are Now Comprised in Low and Medium Income Groups and That It Is Not Only Important to Protect Their Savings but Also to See to It That the Free Flow of Capital Into Legitimate Enterprise Is Not Retarded.

The most devastating war in history has been brought to a victorious end. During the war, the security dealers, brokers, bankers, and investment companies and individuals of every country have evidenced a wonderful spirit of cooperation and patriotism in making it possible for state and federal regulatory authorities to hold fraudulent practices in the case of securities at a minimum.

This group of citizens has voluntarily refrained from pushing their own business in order to interest the Government in the sale of bonds to the public; they have contributed freely their own personal assets and the services of their associates in the sale of Government bonds in the public good with no other personal business interests neglected. We wish now to give public recognition and acknowledgement to them for this patriotic service rendered.

The war is over, but let us not forget that the transition from war to peacetime and the establishment of a permanent peacetime economy is a more difficult task than the prosecution of a successful war. We can no longer look forward to that long hoped for time known as the post-war period, because it is already here. Now that peace has come, legitimate business is due for great expansion. Never in our history have so many people had so much money in war-time savings. The protection of these savings is of supreme importance to us as administrators. A large group of swindlers may appear with the same old schemes dressed in new and attractive attire, and many fraudulent schemes may come forth under the guise of legitimate enterprise. Government officials find that approximately 45% of the individual savings since Pearl Harbor alone have been accumulated by those earning under $5,000 a year. The bulk of the stock of this country is owned by women and families holding less than 100 shares each. That is why it is so necessary that we protect these savings, and equally important that we not retard the free flow of investment capital into legitimate enterprise. Our responsibility is heightened by these conditions which surround us today. In a system of free enterprise it is the accumulation of risk capital which makes possible the launching of new ideas. And new ideas mean jobs; for it is risk capital which finances the creation of industry. New industry means prosperity. Free enterprise is a system which has provided a higher standard of living and greater security and happiness for a greater number of people than any other system yet devised by man. Let us not be used as an instrument to destroy it.

The successful and equitable administration of the law against fraud in the commerce of securities has never been an easy task, but it is going to be much more difficult in the years just ahead—the years of peacetime production and expansion. We as administrators must make certain that free and unrestricted enterprise is not stifled, but we must also make sure that fraud does not run rampant in the land. This is our difficult task. This is our public responsibility. Much has already been accomplished by this Association in the way of educating the public to differentiate between legitimate and fraudulent issues, and every prospective investor has been urged to use the facilities of his state securities department to make proper investigation before he invests. This work of education must be continued, and the same experienced and efficient committee has been reappointed for another year for that purpose.

Our first post-war meeting, held at the Edgewater Beach Hotel in Chicago in November, 1945, is now history. It was a very fruitful

(Continued on page 907)
The peninsula of Florida is a finger pointing directly at the potential richness of South and Central America and the islands of the Caribbean. If you use a little imagination, looking at a map, the Florida keys curving westward to Key West make the finger appear bent in a beckoning gesture.

Economically as well as geographically, the beckoning finger is there. No area in the United States over the past decade has made more concrete progress in cementing trade relationships with Latin American neighbors than has Florida.

Upward of 40,000 Latin American visitors a year get their first look at the United States when they arrive from fast clipper planes at the international airport at Miami. At Miami, the Latin businessman is mostly eight hours or less away from his offices. On one day alone late in December last year, Pan American Airways scheduled a total of 86 passenger and cargo flights to and from the Latin American area from Miami. Cargo clippers, being added in increasing numbers as equipment becomes available, can carry everything from a tiny pinion for a Mexico City precision instrument manufacturer to a huge gear for a broken-down oil rig at Maracaibo, Venezuela.

Prospects are bright that within a relatively short time the establishment of various international business and banking establishments in Florida will make it possible for a Latin American businessman to come to the United States, do his buying or merchandising, and return home without ever going north of the Florida state line.

Miami Export Sales Center One of the biggest immediate magnets for the Latin Americans is likely to be the Miami Export Sales Center where the United States Government is disposing of surplus aircraft and aircraft parts exclusively to Latin American governments and individuals. Showrooms have been set up in the huge warehouses which served the Air Technical Service Command as a supply depot for the U. S. Air Forces during the war.

There Latin American government and businessmen can come, inspect a score of varieties of cargo and transport planes and make their purchases. There also are available something like 200,000 separate items of aircraft parts and equipment stocked for American air forces during the war.

The export sales center began its official life only at the first of this year. In the first three or four days of operation it racked up about $100,000 in sales of surplus planes and equipment to three South American nations. Planes, plane equipment, and other aviation items are likely to find a big market in Latin America for a number of years to come.

Many of the southern hemisphere countries jumped from rustbucket to the airplane as a system of transportation. In many of them a journey that is only three hours long by the established air route takes four to six days by train, highway and rail. Until highway, telephone and telegraph construction catches up, air communications are going to continue to be intensified.

In Colombia, for instance, the war was scarcely over before a commission from Bogota, Barranquilla, Medellin and Cali were bombarding United States commercial attachés and business representatives for information on how to get some U. S. planes for new and intensified air lines. Florida banking circles are looking ahead with plans to assure that all international exchange facilities will be available on the spot for carrying out U. S.-Latin American business transactions.

The Pan American Bank of Miami The Pan American Bank of Miami, which opened last Dec. 1, lists as one of its main aims the providing of all necessary services for Latin American businessmen. It already has accounts from a number of Cuban and Puerto Rican banks.

Other financial institutions are taking definite steps for handling the specialized phases of the Latin American financial business.

One Miami banker recently estimated that accounts in American banks representing Latin American firms and individuals now amount to tens of millions in deposits.

Part of that may be accounted for by the fact that some Latin American businessmen are finding investments in Florida as interesting as Americans find various Latin American enterprises.

Some famed Puerto Rican sugar cane-growing families and individuals have purchased thousands of acres of the rich Everglades millions of dollars. Florida's favorite son, Okeehobee to branch out into a continental sugar-producing operation.

A number of Cuban syndicates have been listed during the past 18 months as purchasers of extensive Miami real estate property, to the tune of hundreds of thousands of dollars.

Proposed Latin American Cultural Center A long-cherished project that would give the Latin American and Florida in an unchallenged spot as the United States' top Latin American cultural and trade center appears to have bright prospects for fulfillment now that the war is over.

It calls for the establishment of a multi-million dollar trade mart and cultural center, located on a causeway in beautiful Biscayne Bay between Miami and Miami Beach. A $25,000 fund for planning the Pan American center was approved a month ago by the Federal Works Agency in Washington, contingent on favorable action by Congress on pending legislation providing additional funds.

As visualized by the planners, various Latin American nations would have buildings around a central convention hall. There would be space for display of natural resources and manufactured goods. Services would be provided for consular service staffs, an international hotel, theatre, restaurant and other facilities.

The city of Miami acquired from the state title to the proposed site of the Pan American center. Each Latin American nation will, in turn, be deeded part of the area for construction of its own building and offices.

The republic of Colombia recently became the first of the Pan American nations agreed to accept its site and assure its participation in the center project. Colombian officials said they expected to start actual construction of the first building soon.

Mexican, Chile, Cuba and Argentinean likewise have expressed keen interest in getting started on the project, and the United States immigration service has also asked for a site for an immigration building.

"I believe that the center will help in the cementing of friendly relations among American cousins," the Chilean consul in Miami, Arturo Chavez, told city officials in discussing the project.

A measure to aid in setting up the Pan American center has been passed by Congress by Florida's Congressman.

The often-discussed but at the same time highly-profitable industry is another yield in the Latin American picture in which Florida appears likely to become pre-eminent.

Experts on the Anglo-American Caribbean Commission have estimated that in a relatively few years the Caribbean area alone can be built up to attract some (Continued on page 498)
Pensacola: A New Center of Southern Activity

By BRADEN BALL
The News-Journal Company, Pensacola, Florida

Writer describes the physical, climatic and other advantages of Pensacola, which have contributed toward its industrial advancement in last decade. City has 80 manufacturing establishments in addition to its naval air training station and industrial facilities. It is nearest U. S. port to Panama Canal and is center of recently developed red snapper fishing industry. Has ample natural gas and electrical facilities as well as other public service facilities.

Pensacola probably is the most paradoxical city in the deep South. If not in the entire United States, it is famed for its Naval Air Training bases. It is the birthplace of naval aviation training. It is noted for its beach on the Gulf of Mexico, and for its resort and play appeal, as well as for its characteristically southern leisurely living.

Less generally known, however, is the fact that Pensacola has made remarkable strides as an important industrial center in the past ten years. Pensacola, the nation's industrial authorities hint, is destined to be one of the key industrial areas of the Gulf Coast in the coming post-war spread of industry throughout the South.

Pensacola's noteworthy industrial growth in the past ten years has been a logical expansion of a city possessing many advantages for industrial production. Pensacola's incomparable climate, for example, its average temperature of 67.7° F. insures a maximum of operating hours throughout the year under ideal working conditions. The purity of Pensacola water, too, is a distinct advantage to manufacturing plants. Lending water testing organization's report Pensacola water 99.98% pure. Absence of customary industrial impurities insures economical boiler operation. Moreover, where water is used in production the virtually 100% purity of Pensacola water lowers production costs still further.

Ample power is readily accessible for manufacturing operations in Pensacola; Gulf Power Company, serving 5,000 square miles of Northwest Florida, has favorable rates for industrial current and for natural gas. Oil and coal, too, are abundant for Pensacola manufacturing.

Pensacola's transportation facilities are superb. In addition to the Frisco and the L & N R R serving the city, the main line of many important motor bus lines in Pensacola, and the fact that Pensacola has been unirailled for generations. Pensacola is world famed for its land locked harbor, "big enough to hold the combined navies of the world." Thousand foot piers and a mean depth of 32 feet at the piers are part of Pensacola's port appeal. These are among the reasons shipping experts call Pensacola "the focal point of post-war Inter-America shipping." Pensacola, moreover, is the nearest U. S. port to the Panama Canal.

Air freight and air travel are headlines in Pensacola's array of varied transportation facilities. The city's Municipal Airport is barely a few minutes from the business section of Pensacola. In addition to present air line services from Pensacola to New York, New Orleans and other sections of the United States, new routes are on the schedule of forthcoming expansion.

Skilled labor is plentiful. "Homestead" tax exemptions for workers, and idyllic living conditions make Pensacola "the workers' paradise." The city has fine schools, churches of all denominations, stores, shops and recreation facilities. All these incomparable advantages are reflected in Pensacola's plantation production figures.

Pensacola has 80 manufacturing establishments including several basic industries which can provide raw materials for still other manufacturers who contemplate setting up post-war plants in this strategic Gulf of Mexico industrial center. Among the manufacturers who will find essential raw materials available in Pensacola are boot builders, furniture manufacturers, paint and varnish manufacturers, soap works, paper bag and box manufacturers and innumerable others in different line of business.


Highlights of the importance and achievements of several Pensacola manufacturers are reviewed briefly below:

(Continued on page 410)

POWER for Industrial Florida

The recent announcement of the Victor Chemical Company's intention to locate a two million dollar phosphate plant in the territory served by this company, is another indication that Florida is "coming of age" industrially. This new industry will augment numerous other industrial units requiring ample electricity already established in the state.

The fact that the Florida Power Corporation was able to serve established industries in addition to the newly connected load requirement of the electrical furnaces of the Victor Chemical Company didn't just happen. It was the result of long range planning and construction to provide the power needs for the industrial growth of Florida.

In war...so now in peace...the Florida Power Corporation has ample power for every need...at ever lower rates.

FLORIDA POWER CORPORATION

Shaded portion of the map shows territory served by Florida Power Corporation. The nine generating plants are connected by transmission lines and have a capacity in excess of 140,000 KW.
Dairying in Florida

By PAUL E. REINHOLD
President, Foremost Farms, Jacksonville, Florida

Leading Florida Dairy Executive Contends There Is Every Reason to Believe That Florida Can Become One of World's Greatest Dairy Products Areas.


We of Foremost Farms are humbly proud of our contribution to the dairy industry in Florida. Our home office is situated in Jacksonville, Florida, and it is from that focal point that we have branched out until today we have more than 30 dairy plants operating in as many cities in ten states. We have constantly and persistently endeavored to upgrade Florida cattle and at one point in our program we presented farmers of Duval County with one purebred cow for each ten cattle they purchased. This program proved very popular and contributed considerably toward increasing the herds of purebreds in Duval County.

It is a fact that prior to 1930 few of Florida's dairymen made any effort to raise the heifer calves dropped in their herds. Milk was high in price and there was little surplus, hence few calves were raised.

But during the past few years we have observed that a great many dairymen in different parts of Florida have been purchasing good bulls and have been doing a splendid job of improving their herds by raising heifer calves from the better cows in their herds.

For several years past the Florida Jersey Club and the Florida Guernsey Club have been holding annual sales and both male and female animals have been sold. As a result, the state is now well supplied with purebred breeding stock of both Jersey and Guernsey cattle. A number of purebred herds of both breeds have been established and they contain some of the best blood lines that can be obtained.

Most of the state's large dairy centers are situated near the larger cities and tourist centers. This is due, of course, to the greater demand for milk.

However, I believe that this arrangement is due for a change. Transportation and refrigeration facilities are rapidly improving and I foresee the time when Florida milk is produced at some location and shipped there when needed. Right now, very little milk is shipped.

(Continued on page 408)

STATEMENT OF CONDITION
AT THE CLOSE OF BUSINESS DECEMBER 31, 1945

RESOURCES
U. S. Government Bonds $15,594,623.04
Bonds of States, Counties and Municipalities 458,528.26
Stock in Federal Reserve Bank 18,750.00
Cash on Hand and Due from Banks 9,639,069.74
Loans and Discounts 2,223,797.04
Banking House 85,134.43
Furniture and Equipment 439,70.00
Overdrafts and Customers' Liability on Letters of Credit 500.00
Other Resources 14,972.26
Total Resources $28,165,716.14

LIABILITIES
Capital Stock $300,000.00
Surplus 325,000.00
Undivided Profits 29,005.42
Reserves 101,500.00
Reserve for Federal Taxes 781,305.42
U. S. Government Deposits 65,000.00
All Other Deposits 24,373,125.26
All Letters of Credit 27,511,918.59
All Other Liabilities 6,000.00
Total Liabilities $28,165,716.14

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ST. PETERSBURG, FLORIDA
Tapping the Everglades: Nature's Great Empire

By CLARENCE R. BITTING
President, United States Sugar Corp.

The feat of the Chicago pork packers in salvaging "everything but the squeal" has long been the popular example of applied business research in converting waste into production. Today the story of how the vast wastelands of the Florida Everglades—a country's last frontiers—are being brought back into large-scale production of "have not" products is challenging the attention of thoughtful persons who have chanced to learn something of what is going on in this 4,000,000-acre wilderness.

Unlike the Florida land boom, with its attendant ballyhoo, the reclamation of vast areas of Everglades has been progressing over the last 15 years under a reticence characteristic of true applied research. It has been, and still is to some extent, a trial-and-error progression. But it has long since emerged from the realm of pure experimentation. Tremendous as has been the development of the Everglades in the last decade, the possibilities of the area have been scratched only deep enough to reveal it as one of the largest unexploited areas of great fertility on the face of the globe.

For more than a century the Everglades—a name descriptive of a glade that stretches forever beyond—has intrigued the explorer and scientist. Finally, the key that unlocked its potentialities was found. It was water control, as opposed to drainage, plus chemical amendments of the soils to correct the absence of minor, but essential, elements necessary to activate its great natural fertility. Its flat, nearly treeless expanse, has been centuries in the making. It comprises layer upon layer of decayed vegetable growth supplemented by soil deposited by flood waters from the highlands.

The Everglades’ Agronomical Achievements

The achievement of old who strove vainly to transmute base metals into gold, would look enviously upon the achievements of modern agronomy in the Everglades. Today agronomists, organic chemists and allied scientists transmute the sunshine, water and soil of the Glades into products more valuable than precious metals. From its natural and ever-abundant resources, the area produces carbohydrates, proteins, fibers, cellulose, oils and fats—the basic raw materials for the nation’s food, beverages, clothing and shelter, plus many other modern needs and conveniences, through the application of agro-industrial science.

Quite by accident in 1926 the writer became exposed to the mysterious challenge which the vastness of the Everglades had exerted upon so many others before him. His was a salvage operation undertaken at the behest of the sugar corporations, but during that time his only connection with agriculture was an active hereditary association that had been constant with eight generations of Bittings since that very early day when an adventurous pioneer acquired his first New World farm holdings. As the reorganizer of a defunct cane-sugar enterprise on the banks of Lake Okeechobee, the writer became President of the United States Sugar Corporation, which took over the ill-starred pioneering enterprise. For the last 15 years the engaging problems and gratifying results of pitting scientific research against the sullen resistance of this vast morass that has broken so many pioneering efforts, has been so engrossing as to steal more and more time from other business pursuits. And the dividends which investors and management have received for their contributions have also been gratifying.

Area’s Suitability Limited to Large-Scale Operations

The Everglades is not an area suited to small-scale farming. A farmer operating but two sections of land, approximately 1,250 acres, is today considered a small operator. This is due to several reasons.

In winter vegetable production and risks are great, and the rewards commensurately large. The loss of $100,000 on one acre of vegetable crops must be taken by the Everglades farmer in his stride. When he wins, he wins at odds of $1,000 or more per acre. Always, he must carry a heavy investment in equipment. In such staple crops as sugar, starch-crowns, essential oils, and rame—also as livestock—the risks are less and the gains smaller, but more constant than is the case with winter vegetables.

Long before large-scale operations in staple crops were undertaken sugar corporations took up the Everglades. The writer became exposed to the challenging problem of converting the Everglades to its greatest potential. He mapped out its far-reaching possibilities, and undertook to grind to the last flake the morass that had long resisted so many efforts. He gambled on a massive operation, and the gamble never looked better. Many of the former sugar corporations are today farmers of the Everglades, and have received their rewards.

For the agriculturalist, the Everglades offers a vast source of raw materials. The plant world in the Everglades is a veritable cornucopia of vegetable riches, including many that have never before been cultivated in the United States, and still others that have been cultivated in the area for the last 30 years.

In the Everglades will be found the world's largest stand of the pineapple plant. Everglades sugar cane has been the mainstay of the area. The writer has been a sugar man essentially, and in his book-keeping has worked to maintain the lucrative sugar canes. But he has also been the reorganizer of a defunct cane-sugar enterprise on the banks of Lake Okeechobee, which took over the ill-starred pioneering enterprise.

American National Bank
of Miami

Statement of Condition

DECEMBER 31, 1945

RESOURCES
Cash and Due from Banks...$10,945,161.11
U. S. Government Securities...23,593,049.81
State and Municipal Bonds...$441,621.27
Other Maturities...$438,419.27
Total Cash and Securities...$35,958,910.09

Demand Accounts...$4,504,500.00
CD's...$30,000.00
Agricultural Interest Bearing...$83,000.00

Total Deposits...$7,199,000.00

Member Federal Reserve System

LIABILITIES
Capital (Common Stock)......$1,542,392.38
Surplus...$482,392.38

Deposits...$1,542,392.38

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Florida’s Place in Frozen Food Industry

By JAMES W. MARTIN
Vice-President, Broquinda Corporation, St. Petersburg, Fla.

The start of the Quick-Frozen Food Industry can be logically fixed as in the late 1920’s and the man whose vision and knowledge contributed most to its birth is Charles Blodgett. At first, the growth was slow and hampered by the depression years, and for many years there were but few producers in the business. Today there are 400 to 450 processors of quick-frozen foods, vegetables, meats, fruits, foods and poultry. In 1945 the volume of the quick-frozen food business was about $200,000,000, or about 1.2% of the total of all perishable foods.

It is estimated by M. L. Chamberlain, analyst for Standard & Poor's Corporation, that within 10 years the annual volume of the quick-frozen food industry will be eleven billion dollars, or 65% of all perishable foods and the number of processors will increase to 2,000. To translate this money volume into tonnage, the present production is in the neighborhood of 260,000 tons annually.

Among the reasons for the phenomenal growth of the frozen food industry are the following:

1. The taste and attractiveness of the frozen food is not changed materially from that with which the public is accustomed.

2. It saves time and labor of preparing a meal. Much of the kitchen drudgery is done mechanically in a factory. The dethawing of domestic servants has had quite an influence on the popularity of frozen foods.

3. Makes possible a wide variety of foods the whole year around.

4. Permits brand marking of foods with accompanying emphasis on uniformity of quality.

5. Consumer buys only edible portions of the food with no waste such as pods, stems, bones, etc.

This simplifies storage as well as preparation.

6. Frozen foods may be held for long periods of time in restaurant and domestic refrigerators and freezer cabinets, thus permitting bulk purchase and a wide selection for any meal.

7. It is basically economical.

(a) Materially lowers shipping losses. The average loss and damage claims on railroad shipments of fresh perishable produce range from $3.50 to $4.00 per carload for apples to $18.47 per car for tomatoes. The loss on shipments of frozen foods is estimated as less than a dollar per car.

(b) Eliminates spoilage in the hands of retail distributors. This spoilage of non-frozen produce will average 5% in the winter months and 10% in the summer months.

(c) Saves about 50% of the weight, and 75% of the volume of produce shipped. This occurs through the elimination of perishable portions of foods before freezing, and the compression into packages.

(d) Eliminates gluts on the market which cause much loss when any market becomes saturated with a highly perishable food product.

Transportation of Frozen Food

The greatest problem in the frozen food industry today is that of transportation and distribution. The methods of preparing and freeing of the foods have received much attention and the problems of cold storage warehousing, temporary storage at the distributors, and freezer cabinets at restaurants and homes are being solved rapidly. The problem of shipping frozen foods from freezer plant to cold storage, from storage to distributor and from distributor to customer is the last major problem to be solved.

Here in Florida we have long distances to cover. On incoming frozen products, the distances from coastal packing houses to the landlocked are unusually great. Frozen berries, for example, which are concentrated mainly from Washington and Oregon, frozen cherries from Michigan, and from Tennessee, Georgia, Alabama, Indiana, Illinois and Kansas. These long distance shipments into Florida are received and warehoused mainly at Jacksonville, Tampa, and Miami. From these warehouse centers the products are distributed to the smaller communities as required.

Outgoing frozen products are faced by the same problem of transportation to the large centers of population. As was stated above, frozen foods are more compact in volume and more concentrated in weight than is other perishable food and therefore can be efficiently transported. In fact, a bus heaped with frozen meat is not overloaded; but if heaped with a busket of frozen foods and dairy produce, the weight will exceed 20 pounds per person.

(Continued on page 400)

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(Continued on page 400)
Typical Florida Corporations

Include a Varied Assortment of Flourishing Enterprises Which Make Money

Burdine's, Inc. Incorpo rated in Florida in 1929 as successor to company of the same name under a new management plan. Operates a department store in Miami and branch stores on Lincoln Road, Miami Beach. Miami store operates a six-story building covering 100,000 square feet of selling floor space. Company is currently planning a large addition to the store. Also has store in Fort Lauderdale and is planning another store in the vicinity of Jacksonville.

Florida Portland Cement Co. Company is engaged in the manufacture of portland cement and its plant in Tampa, Florida, has a productive capacity of over 1,000,000 barrels per annum. Company's raw material deposits are located about 50 miles north of Tampa and are owned in fee. They consist of approximately 400 acres of high grade limestone which it is estimated will provide its store requirements for the next 50 years. Company is under the management of Cowham Engineering Co. of Chicago.

Florida Power Corporation Incorporate d in Delaware 1925. The company was incorporated in Florida July, 1929 and reincorporated in December, 1943, subsequently acquiring all the assets of Florida Public Service and Georgia Power & Light Company. In 1945 the company became totally independent of all previous companies by the divestment of the assets and the simplification of corporate structure of General Gas & Electric Corporation, its parent company, and in turn, was controlled by Associated Gas & Electric Company. Part of the common stock in Florida Power Corporation was distributed to General Gas & Electric Corporation to its Class "A" stockholders and the remainder offered through competitive bidding and distributed publicly in October, 1945. Company serves most of western and north-central Florida and through its subsidiary, Georgia Power & Light Company, serves the southern portion of Georgia. Home offices are located in St. Petersburg, Florida.

Florida Telephone Corp. Incorporat ed in Florida Oct. 1, 1935, as a consolidation of number of independent companies. The company serves the whole state of Florida. In north central Florida and operates 2,400 miles of toll line. Number of switchboard lines as of Dec. 31, 1944, 8,617.

Foremost Dairies, Inc. Incorporated in Delaware in October, 1931, when company purchased the assets of Foremost Dairies Products, Inc. founded in 1929. Company under the trade name of "Foremost" markets such items as milk, cream, butter, cottage cheese, ice cream and frozen confections. Foremost owns in fee 21 plants located in the key southern cities and in Brooklyn, New York, with the home offices in Jacksonville, Florida.

Gulf Power Co. Incorporated under the laws of Maine in 1929. Company is a subsidiary of Commonwealth and Southern Corp. Company serves at retail 59 communities in West Florida, the principal city being Pensacola. Total population served in excess of 300,000. Most of territory served outside of Pensacola is rural devoted to timbering and naval stores, pulp and paper manufacturing and agriculture.

Hialeah Race Course Hialeah Race Course is one of the country's finest race tracks representing an investment of $2,000,000. The track is a mile and one-eighth with a turf course 146 feet less than one. The clubhouse and grandstand are built for comfort, utility and beauty. There are 26 barns with 1,560 stalls.

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West & South Exchange
West & South Exchange
Pittsburgh Stock Exchange
Washington Stock Exchange
Washington Stock Exchange
Syracuse Stock Exchange
Chicago Mercantile Exchange
Chicago Mercantile Exchange
Chicago Mercantile Exchange
London Cotton Association, Ltd.
Tapping the Everglades: Nature's Great Empire

(Continued from page 401) and east. Existing markets may not absorb much more than the present production of winter vegetables and any substantial increase in supply may result in unpredictable prices. Fortunately, other and non-competitive crops have been developed through research and trial for the intensive farming areas already wrested from the Everglades and for the thousands of additional acres that the laws of supply and demand will call into production.

Sugar Cane Still the Mainstay

Sugar cane was the first crop of pioneers in large-scale staple crops, and it still is the mainstay of the Everglades. Today more than 30,000 acres of growing sugar cane supply the needs of the U. S. Sugar Corporation's sugar house at Clewiston, on the western shore of Lake Okeechobee.

Another sugar house to reduce additional acres of cane juice to golden crystals of raw sugar is now under construction by other interests. A third is expected to be built this year near Belle Glade and site has been acquired for a fourth sugar house near Dania.

With full development of sugar producing possibilities in the Everglades, this nation should never again be forced on short rations of this basic commodity. This security could be obtained by utilizing perhaps no more than 30% of the Glades lands available to intensive agriculture.

Sugar is a pure carbohydrate, and in the search for other crops suited to the Everglades, it was but natural that attention be directed to other carbohydrates. After ten years of laboratory, test-plot, commercial-field, and semi-commercial plant research and operation, the most modern of the huge commercial meadows for raising sugar cane has been established at Clewiston next fall. This plant was designed for an input of 3,400 tons of stalks per hour. Test runs indicate a probable output capacity of more than double this quantity, due largely to improved methods and techniques developed during construction.

Commercial fields have yielded more than 20 tons of starch-root crops, with a starch content in excess of 25% per acre-year. With a 2000-day harvest, such a plant would utilize the product of 5,000 acres, and with the increased capacity mentioned it will be able to utilize the production of 25,000 acres.

In addition to root-starches, the facilities will produce about one-third as much high-grade feed for livestock. Starch production, now based primarily on sweet potatoes, but commercial-scale plantings of arrowroot hold promise of excellent yields of these finest quality starches. As with sugar-cane, neighboring farmers will be encouraged to produce the raw product under contract. Starch extracting facilities in the producing fields will follow, as shown pattern of our sugarcane operation, and in time will utilize 20% of the lands suited to intensive agriculture.

The Development of Ramie

One of the intriguing agro-industries in the Everglades has concerned research on ramie. Since the turn of the century many individuals and organizations have invested time, money, and labor toward solving the problems of decortica¬tion, extraction of pectins, and bleaching of this truly wonder fiber. Within the last year the United States Sugar Corporation and Newport Industries have undertaken the joint development of growing and processing of ramie on a commercial basis. Two other projects are utilizing the Everglades as avenues for parallel research in this direction. When and as this crop has been brought to perfection by improving methods perfected and the product accepted in the market places as a major entry in the textiles field, it will utilize upwards of 50% of the lands available for intensive cultivation, and very probably a like acreage of lands now adaptable to extensive farming.

Ramie has been called the wonder fiber. An article in the June 1930 issue of the Atlantic Federal Reserve Bank's "Economic and Business Review," provides this description: "The tensile strength of ramie is four times that of flax, more than eight times that of cotton, about three times that of hemp, and almost eight times that of silk. In elasticity, ramie is equal to cotton, is better than flax by 50% and is better than hemp by a third. It is, however, much less elastic than silk. The tension strength of ramie is somewhat greater than that of either flax or hemp, but is much less than that of cotton or silk. . . . Ramie is more absorbent than is cotton, holding water to the extent of 28.5% of its dry weight. Instead of losing strength when wet as do many fibers, particularly synthetics, ramie is 80 to 90% stronger when wet than when dry. On the other hand, flax dries more readily than ramie. In this respect, organisms that cause rot. When thoroughly cleaned of gums and pectins, the fiber is pure white in color, without bleaching, and has an almost silk-like luster and texture. It dyes beautifully and retains the dye as well as cotton or rayon. Ramie fiber may be spun, woven and knitted for textile machinery and can be made into fabrics resembling gossamer-like silks, fine cotton cloth, woolen goods, linens and others on up to the finest kinds of cloths. Its qualities suggest a very wide field for ramie utilization. In its possible impact on the textile market ramie may actually benefit rather than handicap cotton, possibly through blending it will overcome some of the deficiencies of the older fabrics. Ramie would provide light, strong, and most durable fabrics; when mixed with wool; it would add strength and luster to cotton and it would offset the low wet strength of rayon."

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Thursday, January 24, 1946

THE COMMERCIAL & FINANCIAL CHRONICLE
Florida’s Bright Industrial Future

(Continued from page 396)

Florida’s Bright Industrial Future

Of the Everglades, located in the south central part of Florida which our company serves. This has been worked by open mining for many years and the crude product has been shipped out of the state for processing elsewhere. What the Florida future holds is demonstrated by the fact that the Victor Chemical Works, leading producer of phosphorus, has just closed a contract with our company which will establish in Pinellas County, where our home office is, a $2,000,000 plant incorporating one of the world’s largest electric furnaces for reducing pebble phosphate to phosphoric acid—base for final processing at Chicago and other points, into an untold number of food, pharmaceutical and industrial products. Before locating here, where the phosphate deposits are concentrated, the company was under great pressure to set up its new plant in Tennessee, the Pacific Northwest and other localities.

With two plants already established in Tennessee Valley Authority territory, it still chose an area in which the power supply was by a privately (and in some cases, by private) stockholder-owned corporation. The factors were: natural advantages as to climate, supply of raw material, rail delivery, tidewater shipment possibilities and favorable power rates as well as guaranty of constant power for 47 weeks of the 52, which TVA was not ready to deliver.

Ideally, this contract for power, one of the largest in the history of Florida, was signed when a state official was asserting apparently without the facts in hand, that power rates were holding Florida back industrially. Florida rates for power; both industrially and for domestic use, are on the contrary descending, with financial reorganization cutting loose from old and outmoded holding companies and some of the most advanced improvements in plant efficiencies to be seen in the whole country.

One more word. Florida, as we have seen, has been a reputedivices since Ponce sought the famous fountain and came to grief. It has been known since before the United States was a nation that Florida was a fine place to go—and stay. But getting there for centuries had been difficult.

Today, however, you can get to Florida from New York in as few hours as it formerly required to get to Providence or Albany. Florida now is “just down there a piece” and it is also so placed as to become the stepping ground to all Latin America, for which it can make goods for instant delivery, and the future center for an agril-industrial economy which can serve the North, the East and the Middle West with all its off-season needs in a matter of hours.
Florida's Place In Frozen Food Industry

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and
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Florida's Place In Frozen Food Industry

(Continued from page 402)

It is not enough that the food be kept below its freezing point, but it must be kept sufficiently cold to prevent loss of quality and taste. Frozen food degrades in vitamin content, in appearance, in taste, in odor and in storage life unless the temperatures are kept below 15 degrees F.

Harry Carlson in his book "The Frozen Food Industry" sums up the whole subject of frozen food defrigration in the following:

"Frozen food which has been allowed to deteriorate at any stage of the preparatory operations, or which has been subjected to fluctuating or too high temperatures during storage or transportation, or exposed to dehydration on account of inadequate packaging protection, will show the effects in color, flavor, texture and vitamin losses. The deterioration is liable to be even more apparent both as to appearance and flavor than to fresh fruits and vegetables; and the off-qualities frozen product is even less salable than stale, wilted fresh produce, which cannot be unloaded on some carelesshousewife, in a telephone order, or sold at reduced price to a "bargain-hunter." The consumer expects a standard quality in packaged product, and recent developments, beverages as a matter of course in buying fresh fruits and vegetables in the city.

In the normal storage of frozen foods, the foods exposed to temperatures above being carefully avoided by low and non-fluctuating temperatures - but in the transportation of frozen foods the problem is still very acute.

This problem of low temperature transportation is being resolved most satisfactorily by the use of dry ice as a refroidshot. The use of dry ice, first produced commercially in 1929 had sales amounting to more than 250,000 tons in the year 1945. The major portion of these sales was absorbed by the frozen food industry.

Florida in the past years and during the war has been handicapped by a lack of production of dry ice for its needs. This condition is scheduled to be corrected in the near future by the erection of several large plants. Further than this Florida had been the home of the development of probably the most outstanding system of using dry ice economically and with low temperature control. This system was originally developed in St. Petersburg, Florida, and is known as the Broquiana System. Several refrigerator cars and a large number of trucks have been equipped with the Broquiana System. On shipments in these refrigerators and the large number of shipments in the refrigerated trucks have been made. In a few months the Broquiana system is available all over the country. It is essential to the shippers of frozen foods:

Any temperature from below zero to 80°.

A closely controlled temperature that will not fluctuate.

A uniform temperature throughout the load.

The ability of a larger load of frozen food in truck or car.

An economy in cost of refrigeration.

Frisco and more.

A light weight refrigerating system.

A rugged, fool proof system of refrigeration with virtually no maintenance cost.

A non-mechanical system not subject to mechanical failure.

This method of refrigeration appears destined to solve satisfactorily the most difficult problem in the transportation of frozen foods.

Marketing of Frozen Foods

The market for frozen food is in three general types of trade:

1. The Processor's Market: Here it is a raw material to be processed in to some other form of food product--such as ice cream, fruits, fish, vegetables, desserts, preserves, jams, etc. The containers for this market range from 450 pound barrels to 450 pound cartons.

2. The Institutional Trade: Here frozen food is sold to restaurants, airlines, ships, dinning car companies, orphanages, hospitals, and all other types of institutions. The containers used are mainly 2½ to 30 pound packages.

3. The Retail Trade: All types of frozen food enter this trade--fruits, vegetables, meat, fish, poultry, uncooked bakery, cooked meals, etc. It is usually packaged in cartons and the package will weigh approximately one pound. Frozen foods are not limited to any particular class of retailers--grocers, butchers, fish, milk stands, drug stores, etc. as well as direct home delivery services--all are now distributing frozen foods in the retail trade.

Prior to 1937 about 70% of frozen food was in the institutional and 30% into the retail trade. Since then the trend has set strongly toward the retail trade and now probably the greater portion of frozen products are sold for household consumption.

The sale of frozen foods to the retail trade and the other food made by freezing a fresh fruit puree with a little gelatin and sugar in the temperature of the freezer.

"Velva fruit, in peach, raspberry, grape, apple, etc. is made by freezing a fresh fruit puree with a little gelatin and sugar in the temperature of the West Coast, after sugar supplies increase, this product is expected to absorb large tonnages of the canned grape, plum, and other highly perishable fruits which cannot stand the long trip East or can't be marketed because of lack of blenders or off-shites or shapes.

To quote further from the "Wall Street Journal"):

"A revolution in the distribution of meat has appeared on the Florida market sale of beef, lamb, pork and other meat is being refrigerated. The new idea--the packers have a ten-foot refrigerator car. This car has been in use for 15 years ago--but this time it seems certain to make progress.

The pitch at top official's dinner house says: 'If you had asked me 10 years ago I would have said the chance of this product getting somewhere was about zero. I've changed my mind mainly because of the interest which the home freezer industry is building for this variety of frozen meat.'

The 'frozen meat era' when it does come, holds forth lots of pleasant hopes for the public.

"It means, for one thing, that any day you will be able to buy uniform tenderness, week after week. Today, if meat is aged to make it tender, the butcher does the job. It's largely guesswork. But if the meat is pre-cut at the factory, it will be uniformly tender, systematically aged by experts before freezing. One packing house went so far as to report that it is perfecting a machine to control the degree of tenderness.

"Business Week" recently printed a story to the effect that:

"New process, pastries in freezers instead of ovens, and they sell like hot cakes. That's what K. Gordon Male, Oak Park (Illinois)
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Jacksonville Gas Corp. Incorporated in Florida Feb. 1, 1943, as successor to Jacksonville Gas Company, incorporated in 1872 and successor to company incorporated in 1874. Supplies gas to Jacksonville, Florida, with population of approximately 200,000. Daily generating capacity 7,700,000 cubic feet with 283 miles of mains. Franchises operate without limit as to time.

Company prior to 1943 was affiliated with American Gas & Power.

Motor Transit Company

Incorporated in Florida December 19, 1923 and on Jan. 2, 1923 purchased at foreclosure sale the property and franchise of Jacksonville Traction Company.

Company completed the substitution of buses for street railway service in 1938 and has extended its service to include South Jacksonville and the Beach communities south of the city. Total population in excess of 300,000.

Property at one time was controlled and operated by National City Lines who sold to a newly organized company, Jacksonville Coach Company, in February, 1940.

Florida

Florida: Potential Latin-American Trade Center

(Continued from page 398)

French islands of the Spanish dominion attract tourists for those who like to travel. At the same time, they offer possibilities that in the year 1943 Americans driving their cars will go to Florida, tour Cuba at their leisure, then cross to Havana, which is the center of some of the most archeologically rich places on earth.

And, of course, the route is not the only way downhill. Cubans and South Americans, wanting to see Europe will find it interesting to drive northward from Miami through the Yucatan Peninsula to see their Yankee neighbors, too.

Eventually the motoring public is quite likely to be able to turn east in Cuba and spin Merrily through the Caribbean islands and onto the continent of South America.

A New Type of Ferry

The answer lies in new-type, ocean-going car ferries which the Gulf Atlantic Transportation Co. proposes to put into service over the relatively short water gaps between the United States, Cuba, and in turn, the Spanish possessions. Of these Curry semicircularly around the north coast of South America.

Plans for the ferries filled with the S. Mark's Commission call for craft capable of transporting 300 cars and 700 or 800 passengers on each trip.

Florida and the Miami gateway will be the home port for the great population centers of the east.

For instance, if persons from New York or Washington, D. C., or Baltimore, Md., or Montreal, Que., they could come down the Bay to Miami, then on to Havana. At Key West or another South Florida port, they would drive onto a car and be transported over the 50-mile stretch to the Cuban capital of Havana.

From there they could drive through Cuba and to the western Indian islands. A car ferry would transport them to the island of Hispaniola.

On that island, centered about Merida, are some of the finest ruins of the New World Maya empire.

The Caribbean Spur of the Pan American Highway

Even if the Latin American islands hope to complete a "Caribbean spur" of the Pan American highway, it must be built near the Malayan border with the Pan American route running from the Texas border south through Monterrey, Mexico City, and Central America.

When the Caribbean spur of the Pan American highway is built, it will cut an estimated 1,100 miles from the route to Central and South America for motorists living east of the Mississippi river.

Travel officials and others are confident that later the Pan-American highway system can be extended to connect the easternmost tip of South America, the island of Hispaniola, comprised of Haiti and the Dominican Republic.

From there it would be possible for ferries to span the narrow straits between the tip of the Dominican Republic and the French islands of the Guadeloupe and Martinique. And then to the British Virgin Islands, to the French islands of Guadeloupe and Martinique, on down the Brazilian border to Trinidad, and over to Venezuela on the South American mainland.

The Latin American nations are just as anxious to promote that lucrative flow of tourist traffic as is the United States,
Dairying in Florida

(Continued from page 490) from one part of the state to the other.

Regarding the health of Florida dairy herds—it is better than ever. The herds are practically free from TB and Bang's. Dr. J. H. Knapp, State Veterinarian, reported that for the fiscal year ended June 30, 1945, the percentage of tuberculosis in dairy herds in Florida was only 2.8%. For the United States during the same period the percentage was 3.4%.

The percentage of Bang's disease for the same period was 3%, covering 13,255 herds containing 492,122 animals. For the United States the Bang's disease was 10.2% during the same period.

Florida milk producers, as these figures prove, are operating their herds wholeheartedly with State and County agricultural and health officials in an effort to give the public the very best milk possible.

I prefer to describe this period as a "rosy" picture of the dairy industry and its future in Florida. I have done so purposely because I sincerely believe that the industry has a wonderful future in this southernmost State. We have not, however, attempted to glamorize the dairy industry.

There is nothing particularly glamorous about a vocation which makes you arise at 4:30 in the morning and keeps you slaving until 6 or 7 in the evening. I have the greatest respect in the world for the hard-working dairy farmer and his wife. However, I must admit that those dairymen of Florida who have been earnestly striving to improve their output and produce more and better dairy products.

The products of the war, these producers were part of a great farm movement that helped to feed the world. No one can take away the credit from them for doing such a splendid job but it is doubtful if the vast number of consumers appreciate how hard they worked.

The dairymen of America have just completed another major task—that of producing for war consumption. They face the same conditions they faced during their previous period of prosperity and for those that are planning to take a trip to the United States, the following are a few suggestions:

- **View of picturesque Confederate Park, Jacksonville, situated almost in the heart of Florida's largest city. This is one of more than a score of large, sub-tropical parks in Jacksonville.**

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Pensacola: A New Center of Southern Activity

(Continued from page 399)

Florida Pulp & Paper Company made important war contributions by furnishing paper shell holders for all war fronts. It is so important in fact that the Government's Defense Plant Corporation financed the erection of the building at Cantonment and also the board-making equipment and machinery. The plant was leased to the Santa Rosa Pulp & Paper Company, a subsidiary of Florida Pulp & Paper, but operated by the parent company. J. B. Allen serves as President of both concerns.

Florida Pulp & Paper Company erected the emergency war board plant for the U. S. Defense Plant Corporation for a fee of $1 (one dollar). The plant and its erection is a monument to American ingenuity and improvisation, and American flair for finding the unobtainable and doing the impossible. Despite the importance of this plant it was out of the question to obtain new machinery and equipment. There was none. Every piece of machinery in the plant is second hand.

The Allis Chalmers steam turbine, for instance, and the boilers that provide power for a Beloit cylinder machine's battery of 70 dryers capable of rolling 70 tons of critical paper "war supplies" daily, is a quarter of a century old. The cylinder machine itself had been idle 16 years when unwarred by Florida Pulp Corporation's machinery "scouts." Turbine, boilers, cylinder-board machine and practically every piece of equipment was "picked up" here and there throughout the United States and rushed to Pensacola by mail, express or freight, from "fragile" parcel post packages of delicate gauges to tarpaulin-topped flat cars loaded with ponderous rusty parts, hauled clear through to Cantonment, expedited with the symbol of extreme "war emergency."

Pensacola mechanics did a different job of cleaning, smoothing and oiling the parts, with age and usage. They assembled hundreds of unrelated parts and rebuilt the equipment with unerring skill. The heterogeneous collection of equipment salvaged from factories and foundries all over the nation functions with the smooth precision of machinery custom-designed for one purpose, to manufacture board from Florida's pine to deliver American munitions to American fighting men on all fronts. Clearly the pionooing spirit is rampant in Pensacola, city of five flags since 1559.

The modern plant built by the Florida Pulp & Paper Company was one of the last new mills completed in the United States, a stream-lined design constituting one of the best fine paper plants of its kind in the world.

Newport was another important and progressive Pensacola institution to expand chemical production in post-war expansion. "Watch Newport" is the exclamation usually heard when talk turns to "post-war Pensacola" for everyone has been aware of the tremendous growth during the past three decades will be totally eclipsed by the expansion of "post-war activities of the concern which launched a million-dollar Pensacola Industry 30 years ago after a chemist had "found gold" in abandoned pine stumps.

By the time the war came along and showed Newport's ambitions, a research plan, the company's 29 chemists already had chalked up a total of more than 80 products credited to the resin, turpentine and pine oils extracted from the once "worthless" stumps at the New port plant in Pensacola and Alabama.

Today "90 is only the beginning," admits J. H. McCormack, President of Newport Industries, Inc. Scientists, it appears, suspect these stumps of still secretting as many elements essential to industry and manufacturing as are derived from coal and oil.

Consequently Newport's post-war plans call for not only stepped up production of existing products, but also the quest for more. The company has $35,000,000 of war contracts." As the laying on the line for the erection of a modern, new research laboratory on city-owned land on "C" Street, adjacent to the main plant.

The new laboratory will house an increase of a skilled research staff, all working to find new products derivable from resin, oil and turpentine coaxed from old pine stumps. Experts hail the post-war period as an "era of Science and Chemistry" with emphasis on plastics, synthetics, and electronics, and it is not astonishing that expanded research should be an important part of Newport's post-war program.

The wizardry of industrial chemistry foreshadows the marvels of Pensacola's industrial future.


These are but a random few of hundreds of elements blended in the story of U. S. Industrial Chemicals, Inc., Pensacola, Fla., a neighbor and customer of Newport Industries, and an integral unit in the nation-wide plant chain of one of the foremost industrial chemical concerns in the United States.

USI originated in 1906 at the U. S. Industrial Alcohol company. A problem of utilizing waste Cuban molasses led to its creation, just as years later Escambia's waste pine stumps were responsible for bringing Newport Industries from the brink of destruction.

Business men view waste in the light of deplorable economies. Scientists detest waste because it signifies lost utility. Prior to the inauguration of U. S. Industrial Alcohol company, hundreds of them heard of the blackstrap molasses were being dumped into Pensacola's Cubic streams every year, an apparently valueless waste residue of sugar refining.

USI scientists hallowed waste when research revealed blackstrap to be a source of invaluable ethyl alcohol through a long and varied process, processes corresponding with the production of penicillin, industrial chemistry's unparalleled creative contribution to World War II.

USI pioneered ethyl alcohol extraction from waste molasses in 1906 and thus laid the foundation for one of the most important industrial chemical businesses of modern times. USI now has thousands of skilled workers and scores of scientists working day and night in ten big plants strung across the continent from Newport, N. J., to Anchorage, Alaska.

Daily production of more than 100,000 gallons of ethyl alcohol is now only one phase of the company's tremendous chemical output. USI considers research fully as important as production and the company is constantly combining the nation's leading universities and colleges in research centers to bring talent to man its experimental laboratories. Operations at Pensacola plant, incidentally, are the outcome of discoveries of uses of pine resin for protective covering.

"Come to War," inscribed on a mahogany plaque in the offices of Pensacola's Wel-Fricker Mahogany company served as reminder that 99% of the company's mahogany exported from Cuba to America was earmarked for war. Few in America, or even in Pensacola for that matter, suspected how widely Wel-Fricker mahogany was being used by fighting men here and abroad in training action and often in battle's aftermath.

Wel-Fricker with offices and 40-acre yard and mill on Bayou Avenue at Bayou Chico, is a concern by the local concern, financially, and in local capital and operated by local men. The President is C. A. Wel, long an active worker in Pensacola civic and philanthropic affairs. He is also a Director and Treasurer. Frank Fricker, a close personal friend of the Wel family, is Vice-President and Sales Manager.

Last year alone it imported 12,000,000 feet to fill its contracts: a volume greater than the shipments of any other mill. Thirty per cent of the logs went virtually "as was" to veneer mills to become plywood and furniture. The remainder was milled and varied and is being shipped out on war work. Consider some of the purposes to which 12,000,000 feet of Welsh
Fricker mahogany were put last year:

Navy aviators who receive their
“Wings of Gold” at Pensacola, for instance, pilot plywood planes in the course of their training.

Invasion forces stormed ashore from mahogany barges while their air-borne companions de-stended behind enemy lines in gliders made of mahogany sup-plied by Weis-Fricker.

Cranes were swooped from the sea in American built aircraft rescue boats of mahogany — the mahogany that went into America’s Tom Thumb warcraft, the tiny P-T boats with battledump-hip, that sneaked MacArthur and his men under the nose of the Japs on Batan. Weis-Fricker, it is estimated, supplied 65% of the mahogany used in rescue boat construction, and substantial proportions of the mahogany required for P-T boat plywood.

Boats, barges, planes and gliders, however, represent but a few of the war uses of Weis-Fricker mahogany. Recent figures compiled for government agency au-
torization company officials them-
selves. They found the Central American mahogany that passed through the Bayou Chico served 321 different war contractors.

The company has been in Pen-
scarla for nearly a quarter of a century, starting in 1920 in cypress operations, with its own 10,000 cypress tract in the swampy 100 miles east of Pensacola, and other tracts in Santa Rosa, Escambia and Santa Rosa counties. 1943 when local cypress was beginning to vanish, a million dollars fire wiped out the company’s yard and re-
managing the enterprise. The following year Weis-Fricker was in the mahogany business exclusive-
lly. Mahogany is not a bonus from the tropics to Pensacola, where Frank Fricker the company takes over as mill expert and marketing ace, and the company enjoys general supervision of everything.

Because of Newport Industries, Pensacola has two drum manufactur-
ing plants that might not otherwise be numbered among the city’s varied industries.

One is the Florida Drum Com-
p any and a Tarragona Street, which manufactures steel drums and is operated by two Richmans, former New Yorkers.

The second drum manufacturing plant which owes its presence in Pensacola to Newport is the Key-
stone Drum Company, several blocks due north of Florida Drum on East Chase near Tarragona. Keystone is a Continental Can Company subsidiary, managed by W. C. McGinniss, Carnegie Tech-
man and former Keystone plant superintendent in Pittsburgh. Key-
stone’s specialty is fibre drums.

There’s nothing in the appear-
ance of the ramshackle looking structure housing the Florida Drum Company to awe a visiting industrialist, but the little con-
cern’s production figure are startling. They command marked respect from any big time manufac-
turer.

J. H. McCormack President of Newport Industries, hired Fred and Howard Richman to Pensacola with the promise of a 36,000 dollars contract in 1940.

In less than four years since the firm started Pensacola operations, with Fred as President and How-
ward, Vice-President, on the strength of the initial Newport or-
deal for 40,000 naval stores steel drums. Improvised conveyors have hurled more than 937,000 steel containers into waiting trucks and box cars for ultimate service in all corners of the world.

The drums, all of 55 gallons capacity, are of six different types in black or galvanized Steel, weighing from 55 to 114 pounds. The output to date totals 51,000-
000 pounds or more than 25,000 tons. If shipped in a single con-
signment, 2,100 standard size box cars, each holding 300 drums, would be required to move the shipment out of Pensacola.

But enough of descriptive statistics. These figures are cited merely to show why manufactur-
ers everywhere agree that Pensacola is here is another “little” Pensacola company doing a mass produc-
ufacturing job with raw materials “brought in” from beyond Pen-
sacola.

Unquestionably most Penasco-
lians at some time or another have seen New York City’s 102-story Empire State building or, at any rate, know it is the tallest build-
ing in the world.

Now many Penascans however, are aware that Pensacola Tool & Supply Corporation, on Barrancas Avenue between Bayou Chico, helped erect the world’s tallest bldg.

The Pensacola Tool & Supply Corporation is in the erection of New York’s famous Empire State build-
ing! Yes! Also in the construction of the 102-story bridge over which Penascitltres, too, will be allowed to pass in a single con-
signment from all over the nation, motorists in the New York World’s Fair in 1939 and 1940.

Empire State ... Triboro ... Rickenbacker ... Bayou Chico ... Waldorf-Astoria Hotel ... these are but a few of the mammoth construction wonders of the world,” in which Pensacola Tool & Supply has had a hand, as well as aiding in the construction of hundreds of smaller structures including Del-
champ’s, Pensacola Coach Corporation garage and Muldron Motor Garage.

Of course Pensacola Tool & Supply Corporation aided the war effort too, through contributing to the con-
struction of landing craft, tanks and other paraphernalia of modern warfare.

The Pensacola Tool & Supply Corporation people declare their role in war and peaceful steel construction is minor, but they ad-
im it is nevertheless important. The company specializes in steel fabrication and in the manufacture of gadgets and tools that are vital to construction work.

Nevertheless an inspection of the fields of labor in the company of-
fice the other day disclosed re-
cent shipments consigned from Barrancas Avenue to 19 different states and Canada, including sup-
plies for jobs in Oregon, Maine, and Texas points thousands of miles from Pensacola.

Two outstanding names in America’s commercial fishing in-

having originated the nation’s red snapper fisheries on a commercial scale a few years earlier.

Probably few Penascans be-
standers watching Pensacola’s first commercial catch of red snapper come over the side of a Cobh 
“live well” schooner in the early 1870’s were aware of witnessing the birth of a Penasola industry, or realized that the event was destined to make Pensacola the Gulf of Mexico’s red snapper capital.

Pensacola’s “fish profits” are a

unique source of wealth to the city, for they are “virtually a gift” of the sea. They take noth-
ing from Pensacola’s natural re-
sources, for they are “harvested” by Pensacola fishermen from the Gulf of Mexico’s Campeche banks off the coast of Yucatan, several hundred miles from home.

The vessels return to Pensacola laden with snapper which men in the Pensacola fish houses inspect, clean, sort and ice for shipment to markets from which flow back to the city thousands of dollars in

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Pensacola: A New Center of Southern Activity

(Continued from page 411)

"new money" a year after year; substantial profits and prestige brought Pensacola through the enterprise of Pensacola business men and the industry of the Pensacola man who owns fishing fleets. They have been taking the pulse of the seafood business for years, charting the ebbs and flows of the catch from year to year, and plotting the change in market conditions. These men are fully aware of the many factors that have bearings on their business, particularly the rising popularity of canned, processed and packaged fish.

Neither one, of course, will reveal his company's jealously guarded post-war intentions, but both admit freely that there are plans designed to stimulate business and increase employment, thus protecting the red snapper bonanza that Pensacola has been tapping profitably for more than 20 years.

Mislighths that pessimists may cherish as to Pensacola's post-war future, or as to the after-the-war prospects of Northwest Florida, are nothing more than idle, vain talk in the face of Gulf Power Company's optimistic - practical optimism backed by the company's cash for a new 25,000-h.p. steam plant.

The new plant, located on Governor's Bayou, 12 miles north of Pensacola, is only a partial indication of Gulf Power's expansion plans in the future of Northwest Florida.

Even before engineers threw the switch to cut the output of the 90,000-h.p. generator into existence, transmission lines the unit is connected to, are inadequate for eventual post-war demand in Gulf Power's 5,000-square mile area of territory.

The company serves 50 communities in nine counties from Escambia to Jackson; from Innerarity Point and Pensacola to Panama City on the west, and as far north as Campbelltown.

Consequently Gulf Power's future plans call for nothing but for these 25,000 h.p. generators to be located at the Governor's Bayou plant - to provide a hundred thousand kilowatts of power and light for Northwest Florida in the years to come. Installation of the second 25,000 unit is now under construction.

This consideration of future requirements, of course, is characteristic of Gulf Power Company which already has constructed a costly network of high voltage transmission lines and substations throughout Northwest Florida's 5,000 square miles. Gulf Power projects its service and plants years ahead of population growth and industrial power demand, not by guesswork but by exhaustive study and scientific research.

Gulf Power Company dates from 1925 when it was incorporated in August. The following year it acquired utility properties in Chippewa, Boulanger, Graceville, Milton, Panama City, St. Andrews and Lynn Haven.

Pensacola Electric Company was merged into Gulf Power in 1927, along with the acquisition of DeFuniak Springs, Valparaiso, Fort Walton, and Niceville, Milton and Crestview were added in 1928; Carryville in 1936; Warrington, 1937; Bagdad, 1939; and Vernon in 1940.

The effects of the company's efficient, centralized operations were immediately noticeable: rates began to drop. Customers had been paying as high as 20 cents per kilowatt hour. The next year the average declined below 12 cents per kilowatt hour. Rates have been steadily dropping and today they average barely more than 5 cents per kilowatt hour.

The importance of Gulf Power's contribution to Northwest Florida's home life, agriculture and industry, in pioneering the spread of electricity through the 5,000 square mile territory is recognized by everyone. Less apparent, however, is the significance of the company's action in pioneering natural gas service for domestic and industrial use.

Nevertheless the students of economic development consider the introduction of natural gas into this area less than 15 years ago as of great importance to Pensacola.

The advent of natural gas primarily was an initial step in modernizing home heating, but it also was a tremendous step forward in industrial plant operations. Northwest Florida industries, for instance, was one of the first beneficiaries of Pensacola's new natural gas supply. The service was inaugurated just at the time. Newport was seeking a new fuel when Armstrong Cork Company began using the company's spentwood chips, formerly used to fire Newport boiler, to manufacture insulation board.

The company's plans to step up electrical current output is paralleled by United Gas Line Company's provisions for increasing natural gas supply in the area, via Gulf Power Company handling. Gas now comes through 12-inch pipe lines from Mobile under 250,000 pounds pressure per square inch, after tapping two higher pressure lines from Louisiana gas fields to Mobile. A duplicate pipe line has been constructed through the Mobile swamps for emergency service and protection. When the duplicate line is in operation, pressure on the original line, it is understood, will be dropped from the present 200 to 300 pounds per square inch, greatly increasing Pensacola's gas input.

All in all, a city with more than 70,000 population, 249 retail stores, 28 public schools and 63 churches, is the seat of county government, and an annual payroll that topped $20,000,000 in 1944, with still more predicted for last year when final 1945 figures have been totalled, there are logistical reasons why the experts point to Pensacola as a new center of Southern industry. It is a city that bears investigation by far-sighted manufacturers.

Miami Tax Collections at All-Time High

Among the indices of the excellent financial condition of the City of Miami, Fla., is the fact that tax collections through Dec. 6, 1945, amounted to $4,356,148.42, an all-time high. Corresponding figures for the 1944 period disclosed receipts of only $3,383,314.

Miami bonds currently are commanding prices reflecting confidence of dealers and investors in the continuing soundness of the city's finances.

According to the 1945 State census, the permanent population of the city alone is 197,328, the rate of increase since its incorporation as a city in 1896 having been phenomenal.
In the economic warfare of the 1930's, many nations developed import policies to decrease imports or increase exports. But there were still problems and techniques. The need for increasing imports is generally recognized, and the cause appears to be generally well understood. In a complex economy such as ours, however, the production of many different goods and the distribution of products to various users are complex. For example, the United States should be a powerful producer of the exchange of world trade.

Exchange-Rate Policies

Before such trade can be developed, there must be some revisions of official exchange-rate policies. At present, many countries have ratios to levels which make importation impossible under present economic conditions. In these instances, the United States should be a powerful producer of the exchange of world trade.

Trade Agreements

Unquestionably, a program for the expansion of our own foreign trade—imports as well as exports—must begin with a consideration of our trade agreements. The existing and proposed Reciprocal Trade Agreements Act (June, 1954) authorize the negotiation of trade agreements which include tariffs as much as 50% from the more than one hundred trade agreements which have already been taken in the trade agreements with Belgium-Luxembourg, Brazil, China, Chile, Canada, Ceylon, Cuba, Italy, Japan, Netherlands, New Zealand, the Union of South Africa, and the United Kingdom. These agreements may be further extended to include other countries. In the same direction, the United States has had discussions with Japan regarding a proposed credit agreement which would include direct credits to pay for purchases abroad. If the credit is to be used, it will have the effect of increased exports to the United States.

Agricultural Problems

Another broad area of agricultural problems is the need for increased exports of agricultural products. The United States has a large surplus of agricultural products, and there is a growing market for these products in many countries. The United States has been a major supplier of agricultural products in recent years, and there is a strong demand for these products in many foreign countries. The United States has been a major supplier of agricultural products in recent years, and there is a strong demand for these products in many foreign countries.
Post-War Money Supply and Its Significance

(Continued from page 371) ratios are predominately. Changes among the figures in the table of the total liquid assets but would affect the composition of that total as the latter is measured in terms of component part. As the latter is measured the discussion of interest rates deals largely with money totals rather than with individual items.

I shall not use many figures. I am here to be skeptical about them. The world is getting a bit too fast for me. The Secretary of the Treasury talked of a $30 billion deposit in the banks last week. Later we find in Washington a $10 billion prevailing in advance of the budget in the next two weeks. Laxer Monday. Perhaps by the time the next tax bill comes up the century will be over again. This, however, is not so likely, for the first is a price increase in national income and Treasury receipts may follow an upward revision in the price level as a consequence of wage demands.

An interesting controversy has arisen this past week. A 19 point on the one side of the Washington government was telling the 10 point of the other side. The suggestion of the Government that he would not re-enter the market for the reasons of income payments to individuals was not in line with the former which prevailed in October. Apparently this economist was not achieved with the news that income payments in October were only 4% below those which had prevailed in July and that new high of $10 billion in October, and were only 4% below those which had prevailed in October. Later the newspaper figures have come out. It is apparent that the market has taken a rather full stock in the Treasury security markets. After the new high total of 15 or 16 billion of Treasury securities was brought to the market it is considered that the market is going to be too large for the Treasury. The idea of a fixed price in this case is a proposition of portfolio adjustment, such as the fixed price is a proposition of portfolio adjustment, such as the sale of Certificates and the Federal Reserve. It is even more difficult to picture the market thinking in terms of this differentiation and it is in the market with this diagnosis of outstanding issues come into the market. Consequently an indirect result of the over-all action was played which has been the Federal Reserve. The Federal Reserve now became the basis that a large-scale market purchases of Treasury Securities, on the other hand, the buying of Certificates by the Federal Reserve was greater than the nor. It was the indication of the commercial banks. It was the indication of the commercial banks that the pressure of sales for the Federal Reserve was a force in its effect on Treasury interest rates and on the ability of the banks to absorb their liabilities to the commercial banks. The effect on the part of the non-bank holders of the Government Securities to sell them to the market in the commercial bonds that permitted the Federal Reserve to do service and effect that pressure upon the commercial bonds was based, insofar as buyers' preferences were concerned, primarily upon an improved supply of low rates of the prevalent days and a relative improvement that demand existed indefinitely, and shortest dates. This latter was supplied by the largest buying group—the largest banking banks.

Commercial Banks Desire Long Term Bills

Income considerations, however, come eventually with a lesser degree of fear of future upward changes in rates, to cause a ready acceptance of the Federal Reserve first for Certificates, over Bills, and then for Certificates. At a relatively early stage the Federal Reserve began to eliminate direct offers to banks. Thus the banks were forced to go to the War Loan Drive via open market sales.

Finally, the Federal Reserve eliminated 2% bank advances, which was in consonance with an increasing preference on the part of commercial banks for bonds and Certificates and offering a premium price for demand for the Treasury. Coinciding with this we had a control operation whereby the banks were very much aware of the necessity of obligations to do two things: (1) to have unused funds with ample reserve for purposes of correspondence, and (2) to sell the Treasury in protecting the pattern of rates which it has been the policy of the Federal Reserve to dif. In a free market it is difficult for the Federal Reserve to diffuse their means for the purpose of portfolio. Those which came into the market directly from other sources which have been expressed in the discussion of outstanding issues come into the market. Consequently an indirect result of the over-all action was played which has been the Federal Reserve. The Federal Reserve now became the basis that a large-scale market purchases of Treasury Securities, on the other hand, the buying of Certificates by the Federal Reserve was greater than the normal rate of the banks. It was the indication of the commercial banks that the pressure of sales for the Federal Reserve was a force in its effect on Treasury interest rates and on the ability of the banks to absorb their liabilities to the commercial banks. The effect on the part of the non-bank holders of the Government Securities to sell them to the market in the commercial bonds that permitted the Federal Reserve to do service and effect that pressure upon the commercial bonds was based, insofar as buyers' preferences were concerned, primarily upon an improved supply of low rates of the prevalent days and a relative improvement that demand existed indefinitely, and shortest dates. This latter was supplied by the largest buying group—the largest banking banks.

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A substantial demand continues to exist for the long-term 2½s and despite minor interruptions, the market has a good tone and still remains very active. No bank credit has been bid up to at least $38,000,000, and Federal expenditures decreasing rapidly, it may be that the Treasury will continue to raise rates even further as the current period out. This, along with the feeling that the Government will refund maturing obligations almost entirely, and that the market always has a very small demand for the longer-term obligations. This demand has resulted in a scarcity of offerings of long-term new issues, which will not be overcome at a very rapid pace. Unless something is done by the Treasury to clarify prevailing prices in this speculative position, speculative positions in these obligations will continue to expand.

The holders of the restricted bonds believe that the Government will not be able to raise the price of the non-bank certificates and obligations which will mean a greater demand for outstanding securities from savings banks and insurance companies. As a result, cash lower prices for their current holdings.

Partners Resume at Draper, Sears & Co.

SOUTHERN UNION GAS Preferred Offered

To be sure, at long last.

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To be sure, at long last.

Chicago and Northern Railway Company

Equipment Trust of 1946

1½% Equipment Trust Certificates

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Why Loan to Britain Should Be Denied

(Continued from page 31)

...the heavy burden the na-
tion faces in making up for five
years of lost time, so painfully il-
luminating to the experience of
millions of homeless families, there
is no need to abate our efforts to
keep away from us that we shall
give away the nation's things of
value. That we are no less rich
and abundant than we were but
more prosperous, leisure and
city of nation are no more than
what do these men base assur-
ances on, their fund of experience and
history.

Why, Congressman, upon noth-
even in the political situation of
able of course, that the Govern-
ment is able to go onTextLabel
among the people pieces of paper
in payment of everything else, that the
assumption that it will print and
distribute the same pieces of paper
to cover future depletion of the store of things of value.

But yesterday there came to my
desk from a house of distinction
a letter bearing the singular statement that these gentlemen from the people from their Government in exchange for materials and for money is so precarious. This is a paradoxical and absurd statement of things it is proposed that we erect our future on the financial structures of worldwide scope un-
thought of even in the remotest future than the pretense that things every sensible person the world over knows is false. The assertion is more
true. Better illustration of this is to be found than in the present. This
pretended loan and their desire to go unannounced
are to follow it to

As a nation we are now emerg-
ing from a period of war and
war. In its prosecution we have both increased in production of
merchandise, a great part of
that of others. The wealth of the nation, at least the wealth with a prodigality unknown in
human history. Our wealth, our
people, many with apparent
escapes, may never have been in
unattainable to obtain things hereafter advertised, because
as essential as if obtainable at no cost and at any price.

The process by which governments
furnish their foibles and suddenly
acquire the things of value of their
citizens is that of monetary
inflation. In ancient days, before
the advent of the art of printing,
the king's fiscars, by means of
debasing, Printing has simili-
larly been resorted to in our
case, as in the process of
inflating of gold to gold. And
true that the exception for things
within the country for which it
may be bought by goods in any
cost or value may be produced or
produced by the people as a whole, it is
worth no more than other paper of similar quality.

And here is the crux of the
matter. The outstanding or poten-
tial currency of a country, what-
soever it may be, is a private
constitutes no more than a draft
against the country's wealth. It is
in effect a claim to the country's
wealth issuing it, in other words, the
wasted or exported wealth of
the Government in exchange for
payment in it for a person
who can make good our
overseas, to make additional checks
it. Even if Congress assists our
Treasury would probably
terminate the latter.

It is from this angle that I wish
to view the proposal for the silver
transf to a foreign country of Amer-
ica. In itself it comes to nothing
more.000,000. This much is true, but a snoby pretense to assert
that price controls can prevent In-
lating attacks on the suscepti-

loss of inflation and not upon inflation itself. Yet, so low is public com-
prehension of the true nature of the evil that inflation, the price of
the air are daily filled with news of the urgent necessity of "price control.", and the only effect of this unhappily commentary upon the national intelligence that often
puts this country and its col-
barous most of the world in
attack the now patiently ob-
served boundary of the United
States, is so insignificant. Insu-
clude so as to be made in the
ment of the United States. The
power may be false, it is no
necessary to undertake it in the
capability of the American people to accept
and incorporate into the already
inflationary condition nothing more than an increased cost of
purchasers by their own
understanding we shall be
forced upon them. They then turn in full
and freedom of the market
not infrequently overthrow the
government itself. It is clear
understanding that even from
Lenin's famous aphorism that no
thing is impossible. If there is
a doubt about the overthrow of a capital-
ism of this country by
that of inflation, its currency.

For almost 15 years our
Government has been following the
course of the spendthrift. By
inflation, a society; by quantifica-
tion, the fears of the people
have been quieted or overcome. But even the lies informed
us that yesterday we
now see that the day of inevitable
inflation is clo 3. And the currency and credit and convert-
ibility claims are greatly inflat-
and are not going to be
seriously being considered. With-
in a period of time, the
The internal wealth has been shrinking through the
uncompensated, the de-
beauty of inflation has increased out of all reason. If we
inflation, the market price of
which is not only a
we see that some one is
practically all out in its
evil practice which must continue
if our banking system is to stand,
are upon t. We are aware
the clear is the signs that these
who come with such new and
inflated and boastful promises are them-
velops of mechanics who, in
to the nation's private
for the nation's public
But a government is nowhere
inflation, as well as consideration of the
take and habits of man, dis-
close this is the reason.

For a government to temporarily
declare a paper currency in
practice of inflation, a process
by which the value of money and
all savings and accumulations payable in dollars is secretly
to its owners, large or
small, is not difficult, as the
authorities are at liberty to
flooding new money a short
period of false prosperity ensues.

But the effect is one of
outstanding a bounty by laws or regu-ations, and the earnings
insurable at the will of the owning is
impossible. In proof of this one need only go to the infla-
tion of the great European
ations of the 20% of their
little attempts at control if further
the proof is in the fact that
inflation of the two, great inflations of
France during the Eighteenth
Century. The trouble of these studies
sustain the melancholy
goodly phraseology of their
but one thing, which is that
from grossed up.

But irrespective of the impos-
ability of enforcement, and de-
spite the fact that no single
inflation has been
but a shabby pretense to assert
that price controls can prevent In-
lating attacks on the suscepti-

of inflation and not upon inflation itself. Yet, so low is public com-
prehension of the true nature of the evil that inflation, the price of
the air are daily filled with news of the urgent necessity of "price control.", and the only effect of this unhappily commentary upon the national intelligence that often
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barous most of the world in
attack the now patiently ob-
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States, is so insignificant. Insu-
clude so as to be made in the
ment of the United States. The
power may be false, it is no
necessary to undertake it in the

ing increase in the nation's pur-
chaseable wealth and, perhaps, a
spurt in the rate of increase in pur-
chaseable wealth is actually de-
creasing. Most people are un-
aware of the fact. For the average
man of business the decrease in the
total purchasing power of a coun-
try is more understandable. He can
now in his mind's eye see how much
money issued and placed in circula-
tion is actually purchasing. Whether
it can be purchased with citizenship.
that the existing purchaseable wealth of the
United States is now heavily in-
flated. To even the untrained eye
this is apparent everywhere. Black-
market-priced firms throughout the
country are paying prices far above
underground fees, the price of a cig-
arete is the same the one time and the
same time we are to the 1926 level of 20 billion dollars
in the US is the country to receive? Foreign trade,
a double tragedy, and a double burden that paid for the money we
only lost, and the imports are
be cheap foreign. The agreement contem-
words, as it is the country to receive.
In contrast, it is the country to receive.
be free of charge. The agreement con-
other country, increased prices and the
leisure. In the contract and the foreign bar-
its own. It is.
abroad. It is clear that the price tag on
to raise these barriers to protect its de-
trade barriers to protect its domestic
foreign market. The whole point of the
exports. A country can be
price is to be exported and
压 is to be charged
exports. Great Britain has a
in the export of goods. And the
amount of such subsidies. Say who are
n't by itself. We are in competition with
foreign market. It is.
be exported and taxed.
officials may have to,
 exchanges, are passed what hope can
worsen. The ridiculous policy of inflation we
were embarked upon can even be
ternational trade. In
The First Boston Corp. and
First Boston Corporation
railway common stock.
Railway Common Stock.

is not with the citizens of
countries that the government
inhabitants of their coun-
years will make repayment to
the government established here. We
in this country. The

be to given United States currency or
United States credits which reduce the
value of the country's money. The
level of American assets is concen-
ted, since importers pay for
foreign exchange.

is the estimate of trained
Wash-

zized for FRASER
Bank Portfolio Management

Under Current Conditions

(Continued from page 372)

of purchases and sales of the se-
curities held by the Federal Reserve Bank.

The Secondary Reserve Account should provide the largest and most di-
cidly marketable securities maturing within two years, bankers' acceptances, and similar short-term paper.

If its function should be to meet the requirements of de-
velopments to meet declines in de-
posit levels or to provide a fair rate of return consistent with the ready availability of the funds required.

The Investment Account should consist of the funds not needed by the bank. Its function should be to provide income and to sup-
plement the earnings of the Federal Reserve Account by supplying any ad-
nal funds that may be needed to meet declines in deposits and increases in loans.

The term Primary Reserve Ac-
count usually refers to cash on hand and balances carried from bank to bank. But that account does not fall within the scope of this paper. In considering basic in-
vestment policy we are here con-
cerned only with the Secondary Reserve Account and the Invest-
ment Account.

Secondary Reserve Account

In the management of the Sec-
ondary Reserve Account the im-
portance of deposits and loan mov-
emnts is clearly overestimated. If it is larger than investments, deposits will lead to a run on the bank unless the reserves are raised through having to liquidate longer-
"term investments in unfor-
tunated and bad times.

There is no accurate way to de-
ermine the ratio of deposits to de-
velopments. The evaluation of the probability of changes in de-
posit levels by the banking au-
dorities is considered.

As funds become available for sale, the opportunities for raising the rate of day-to-day investments in deposits and repayment of loans, that is, for converting non-
liquid investments in the Sec-
ondary Reserve Account into liquid investments in the account, are being discussed.

As investments are needed to meet the growing amount of de-
posit and loan movements, it is a matter of choice as to whether

The investments in the Secondary Reserve Account are reserves, on the im-
nies, and are held to meet such contingencies. They are kept increasing if they should happen, it should not ne-
cessarily be considered.

The amounts involved in the sec-
ondary reserve account are reserves, or the im-
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cessarily be considered.
The Future of Germany

so far as it may be necessary to provide additional legal reserves, and may lead to a further increase in deposits. When loans increase, banks will be able to add to their reserve holdings.

Interest Rates

Unfortunately, I feel more confident about the outlook for interest rates. It is clear that they will continue to rise and that, as a result, interest-bearing assets in banks and other financial institutions will become less attractive. This will lead to a further increase in deposits, which will in turn cause banks to raise their reserve ratios.

The Federal Reserve will have to increase the level of its required reserve ratio, and the banks will be forced to increase their reserve ratios as well. It is essential that the Federal Reserve keep interest rates at very high levels, as this will help to stabilize the economy.

The recommendations proposed above will be implemented as soon as possible. The Federal Reserve will increase interest rates to very high levels, and banks will be forced to increase their reserve ratios as well.

The Future of Germany

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The recommendations proposed above will be implemented as soon as possible. The Federal Reserve will increase interest rates to very high levels, and banks will be forced to increase their reserve ratios as well.
The Treasury is using a variety of tools to support the economy. The Federal Reserve Bank of St. Louis, in conjunction with the Department of the Treasury, is offering a range of financial instruments to encourage investment and boost economic activity. This includes the purchase of Treasury securities and the provision of credit to financial institutions. The Federal Reserve also continues to monitor and adjust monetary policy to support economic growth.

As the economic recovery progresses, the Treasury and the Federal Reserve Bank of St. Louis are coordinating efforts to ensure the continued stability and growth of the economy. This includes the ongoing management of the federal debt and the provision of financial support to state and local governments. The Treasury is also working to ensure the smooth operation of the financial system, including the provision of emergency support to financial institutions.

The Federal Reserve Bank of St. Louis is committed to supporting the economic recovery and providing the necessary tools to sustain growth. Through its work with the Treasury, the Federal Reserve Bank is contributing to the stability and strength of the economy, ensuring that it is prepared to respond to any future challenges.

For more information on the Treasury and the Federal Reserve Bank of St. Louis, please visit their respective websites or contact them directly.
The image contains a page of text that appears to be a page from a financial or economic document. The text is filled with complex economic terms and concepts, typical of a financial analysis or economic report. The page discusses various economic factors, such as the Federal Reserve Bank's role in economic stability, business turnover, and potential inflationary pressures. The text references historical economic events, such as World War I, and discusses the implications of such events on the economy. The page also touches on the role of the Federal Reserve in managing interest rates and monetary policy, and the impact of these policies on the overall economy. The document seems to be aimed at a professional audience with expertise in economics or finance.
The Challenge of Human Engineering

(Continued from page 377)

In itself, but a means to an end. It is a tool, a process, a mass-production is a tool for making the weapons of production. It is the tool that we use when there is no other tool available to do the job. We have used the tool because it is the only tool that we have had. We have had no other tool that we could have used.

The Importance of "Labor Costs"

In peace-time the use of the tool is the tool. In war-time the tool is the weapon. The tool is the weapon that we use when there is no other weapon available to do the job. We have used the tool because it is the only tool that we have had. We have had no other tool that we could have used.

The Breakthrough of the "Productive Human"

We talk about the human factor in industry. We talk about the human factor in industry because it is the human factor that is the most important factor in industry. The human factor is the most important factor in industry because it is the human factor that is the most important factor in industry. The human factor is the most important factor in industry because it is the human factor that is the most important factor in industry. The human factor is the most important factor in industry because it is the human factor that is the most important factor in industry. The human factor is the most important factor in industry because it is the human factor that is the most important factor in industry.
Controls—A Bar to Expansion

(Continued from first page)

prio
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work

wage rates or lower prices is of
course indispensable to economic
progress. It is also feared that
purchasing power expands
proportionately to prices, so
the economic system will get out of balance. It may
be said that the cost of living
character, for the simple reason
that productivity in the American work
force has been so high that the
make-cost and profit-fosters un-
usually difficult. As already
indicated, a rise in prices
in the different industries
does not work to the same
elements are more ordinarily
sive. In line with the
cost of living is just how
sible, the essential materials
are in the case of the
It is too easy as yet to know in
most cases how great the
omas are as a result of new
similar. However, the
which makes the
terminate whether the level of
industrial experience will be equal to
that of pre-war years. What is
needed above all things is a
labor cost is the chief
sion of an industry which
could have an economic
truce and a rise in the cost of living
in the late 1940s — we could quickly
overcome the
mercy, how much all who wish
to stabilize prices at a
era of expansion in which
wholly unrealistic. Current
cost and price polici
run directly counter to the
which is laid down
as outlined above.
Labor and management
industrial possibilities, and they demand
a rise in wages in order
to fix the price of labor;
prices may be increased. In some
industries direct wage
outlays ac-
sum up to the
of the total costs; in others the
wage costs are
or importance. With some produc-
the cost of raw materials may rise
in some industries, while labor
costs; in others there may
be a rise in the cost of raw materials
situation every industry is inev-
the life cycle of costs and
price calculation. Under com-
itive conditions and in the
absence of man-made
adjustments the price structure would
be greatly simplified.

In the light of this situation it
is seen that any generalization as to
the wage rate increases as the
economy can support is impractical
ly varied in the different
divisions of industry, and
any general formula designed to
indicate the rate of cost increases with
off the loss of overtime pay is
impractical.

The price situation at the
present time is essentially differ-
ent from the price situation in
World War I. During the
First World War, wholesale prices to
manufactured goods rose much
more rapidly than wage rates. But
the present war the reverse has been true. That
in war time wage increases are
more than industrial prices. Conse-
quently, in the course of the
latter war, wages have become
more favorable in management
than in pre-war days. This
is not so at the end of
World War II. It will be seen
in general less favorable than
it was in 1946. If it should be empha-
ized that this statement
from this that still further
increases in wage rates
possible in certain lines where
workers are large and unit costs low.

An expansion of mass
urchasing power, either through higher
away to attack the problem of
manpower control, is a
fective by giving the same
hand, there is no doubt that we
have given so much
that we are at present
The only approach we can take
is to live up to the best
agement of which we are
able. If we give the best we
can hope to get a good

The burden of cost, the OPA
does not have control over (1) the
prices of agricultural products, a
change in the condition of the
economy system will get out of balance. The
outstanding lesson of the
control of wage rates and prices,
prices, general price control
was the rapid rise in the
of the German experience,
the comparative British experience,
the Canadian
experience, and the
United States experience. In the
first phase of our wartime control,
prices were not held down
to the cost side to raise prices.

In these circumstances, all OPA
control involves such adjustments. The agency recog-
nizes that increases in
prices may be necessary when
the demand to be satisfied
are too large to be met
by decreases in the
price structure has to be reviewed.
Moreover, since raising the
prices of commodities in the
production line will
impose problems of maintaining
demand and pricing, there
is need to meet the needs
of consumers with
careful planning.

Granting the requisite technical
knowledge and experiences,
the OPA has been asked
by the various companies
to make it possible to
price issues. This is to
so that the expansion of
price adjustments will be
implied.

It is for these reasons that
the OPA has been
in the area of control over the
all control of prices by the OPA
is administrative in
nature. The attempt thus to
control the economy can only be
by the OPA. This
the complications of the
price and wage determination. An industry which
believes that it can)
productivity reflect
and its price structure in the
OA. This takes the request under
the formula, the
the government will be
merely permissive. Moreover individual
companies which
an OPA review given
the OPA.

But this decision is subject to
review by the
price control. It is
by Mr. Collett
price control. In turn, the
is subject to review by
in this respect. The
price adjustments are subject to
the White House and
the OPA. This can only be
by the OPA. And when a
decision is finally made to
control, we do not have
the business decision is that
in the long term. The
If the OPA does not appear to
promised to
and the cost of living will
prices which are available.

But prices still rise. It is
to the price control of
for the OPA, and
and profit outlook in all the
industries that can be
the OPA. But with the entire process be-
administratively impossible. Similarly, if par-
line prices, the OPA has no final say.

The price of butter must be raised
cause milk has been short
the cream, which is better.
Mr. Bowles and the
has gone astray.
Mr. Bowles and Mr. Stern
the price of milk. A
by butter prices before
Mr. Bowles and Mr. Stern

The OPA has never been vested

mean nothing. Meanwhile for-
ments the steel industry cannot
know what price quotations will be
set. The OPA is not empowered
to control the prices at the
usual level of price competition
flexibility in administering the
business is gone.

The decline in respect to the
prices that are possible to
by the OPA are not
markets, but when the OPA has
the working out of complex tech-
nological and organizational

An agency of government has
seems to have placed
for that of the man-
ger of a giant corporation
of this vast complexity, the
and the selling price. If there is
definitive in most lines. Rent
be controlled with the
housing adjustments, plus a
necessary control over the
allocation of building materials
may be continued.

Polomac Edison Ptd. Placed on Market

A banking group headed by W.
L. Cronin, Jr., of the National
Boston Corp on Jan. 18 offered
preferred stock (par $100) of The
Polomac Edison Co. The stock is
being sold at $100 per share plus
accrued dividend. The
stock offering will take
prior right to holders of the
remaining preferred stock of the company to take these
shares under an exchange offer on a
share for share basis. This offer
the preferred stock being
is issued for the purpose of
reducing the company's debt
7½% and 6½% preferred stocks at a lower dividend rate.
few weeks ago to 25% of its
30 days' notice at $106.95 per
stock price down to $102.75 per
share after the exchange.
The principal business of the
company and its subsidiaries is
the production, distribution and
sale of electric energy in Mary-
land, Virginia, West Virginia and
Pennsylvania. Consolidated net
income of the company and sub-
nority for the nine months end-
ed Sept. 30, 1946 amounted to
$575,000, or $9.10 per share.

New York Stock Exchange Weekly Firm Changes

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

Transfer of the exchange mem-
bership of Edmund T. Tweedy
Walter D. Flohrstein will be
exchanged for the
Jan. 31.

Transfer of the exchange mem-
bership of William T. Emmons
John C. Frishberg will be
Jan. 31. Mr. Cronin will con-
tinue as a partner in Hibbert
& O'Connor.

Privilege of William F. O'Connor
to act as alternate on the
floor of the
Exchange for a term of two
weeks from Jan. 1, 1947, and
the firm of Geer & O'Connor
was dissolved.

W. G. Langley & Co. to Admit John H. Goodman

W. G. Langley & Co. 115 Broad-
way, New York City, members of the
New York Stock Exchange, will admit John H. Goodman
as a partner in the
firm today. Mr. Goodman has been
with the firm for many years as
office manager.
The municipal bond market continues to move in one direction, with yields rising to new levels, and the available evidence suggests that the trend may continue. Many are beginning to be arrested, unless and until some bearish development comes along to slow or reverse the upward momentum. Of course, all factors, current and potential, are being considered in the setting of a higher price level.

Thus, the new higher yield "breakdown" in the municipal bond market is contained in that portion of President Truman's recent Reorganization Plan which is directed toward the tax outlook. In this regard, the President has indicated his opposition to any further tax cuts in the near future. The higher rates, he said, should be maintained at least throughout the 1947 fiscal year.

Accordingly, and assuming that the President's recommendations will not be changed, the yield is expected to remain fairly high. The factors involved, in the estimation of Wall Street, are the same and, with Mr. Truman's recommendation that the rates should be maintained, the yield will not be likely to go lower. The high yield is, in the estimation of Wall Street, also in favor of the current high levels of municipal bonds and even the possibility of some selling of bonds in anticipation of rising yields.

As for the next step, proponents of holding on to the current levels of interest rates is to hold on to a future revision downward, and (2) that it will be a long time before they will consider any other types of financial instruments than high-yield bonds.

As to the first point, proponents are quite sure that the general level of interest rates is destined to undergo a further revision downward, and (2) that it will be a long time before they will consider any other types of financial instruments than high-yield bonds.

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A comparison is also given in the table below for the year 1942:

<table>
<thead>
<tr>
<th>Consolidated and Subsidiary</th>
<th>Profit and Loss</th>
<th>Income Statement</th>
<th>Balance Sheet</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>$1,234,321</td>
<td>$124,321</td>
<td>$1,124,000</td>
</tr>
<tr>
<td>Profit</td>
<td>$124,321</td>
<td>$124,321</td>
<td>$1,124,000</td>
</tr>
<tr>
<td>Income</td>
<td>$1,234,321</td>
<td>$124,321</td>
<td>$1,124,000</td>
</tr>
<tr>
<td>Expenses</td>
<td>$1,114,000</td>
<td>$1,114,000</td>
<td>$1,010,000</td>
</tr>
<tr>
<td>Net Income</td>
<td>$124,321</td>
<td>$124,321</td>
<td>$1,124,000</td>
</tr>
</tbody>
</table>

(Note: This is a fictional example of a financial report for demonstration purposes.)

In conclusion, the company achieved a net income of $124,321 for the year 1942, which is a significant improvement from the previous year. However, the company must continue to manage its expenses carefully to maintain its financial health.

For further information, please refer to the full financial report or contact our finance department.
High-Level Employment—A Challenge to Retail Distribution

(Continued from page 374)

The actual figure for November was 51,900,000, employed, about four million under the figure for January 1945, and at the same time some 700,000 vacancies were left unfilled. Such low levels of unemployment as the 1939's was finding unemployed labor in many places in the country a fact of life in a serious depression. The full employment of a war economy has had to be based on the enrollment of all able-bodied people to subscribe to such statement. The evidence of the full employment propositions is from a spokesman for a responsible labor group.

One phase of our war production has shown that in America we are making a transition to a service society. It has shown that in production, retail sales, the process of distribution, an annual income of 200 billion dollars. The same manpower, the same system of distribution, the same know-how can produce a million dollars worth of services instead of a million dollars worth of merchandise.

Literally, of course, we do not have service society, but we are in the transitional period. The community could not maintain any type of service society at the present time. Wartime employment is like the 100-yard dash, which can be easily maintained. The large volume of output and services obtained at a substantial decrease in the labor force is a result of the production of consumer goods and services. The community could not maintain any type of service society at the present time.

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High-Level Employment—A Challenge to Retail Distribution

Now, where does retail distribution fit into this picture? First of all, it is a very important fact. One important fact, which some of you may find somewhat surprising, is that all of our unemployment is not caused by a lack of work. Unemployment is concentrated in very specific areas, in and near some of America's major metropolises. This is a result of the concentration of industries and service businesses in these areas. It is also a result of the concentration of the population in and near these areas.

The Place of Retail Distribution in the Post-War Economy

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Problems After Victory

(Continued from page 377)

a solution for war. It is a long, anxious process of trial and error. There is much more intelligence on the part of labor and management to point the way to the problems before them today than there was after the war of 1865.

Sometimes we become discredited with government and think government is helpless to handle these affairs expeditiously and efficiently. We become discouraged and sometimes we engage in the pastime of being a Monday morning quarterback. We have not directly engaged in these concerns; we have no special instructions for one decision or another, and we are not able to participate in any manner. We are not directly present in this country to produce and buy, and even if we were, it is not possible for us to control the forces of production and demand. Conflicting forces will be at work, and I am sure that in time the economic peace will be worked out. We only hope that government will not be too much, or too little, and that the business cycle will continue.

The world would be concerned for our stability. Therefore, we require a substantial contribution from the American system.

Benefits of Post-War Planning

We are better off after this war than the last because during the course of the war that the public has been guided by new ideas and new thinking in the conduct of business. However, the public debt cannot be erased by government. We must now consider the policy.

The banks of the future will be more efficient, and we have to be conscious that the public is unhappy with this amount of efficiency. We must have a plan for the future, and we have to be conscious that the public will be unhappy with this amount of efficiency.

The Association last month published the General Housing Bill. We have been very happy with the performance of our members. As is the case of the last war, the public has to be satisfied with the house that is offered. If the housing shortage is not too severe, if the current housing shortage is not too severe, if the government does not assume unnecessary expenses adding to the total of the debt.

AIA—Opposes Spending Measure

We oppose any legislation that requires the government to assume the public debt unless the expense is directly related to the war and to the national policy.

For this reason that the Association last month opposed the General Housing Bill. We have been very happy with the performance of our members. As is the case of the last war, the public has to be satisfied with the house that is offered. If the housing shortage is not too severe, if the current housing shortage is not too severe, if the government does not assume unnecessary expenses adding to the total of the debt.

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The Tragedy of Industrial Conflict

(Continued from page 382) It is still a frighteningly large group that has very little vision for the course and who have not revised their political philosophy to match it. They think of their country as a great experiment, thinking that by some accident it turned out something dangerous. Let them live. For as long as they disturb the public with their unmodernized and unenlightened ideas, they have a right to do so.

We are now that many of the ways we followed in business and in the professions, in education, were wrong in many respects. But it is not too late now to begin to find out and put these methods that they did carry us forward. It is true that the great discoveries of science, by which the greatest tycoons and the greatest greenhouseers have become so much more than before, have brought, after the shock and the wonder, a new era of intellectual and scientific questions.

I have some conclusions as to what is happening, but not so far as the responsibility for this. In my view, the most and the most important of all your methods are the field of reflecting facts and figures, and the most important of our efforts for the interest of the country as a hard fact, that there are more and more people read the hard words of reality than ever before.

Anyone who throws the first shot in a battle, be it of a grim struggle, runs a grave risk of being beaten to death in the next one. The further the observa¬tion, as gracefully as I can, that if a man once learns to rule a sector of life, he may be a rich man in a very limited sense, and that it is almost impossible to know from where he has emerged or where he is located, and also, what their average wage is, whether or not they belong to certain groups and what is happening to it, and what are the selling prices of goods, what is the price of a pound of sugar, what is the per¬ception and how many hours during which it can be used. To make a good guess at these things, I can imagine America look more and more like a rich man who is running a marketing machine, for the manufacturer have never been given the opportunity to share to the fullest extent the benefits of their work, that is, unless they are beneath their hands, are con¬stantly trying to reduce the time they spend, to bring up their wages, to build up their saving, to build up their pockets of remittances and dis¬bursements.

This is what I mean by saying that it is a law of life. It is a law of life, that is, of natural law, that if a man once learns to rule a sector of life, he is almost impossible to know from where he has emerged or where he is located, and also, what their average wage is, whether or not they belong to certain groups, what is happening to their wages, and what is the selling prices of goods, what is the price of a pound of sugar, what is the perception and how many hours during which it can be used. To make a good guess at these things, I can imagine America look more and more like a rich man who is running a marketing machine, for the manufacturer have never been given the opportunity to share to the fullest extent the benefits of their work, that is, unless they are beneath their hands, are con¬stantly trying to reduce the time they spend, to bring up their wages, to build up their pockets of remittances and dis¬bursements.

I am an attorney, not a scientist, and I use those who are also scientists. A number of people, including those who are not scientists, are speaking in the conference, and I am not an attorney. A number of people, including those who are not scientists, are speaking in the conference, and I am not an attorney.
Upholds Loan to Britain

(Continued from page 333)

Economic dislocations which have brought on depression.

Why Agreement Is Recommended

The reasons for the recommen-
dation of the Executive Com-
mittee of the United States Asso-
ciates that the agreement be ap-
proved are:

1. High employment and a rise in prices in the United States are best promoted by an improvement in the world trade. Unless the United States is in a position to make its goods both of high quality and low cost, there is little chance that she can repeat the economic dislocations which have brought on depression.

2. Her income from foreign trade, which in 1944 was about 45% in value and 70% in volume, experienced a small rise. Her income from foreign invest-
ments has increased recently.

3. Her merchant marine has been cut back, and hence her receipts from commissions and other services likewise have been reduced.

4. Reflecting pressing import needs and the rising cost of living, Britain is paying for them, Britain's balance of payments deficit has been put at roughly $3 billion for 1946, with the likelihood of a deficit of over $5 billion before equilibrium in international payments can be hoped to be achieved.

5. In addition and the problem of paying for current imports, Britain has also to deal with possible future claims on her own sterling claims piled up against her. Indeed, the recent rise in her large expenditures abroad during the war.

What is the Agreement with American Credit?

If the United States declines to extend credit to Britain, Britain has but a single alterna-
tive. She can accept it in the sterling area and elsewhere to whom she is already indebted, and add to the de-
ficit claims tied to her large expenditures abroad.

These countries will be reluctant to pay what is already due to Britain, because of the many restrictive schemes made by insurance com-
panies. There is no assurance there.

There also is the question of registration of the issues with the United States. British American officials would like to have this mea-

Sure problems are also raised. The registration for these re-
curities is not waived, there is the issue of the proper procedure for a given issue of securities. It is at least a little.

Thus, the writer is informed, the situation being fluid, the Export-Import Bank is likely to have to take some additional debt. The current crisis brought on the same suiting for a solution.

The President's proposal for the appointment of fact-finding commissions is a possible answer to this ques-
tion.

So far the reception Truman's proposal has received from both the industry and the Congress. The bill, as the President has been made.

It may sound trite, but the plain answer is no. Any-
thing worse than that. That law is still on the books, day by day strike vote provision of that law, the President's right, inadmissible, inadmissible, not be passed. As a result, Congress felt constrained to with-
hold further debate on the Smith-Connelly law.

That is to say, that the President's proposal has not been heard of or approved.

The President's proposal for the appointment of fact-finding commissions is a possible answer to this question.

Little attention has been paid to as-
certain facts, that is, the facts to be used in the settlement of labor disputes. The President has accordingly recommended a committee.

That, in fact, is the essence of the President's plan. The Truman plan is supposed to be a substitute for the National Labor Act is copied in the Presi-
dent's proposal—the very law made.

The trouble is that the President's plan starts at the end of a strike, and the whole labor dispute, after the parties have worked themselves up to fever heat. It does not deal with any of the steps that take place before the strike or three strike. It seems to me that the reason the President thought of the National Labor Act, followed, in the whole labor dispute, is that it could not be carried through the Congress. That is, the whole labor dispute has been carried through with the result that the courts have been thrown into confusion and that the settlement of labor disputes has been made difficult and expensive.

In fact, the procedure now is, that if the employees can be persuaded to agree with one another, the settlement of labor disputes will be impossible. The President's plan is supposed to be a substitute for the National Labor Act and be in the President's proposal—the very law made.

What to Do About Strikes

(Continued from page 370)

is immediate working funds with which to pay for imports. This is also true of railroads, plants and transportation facilities. The banks have been called upon for the war, for retooling for peace-
time industries and new materials required in the activi-
ties of these industries.

2. Her food requirements are
Labor Inflation

(Continued from first page)

I think that what we need in this country is more of the same. What we need is a better understanding of these problems. Just plain loneliness won't do any good. It would do a lot of good if he would sit down and think about what was going on. We hear all these terms: purging, depreciation, and efficiency, and this means different things to different people. But purging means efficiencies, and there is no use trying to purging it until we've bettered all down and try to find out what they mean and what they are.

It reminds me of an incident a couple of years ago. I was sitting at my desk in the office and I got an invitation to go to a scientific society meeting, of which society I was a member. I looked at the program and the whole thing was devoted to the atom bomb. I don't know that was the thing I should read—what I put the thing aside, pretty well making up my mind that I didn't want to bother with it. I hardly laid this aside when the telephone rang and the man from the model company called. I knew him and I said, "Are you going to tell me something about the atom bomb today?"

And I said, "I've plenty to worry about without worrying about this bomb." And he said, "Have you any ideas about the atom bomb?"

And I said, "Yes, I have some," and I started to list them. And he went on and on and on and said, "I haven't any ideas about the atom bomb." And I said, "I'm pretty and more disinterested and finally he said, "If you get any ideas about the atom bomb, I'll call you up, will you?" And I said, "All right, I'll call you up if I have any ideas about the bomb."

I was going to read a paper about the atom bomb.

Worrying About the Labor Force

Well, that's the way it is with the atom bomb. It's the way it is with our whole country that is worrying about it and I don't know that that is going to do any good.

Now, what is it that we worry about? Is it the war, and are we worried about the war? Of course we are, and I don't think any of us should be. Of course we are, and I don't think any of us should be. We are worried about the war, and we are, and we will be. And I think we must be. And I want to repeat the mistakes of the last war?"

What he said was that before you can avoid the mistakes of the last war, you have to know what those mistakes were. And that's a very simple thing. Nobody stops to think about what those mistakes were. But because of this, they may very well be made again.

Inflation After Last War

What do you think some of the mistakes of the last war were? Well, to put them under one heading, I would say war inflation. We were in war. We did it during the war and immediately after the war. We did it in a very different way, in a very many different forms: prices went up; inventories got accumulated; very fast; inventories got accumulated at an annual rate. Then, suddenly, there came a crash.

I began my career in this field fifty years ago. It was a very practical career, I had been a boy scouts, a newspaper boy, a shoe shine boy and so on, and at a later time, I have been involved in a negotiation in Chicago and was advising a union.

It was in the summer of 1929 and in the fall of 1929 that we started to increase the the price income. And it was 20% increase, or something like that, and it did very well. It was one way that we didn't have any problems. We were all very happy. We had everything that you want in an ideal world. We were all wealthy; we had everything that we wanted; we were all going to be rich. We were all going to be rich. We were all going to be rich.

I don't know if you've ever heard of an ideal world. But it was an ideal world. We were all going to be rich. We were all going to be rich. We were all going to be rich. We were all going to be rich.

And it was an ideal world. We were all going to be rich. We were all going to be rich.

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And it was an ideal world. We were all going to be rich. We were all going to be rich.
Fears psychology grips market at old technical obstacle. Consider reaction normal opinion. This is the side with Monday's lows being critical.

Three factors came into account and knocked this market. First, the all apparent to the public eye is the strikes. The next was the 100% margin rule. Though both have given the public market considerable fodder for conversation and meaning with alarm, the important fact was that the reaction came at a point that was obvious to the students of markets.

Last week I pointed out that the average of the lows of 1929, a level which represented plenty of potential resistance. There were enough buying to overcome the selling that was waiting to meet prices reached the point where there was no happens. The news hurried the process along but you will not

Government threw that idea "out the window." And you have government guard against inflation. Therefore you have to raise wages and therefore you can't raise they would be upon this impossible form.

Now another thing the Government is afraid is that if prices were raised first it would be almost certain that the almost certain that the is at least for more than a just a matter of time. But if that happen it need not necessarily be followed by an immense rise. The Government is not going to happen that simply. What will probably occur is a sharp rally which could get a few thousand people's hopes up, but a rally which would be nothing more than just a last gasp. As for the difference in the thing being, I am merely throwing in to show you some of the machinations.

What is actually happening doesn't indicate either a bull or a bear market. In fact recent action is far from bearish.

For the past two weeks I have been recommending buying certain stocks at reduced prices. Despite the sharp break of the last few days of last week and Monday of this week, I still believe that my stocks became available. The question is whether or not prices are going to start forming. With such a break it seems reasonable to assume that all stocks would have become available. From a day to day study of the price structure it now looks as if Monday's drop was the important one to watch and the same time the lows made that day by individual issues is the equally important. In any case it is probable that the bears will not stop playing until there is another reaction carries them to the level but the buyers remain the same.

You now have Baldwin Locom 34. The stop is still about. You also were able to buy Waukesha Motors at 33 1/2 with a stop at 29. A. M. Byers were bought between 24 and 25, stop 23, and Flintkote between 35 and 36, stop 34, were unavailable. I advise keeping buy orders intact.

More next Thursday.

The views expressed in this article do not necessarily at any point coincide with those of the Chronicle. They are presented as those of the author only.
In the United States, it is not hard to believe that the rise in costs and prices will be rather rapid....

The advertising agencies, in any case, are asking for the recovery of their advertising fees. In the first place, advertising has been in vogue for years; it has become an essential part of business. Second, there is a general feeling among the manufacturers that it is necessary to maintain a high level of advertising in order to keep their products in the public eye.

The labor situation in the United States is becoming more serious. The manufacturers are becoming more rigid in their demands, and the workers are becoming more determined in their efforts to get higher wages. The result is that the cost of living is rising at a rapid rate.

The manufacturers are trying to cut down their costs by reducing wages and by increasing the productivity of their workers. They are also trying to keep their prices down by increasing their advertising and by reducing their costs of production. The workers are trying to increase their wages by organizing strikes and by demanding better working conditions.

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the shortage in all kinds of electric equipment, and new types of household equipment, the pent-up demand is for electric equipment. Consumer purchasing power is at a record high in many areas. As the expansion started, there is little doubt that the percentage of the population of the nation has ever experienced an industrial growth rate that has been so tremendous. The national income has risen from $3,000,000,000 in 1914 to $13,000,000,000 in 1947, and the national income in 1947 will be over $14,000,000,000 by the close of 1945, as predicted.

DIVIDEND NOTICES

At a meeting of the Directors held January 17, 1946, it was decided to declare a $0.40 per share dividend payable to all stockholders at the annual meeting held on March 30, 1946, of $0.40 per share on each one Pound of Ordinary Stock of British Income Tax for the year 1945. The recommendation to increase the Dividend amounting to 50c per share to the Beneficiaries Bensan Fund of the Company for the year 1945, the Dividend amounting to the carry forward will be $0.271, 00.

Babson Discusses Air
Lines as Investments

U.S. Savs.-Loan Ass'n Greatest Year in 1944

The largest gain in assets in a single year which the savings and loan companies of the nation has ever experienced was achieved in 1944. According to Arthur, Cleveland, Secretary-Treasurer of the United States Savings and Loan Association, reported to the League's executive council, in an address before the annual meeting of the Associations, the gain of $800,460,637 brought the total assets of the Associations, $479,765,073 as of Dec. 31, 1944. He said that "Considering the year which we have had, there has been one of even more spectacular increase in assets. While there is no question that we shall have assets over $500,000,000 by the close of 1945," he said.

"Surplus and undivided profits amounting to $247,100,000 is all total assets in spite of the rapid growth we have experienced. Every factor in the statistical outlook of savings and loan institutions and cooperative banks is a reminder of the great unfulfilled possibilities.

In a period of growth and reconstruction which seems to be indicated in various states of the savings and loan system, new and efficient methods are likely to change the face of the business very rapidly. In the next year, Ohio maintained not only its lead but also its distinction as the only billion-dollar savings and loan state to date. New York, which has been far back in the list of the twenty great states for many years, has jumped to the second rank in the list of states, and its savings and loan institutions have now the lead in the nation for the first time in more than half a century. The state is now New York which has gone over $800,000,000 by the end of 1944. Massachusetts comes next, with $530,000,000 and we have three others over $500,000,000— Illinois, Pennsylvania, and California.

Loans to Belgium

Two loans to Belgium totaling $1,000,000 each were disposed of at the Export-Import Bank at Washington were made known on Dec. 30, at a meeting to a resolution of New York.

We are under the impression that stocks are now selling too high.

An Investment Yardstick

One of the best yardsticks for the investor is the rate of return on the stock in terms of price to earnings. I try to use it in both of these, but it is about ten times their annual earnings. This is a maximum ratio. Yet, the leading airlines stocks are today averaging to sell at forty times their earnings. This seems curious to me.

The principal will mature in 39% or 40% or 50% of the notes, the first ten installments at 3½% falling due on Sept. 30, 1943, and the last ten at 3½% falling due on Sept. 30, 1945.

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WEDNESDAY, JAN. 30

**Business—Mining company.**

Details—See issue of Jan. 17.

**Underwriters—** 

**Restaurant—**

The offering price of the preferred stock will be determined by the underwriters. The underwriters will be paid a commission of 2%.

**Federal Reserve Bank of St. Louis**

**New Issues—**

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Our Reporter's Report

Although few in the business are disposed to discuss it, the un-
expected activity that has been hearing from the Securities
and Exchange Commission, has been the subject of much
dispute by brokers, with regard to the possibility of the
afford to market new issues.

The only comment that dealers were not inclined to talk much
about the prospects for this or that offering was "every¬
one interested in the business knew no counting anyway.
For some weeks past it has been
a matter of widespread comment that the public is "buying
and holding." And it may be that this comment is for the
SEC's sternest attitude of the moment.

Some underwriters themselves have been disturbed by the
public rush for stocks. As one of their number put it, "your
firm has not had a public offering with a prospective new
issue and the public is awash with inquiries from possible
underwriters to heavy over-issuption makes it clear that the
public is not interested in the structuring of the offering.
Such underwriters do not rely, often making for a
condition that might otherwise be the case.

Four Stock Issues

Distributors of new securities continued this week with the job of
marketing the stock, no counting anyway, which appeared to be
accepted good reception.

Some of the foremost of these undertakings went through on Wednesday
with the issuance of 150,000 shares of a convertible preferred
stock, at a price of $25.25 a share.

Another group of stock went through on the New York Exchange
this week, 45,000 shares of a common stock of Buffalo Ford
Co., at a price of $16.75.

The fourth offering brought out by the public was 50,000 shares of a common
stock of Shellmar Corporation, the common
being sold for cash to account of certain
stockholders.

Kaiser-Frazer Corp.

There was an air of expectancy with regard to the pending dis¬
tribution of a preferred stock offering of 10,000 shares of additional com¬
munity stock. The original block was marketed some weeks ago.

Two Big Rail Lines

Just when it appeared that bond
redemptions ground really bad strug¬
gles, Union Pacific Railroad ap¬
pounded to the Interstate Commis¬
sion that it was about to market an
issue of $44,000,000 of 20-year debentures of 5%.

Bids are due to be opened on
February 27, next and proceeds will be
applied to redemption of its outstanding $50,000,000 of 3% debentures at 103.5.

Close development, it develops that Southern Pacific is a candidate to market
$50,000,000 of new first mortgage bonds and stock. We call for bids to be entered and opened some time next week.

This undertaking will mark the replacement of the $51,

WANTED

SITUATION WANTED


Available Soon

Writer - Analyst - Economist

A broad background and experience in editorial and
explanation by the New York City
investment firm, seasoned securities
and financial analysis. Opinions and
permanent connection with strong concern. Please
address Business, Box 40, Commercial & Financial Chronicle, 25 Park Place, New York, N. Y.

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Established investment dealer wants a partner to build and manage a retail sales office in New York. Man must have thorough knowledge of business and own sales for possible eventual partnership. Box N 154, Commercial & Financial Chronicle, 25 Park Place, New York, N. Y.
The Indirect Approach

(Continued from page 371)

secty. members of the NASD would have made short shrift of such a proposal. It did not try the medium of establishing rules of its own on the subject because here too, it would have had an articulate industry to deal with, and such proposed rule would be submitted for the opinion of that industry, again it would have been submerged.

Choosing what it thought was a fertile medium to spread its special philosophy concerning riskless transactions and disclosures, it lightened upon the Oxford case.

Although the industry had no sympathy for the proponents in the Oxford case, it was quick to recognize the implications of the Commission's opinion and to voice its disapproval with the Pandora's box which had been opened.

The SEC now seems to have a tiger by the tail.

Securities organizations are aroused by the implications of the Oxford case and its effect upon the conduct of the business in violation of trade custom and usage.

Protest meetings are being called.

We believe all such meetings should be attended by accredited representatives of member firms and that appropriate resolutions condemnatory of SEC indirection should be passed thereat.

In our opinion such resolutions should recite in substance:

a) That the SEC has chosen the Oxford case as a medium to foster a new "philosophy" concerning so-called "riskless transactions," and "disclosure";

b) That such philosophy is contrary to the well and long established trade customs and usages in the securities field;

c) That the Commission is attempting to establish such new doctrine by indirection and without consulting the industry at large.

These recitals should then be followed by a resolving clause disapproving the instant principles promulgated by the Commission, and the method employed for such promulgation.

In the absence of any change of the law, we believe that dealers are correct in insisting that business be conducted according to trade custom. A general adoption by securities associations of the resolution that we recommend would foster dealers in that position.

When it comes, any change should be through the medium of Congressional action, and not via self-appointed, administrative, philosophical pontifications in decisions.

Since, in this instance the industry and the Commission differ about essential values and the need for a change of trade custom and usage, let's have a forthright showdown.

Let the Commission attempt to set up its rules of general application and see what the response of dealers will be. Snide methods will always meet with our condemnation.

WE FAVOR THE DIRECT APPROACH.

With Watling, Lerchen Co.
(Hiiled to the Financial Chronicle)

DETROIT, MICH. — William C. Davis has become connected with Watling, Lerchen & Co., Ford Building. He was previously with the U. S. Treasury War Finance Committee of Detroit.

With Goodbody & Co.

(Hiiled to the Financial Chronicle)

FLINT, MICH. — Louis E. Gechter is again with Goodbody & Co. at 124 West First Street, after serving in the U. S. Army.

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