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An Organized Labor Program

By SIDNEY HILLMAN*
President, Amalgamated Clothing Workers (CIO)

CIO labor executive outlines course for his union's membership, and advocates vacations "not for weeks, but for months," with hospitalization for all. Says "we must have constructive statesmen in Congress instead of petty little bigots," and power of Government placed at service of people instead of in control of a few privileged, selfish, greedy people."


Sidney Hillman

I want you delegates when you leave the Convention and go back to your cities not to forget that our commitments are of greater import to our own membership, the nation, and the world than any obligations we have undertaken since the last meeting of the Convention.

First we have, of course, our (Continued on page 2816)

*Concluding address of Mr. Hillman at Convention of Amalgamated Clothing Workers in Atlantic City, May 10, 1946.

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One Year After VE-Day—And Where Are We?

By HON. ROBERT A. TAFT*
United States Senator from Ohio

Senator Taft cites basic conflict between planning and freedom and asserts former controls our policies both at home and abroad. Says all classes of the community must be consistent in their desire for freedom. Resents left-wing criticism of legislators who, in voting against centralization, are representing their constituents' wishes. Declares OPA flouts law, and is "unjust, unrealistic, and ruled by every consideration except reason and logic." Advocates labor legislation to provide adequate mediation machinery, making unions liable on their contracts, without Government imposition of pacts.

The field of government activity has become so broad that it is almost impossible to see an overall picture or summarize it briefly. I have never seen a session of Congress where we had so many important controversial matters pending at one time. In every field, those interested are concerned with making their plans for peace after five years of war, and they want the basis of that plan outlined by Federal statute. As a matter of fact a good many of these plans could be made and carried out without government assistance or under present statutes, but the great American panacea for every difficulty is "Pass a Law."


Robert A. Taft

Regardless of party, the key to nearly all the conflicts in government during the past 12 months is (Continued on page 2800)

*An address by Senator Taft before the National Industrial Conference Board, New York City, May 16, 1946.

What Can the United States Learn From Sweden's Past Labor Pains?

By NABOTH HEDIN

Mr. Hedin explains how Swedish industrial peace has followed labor controversies accompanying her 19th century industrialization. Employers' organizations negotiate labor contracts on a national scale. Hails 1938 Saltsjobaden Agreement providing guarantees against interruption of essential services, and delaying strikes and lockouts—all without government interference. Commends to us highly efficacious Labor Court technique, which has been eminently fair to management. Jurisdictional and wild-cat strikes are quickly settled; there is no forced check-off or picketing.

While the United States suffers from one major labor crisis after another, Sweden enjoys almost absolute industrial peace. And yet in the past Sweden has been shaken by frequent labor troubles too; including general strikes, lockouts, imported strikebreakers, and political labor demonstrations. How, then, have the Swedes arrived at their present state of relative labor tranquility? Have they learned anything about labor relations from which the United States could profit?


Naboth Hedin

Labor Upheavals Followed 19th Century Industrialization

Two and three generations ago Sweden was one of the backward agricultural countries, situated as (Continued on page 2806)

Credit and Fiscal Policy in Inflation

By GEORGE B. ROBERTS*
Vice-President, National City Bank of New York

Asserting basically, inflation means too much money, Mr. Roberts holds most important step in combating it is to end deficit financing, to be followed by eliminating debt monetization and interest rate control. Says Treasury and Federal Reserve face a dilemma in changing interest rate pattern, and that proposals to compel banks to hold low interest obligations or to "freeze" portion of deposits in checking accounts is not desirable. Advocates policy of adjusting interest rates to credit conditions, but warns against misuse of credit.


George B. Roberts

In my talk I propose to deal with the monetary aspects of the inflation problem. We all know, of course, that this is not all there is to the problem. I need hardly emphasize the importance of production, or stress the heart-breaking delays that are impeding our getting goods into the markets that people can buy. Also, there is the collateral problem during this transitional period of working out wage and price controls that will allow the necessary incentive for work and production, and yet apply sufficient restraints to prevent our first being blown (Continued on page 2808)

*An address by Mr. Roberts before the National Association of Mutual Savings Banks, New York City, May 16, 1946.

Economic and Social Council About to Convene

By A. WILFRED MAY

Will take definite action on sweeping proposals regarding world trade, employment, reconstruction, relief, raw materials distribution, statistics; and on a wide variety of social measures. Inherent conflict with national political aims and sovereign rights is cited. Peacetime use of atomic energy to be explored. Subcommittee on Spain becoming inundated with conflicting "evidence." Security Council and Iran situation are kicking each other around.

HUNTER COLLEGE, New York, May 22.—With the formal convening of the Economic and Social Council Saturday, the United Nations will really "go to town" for a non-political Utopia. The agenda of elaborate plans in the social and economic worlds seemingly presages a welcome atmosphere of "escapism" from the devastating political crises demonstrated in this converted Bronx gymnasium and lately in Paris, Luxembourg Palace. Should Secretary Byrnes' threat be effectuated, of throwing the "roasting-hot potato" of peacemaking into the lap of the UN, which has already fumbled the cool potatoes, this idealistic hiatus will be all the pleasanter.

A. Wilfred May

Actually, however, an international organization can function in no field effectively without running into and dealing with political interests. The frustrating effect of this has been demonstrated very clearly here in the deliberations of the Human Rights Commission.

For the agitation for human rights has been confined to the expression of pious thoughts by a multitude of "expert witnesses"—individuals as well as organizations—testifying as to the need for the maintenance of individual freedom, etc., throughout the world. About the only concrete decision thus far taken by the preparatory commission, under the much-photographed and publicized chairmanship of Madame Roosevelt, has been the expressed intention to proceed with the drafting of such a Bill.

Irrespective of how well-written a document the Council finally

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Aviation's Progress

By WILLIAM A. PATTERSON*
President, United Air Lines

Air line executive recites accomplishments of transportation in creating "a shrinking world," and gives illustrations of increase in speed, comfort, and safety in airplane operations. Sees prospect of further improvements and asserts "our business of flying people and goods throughout the world will soon become the greatest factor of toleration and understanding in history of the world."

Although I have spent a large portion of my life in aviation and have watched the hurried growth of flying as a father might watch his son's hasty approach to manhood, I am, nevertheless, always a little startled at the announcement of each new achievement in aeronautics.

I can remember the first coast to coast day and night flight which left San Francisco on Washington's birthday in 1921 and arrived in New York 33 hours and 21 minutes later. I can remember what a great thing we thought it was, how we compared this speedy crossing of our land with the historic "firsts" of other forms of transportation — the twelve days of the Pony Express, the six months of the covered wagon, and the seven days of the first transcontinental train.

Yes, that flight gave us all a thrill and hinted again that the world was indeed shrinking. But if the world was shrinking twenty-five years ago, it has shrunk today, and in the future that is not far off the clock itself might well stand still for travelers. Our country was recently spanned by air in 4 hours and 13 minutes and now experimentation is loose upon the problem of sending man through space at supersonic speeds which will indeed nullify the zones around the globe.

Of course, there are some philosophers who ask what you will do with the time you have saved by speed. Transportation is not moral in itself. It is a service to man, and man alone can shape it into a tool that will make his life fuller and more peaceable. The greater the speed of contact with other people in our land and throughout the world, the better man's chances to avoid misunderstanding, meanness, and the minor bickering that lead to open hate.

W. A. Patterson

All of the great ages of history have been associated with the growth of various forms of transportation; and where transportation has been allowed to stagnate, the darkness of sectionalism has invariably settled on people attended by intolerance, evil and cruelty; by poverty and mistrust. Witness, for example, the Roman Empire at its height. Roman ships sailed the blue Mediterranean, went through the Pillars of Hercules up the Atlantic to England, and the galleys of the Caesars broke the inland waterways of Europe. More important, perhaps, were the Roman roads.— substantial belts of trade and contact, stretching from the North Sea to Jerusalem. Then came the decay of Rome, the dissipation of the Empire. The ring-nosed ships were abandoned, the roads were never repaired and little men set themselves up as princes in isolated autocracies along routes

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*An address by Mr. Patterson before the Hemispheric Insurance Conference, New York City, May 14, 1946.

Our Foreign Lending Program

By M. S. SZYMCZAK*

Member, Board of Governors, Federal Reserve System

Federal Reserve Governor predicts future foreign lending will be on a sounder basis than following World War I because of (1) diminished business fluctuations; (2) control of capital flight; (3) action of the International Monetary Fund; and (4) larger basic reserves abroad of gold and dollars. Cites hope for reducing international trade barriers as additional factor. Holds key to better world trade situation lies in loan to Britain, and that Export-Import Bank loans are for pressing needs only, and will be supplanted by International Bank loans. Says both institutions expect to transfer foreign loans to private investment. Contends International Bank obligations have sound investment qualities.

Most of Europe and important sections of Asia find themselves entering the period of peace with only a fraction of their normal export trade. They have not adequate means of their own to pay for the great volume of imports that they must have if their populations are to be kept alive, the damage of the war repaired, and their industries restocked with raw materials and set functioning again. Once this job is done, the war-stricken countries will be able to look after themselves. They will once again have the exports necessary to pay for the goods they need and to service the debts they have incurred in process of rebuilding. Until this has been achieved, however, the United States, which has built up its productive power during the war, must be prepared to supply the goods and the needed financing on a great scale. Since this is a constructive job—one that strengthens the economies of the countries and expands their output—it is entirely appropriate that most of it should be done through loans rather than by a mechanism such as lend-lease. The countries that receive our aid will by reason of that very fact be placed in position to repay us in the years ahead. We are already engaged upon this lending

M. S. Szymczak

*An address by Mr. Szymczak before the Annual Convention of Ohio Bankers Association, May 16, 1946.

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Let Us Not Pursue False Gods

By JOSEPH P. KENNEDY*

Former Ambassador to Great Britain, Chairman SEC, Chairman Maritime Commission

Statesman declares neither Socialist Government of England nor Communist regime in Russia, despite their influence over various sections of the American public, have anything to offer this nation. Calls for pride in our achievements and self-confidence in our institutions; saying solution to our troubles lies within ourselves. Mr. Kennedy urges necessity of American people being alerted to danger of being overwhelmed by alien political and economic "isms," if our freedoms and high standard of living are to be preserved.

The private capital economy of America has proven to date the grandest form of government devised by civilized man with respect to the freedoms so widely proclaimed as essential to life—the freedom of opinion and of worship, and freedom from want and from fear. With all the handicaps that have been imposed upon it by unwise administrators, in spite of attacks by alien interests who would substitute state control for personal incentive and totalitarian regimentation for individual dignity, our American way of life has created a greater share of those rights and privileges which tend to make life a pleasure instead of a trial, than any other arrangement the society of man has yet known.

I count everyone an enemy of the American way of life who seeks to uproot the traditional system of free enterprise which is the hallmark of America and which has produced for Americans a high standard of living unapproached anywhere in the world.

Joseph P. Kennedy

*Abstracted from an address by Mr. Kennedy before the Chicago Junior Association of Commerce, May 18, 1946.

(Continued on page 2813)

Fiscal Progress Since VJ-Day

By HON. EDWARD H. FOLEY, JR.*

Assistant Secretary of the Treasury

Treasury official notes Government revenues in 10 months after VJ-Day declined only about 4½%, whereas expenditures have been very largely reduced and Budget is nearly in balance. Favors policy of debt reduction through redemption of bank-held obligations, and advocates pushing Savings Bonds sales as offset to inflation. Contends taxes, particularly on business, have been substantially reduced, but holds Treasury needs present scale of revenues. Sees need of granting foreign loans, and concludes though we have traveled a long way, many fiscal problems still remain.

Psychologists tell us that time which is crowded with events seem short while passing, but long in retrospect. This certainly applies to the past year.

A year ago today many of us were in uniform. VE-Day had barely passed. The current talk was of redeployment to the Pacific. The atom was of interest only to scientists; and the Manhattan Engineering Project, if it had been mentioned at all, would have been taken as a Robert Moses proposal for postwar New York City development.

The past year has gone by like a rocket, but May 1945 already seems almost a decade away.

What were we thinking about a year ago? What were our worries on the home front?

Some of us were worrying about inflation. The controls were going to pieces, and prices were going to skyrocket. Some of us were worrying about unemployment. Many millions of persons

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Edward H. Foley

*An address by Asst. Secy. Foley before the National Association of Mutual Savings Banks, New York City, May 6, 1946.

What About Prices?

By ROGER W. BABSON

Mr. Babson believes Dow-Jones Industrial Average may go to 250, or something like 40 points above present level. Holds food prices will remain at present level, but looks for higher prices of clothing and other consumer goods. Says rising cost of building will continue for some time, but looks eventually for a house-buyers' strike.

NEW YORK CITY—I am still optimistic as to stock market prices and believe that the Dow-Jones Industrial Average will go at least to 225 and perhaps 250. It is now about 207. The Combined Averages may lag in their upward movement due to investors switching wisely from rails to industrials. So much for stock prices.

My chief interest at the moment is in connection with commodity prices,—that is, what readers must pay for food, clothing and shelter. I, hence, came over to New York, which is the central market on these basic commodities, to get the facts. There seems to be two schools of economic thought on the part of able-thinking men. This is wholly independent of the row over the OPA which is a question of politics and not of economics.

The first school group—although they are in the minority—believe that we will have continuing high prices through 1946 and 1947 but that this rise will bring about a buyers' strike. This will be due partly to the fact that the great mass of people will then have cashed in such of their "E"

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Roger W. Babson

Our Policy Toward Russia

By HON. J. W. FULBRIGHT*

United States Senator from Arkansas

Stating our foreign as well as our domestic policies are unsettled, Senator Fulbright points out doubts are cast on future of United Nations as instrument of world peace. Calls attention to suspicions of Russia, due to her uncompromising and aggressive actions, and urges U. S. maintain its leadership by firmness and not follow policy of "peace at any price." Concludes recent actions of Russia are not consistent with a desire to bring peace under aegis of United Nations and advocates a reestablishment of unity and strength in our domestic affairs from which confidence throughout world will be created to restrain Russia's ambitions within reasonable bounds.

Your President has asked that I discuss our Foreign Policy. With the possible exception of our labor relations, I can think of no subject more difficult to condense into a neat 20-minute package. It is not easy to be positive or dogmatic about anything, but especially about foreign policy under the tense and changing conditions of today. We are in a transitional and fluid state and it is extremely difficult to evaluate events properly and to formulate a definite policy. I don't think I need tell you that there is some confusion in our Capital City.

J. W. Fulbright

Last summer, or even six months ago, I had little difficulty in discussing what I thought should be our foreign policy. The United Nations was the machinery by use of which well intentioned and forthright people could discuss and compare their differences. I thought that the major problem was to overcome the traditional isolationism of this country and persuade our people to devote our power and influence to the establishment of law based on justice. After the first World War, practically all other nations joined the League and it seemed probable that if we joined the United Nations the others would, without hesitation, give it their full support. I believed that the great powers had endured so much suffering and destruction at the hands of the fascists that they would be determined to work together for the prevention of war. It seemed unbelievable that, in view of their recent experiences, any of them would run the risk of war either by aggressive action, or by neglecting their international responsibilities. But during the last few months Russia has traveled rather far along the path of aggression and the United States has neglected its responsibilities at home and abroad. Today I confess that I am troubled and I find it exceedingly difficult to arrive at any convictions about

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*An address by Senator Fulbright before joint meeting of the American Academy of Arts and Letters and the National Institute of Arts, New York City, May 17, 1946.

"For What Are We Living"

By BERNARD J. WASHICHEK*

Vice-Chairman of Public Relations, U. S. Junior Chamber of Commerce

Mr. Washichek, asserting that the competitive spirit is one of first elements in American way of life, points out that there are different ideals of happiness to different groups, but that, as a nation of "do-gooders," there is little difference between labor and capitalists in the pursuit of happiness. Holds we are witnessing gradual rapprochement between labor and capital, and that it is only powerful labor leaders or capitalists who have forgotten the proper function of both is to do good to be happy. Attacks communistic idea of freedom as undemocratic. Holds duty of the American way of life is "real responsibility for needs and comforts of our fellowmen."

Today I am reminded of an observation made by one of the young lads who had been in the United States during the war, and who was on his way back to his home in England. A reporter asked him what he was going to do when he reached home. He replied in youthful slang, "Paint the whole town red, that will defeat them."

B. J. Washichek

It seems to me that this young chap had gained something of the American way of life that has made our nation the envy of the world.

We blanket the country with advertising, we picket the factories of the nation from the East to the West, we flood the air waves with a mass appeal to action, we fill the press with every conceivable kind of slanted news story, and we hold mass meetings of a cross section of whole communities to put over this or that plan of action. In other words, we go all-out to achieve a desired goal.

The greatest proof of this fact is the recent finish of World War II. In fact, we might say that the little English chap's words might have been "Paint the whole world red, that will defeat them."

It seems to me that Russia has adopted that slogan with an entirely different connotation of the word "red," and it is not with this Russian viewpoint that I am concerned, except only indirectly and by contrast with the American connotation. Let us analyze for a moment the words—"Paint the whole town red"—it seems to me that this expression had as its foundation the strongly competitive spirit of rival high school football, basketball or baseball teams, when it is customary for the victor to plaster every sidewalk, billboard, wall, and even the school walls, of the vanquished team with the winning score.

Competitive Spirit of Rival Equals

Competitive spirit of rival equals seems to be one of the first elements that we, as young people, learn under the American way of life. I might even venture to say that I believe that this could be considered a definition of the American way of life—the competitive spirit of rival equals.

Let us examine that thought in the light of the beginnings of this nation:

Our early American patriots were those European emigrants who ardently believed that all men are created equal. They had imbibed that Christian philosophy from the historical development of greater equality among men, which had its beginning nearly 20 centuries ago, when a young man who claimed to be the Son of God began to preach that doctrine in a slave and master-ridden world. He preached so wisely and so well, that thousands followed Him and became crusaders for that thought, suffering intolerable persecution even, to carry forward to suc-

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*An address by Mr. Washichek before the Retired Business and Professional Men of the Oranges, Orange, N. J., May 15, 1946. Mr. Washichek is associated with A. W. Benkert & Co., New York City.

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Optimism in London

By PAUL EINZIG

Mr. Einzig ascribes rising trend on London Stock Exchange to renewed wave of optimism pervading Britain. This has been aided by Senate approval of Anglo-American Financial Agreement and Canadian financial aid, as well as by general absence in Britain of industrial unrest. Says Labor Government is seen as a blessing in disguise in some respects, and as result of British wage and price stability, it is expected a stable sterling exchange rate will be maintained and Britain can adhere to Bretton Woods and a reduction of Imperial Preference.

LONDON, ENG.—The rising trend of the London Stock Exchange has been due to a large extent to a remarkable revival of optimism during the last few months. People abroad have become accustomed to consider Britain as finished, owing to her hopeless state of bankruptcy and the economic deadlock from which, they believe, there can be no way out. This view prevailed until recently also in Britain. But defeatism is now decidedly on the decline, and the conviction that Britain will once more emerge from her ocean of troubles is gaining ground.

Paul Einzig

The passing of the loan agreement by the Senate accentuated this wave of optimism to no slight degree. For it was mainly the lack of liquid resources and the gloomy outlook of the international balance of payments that had been responsible for the pessimism regarding the economic position and prospects. If the American loan, is definitely passed, it will, together with the Canadian loan which has just been passed, place at Britain's disposal a very substantial reserve, with the aid of which she is expected to be once more in a position to play a part that is in keeping with the standing of a first-rate Power. Even many of the British opponents of the loan are now inclined to adopt this view. This change in their attitude may appear inconsistent at first sight, but it is capable of explanation on the ground of the revived optimism about the general economic outlook.

The reason why the loan was opposed in Britain was the fear that the acceptance of Bretton Woods and non-discrimination in international trade would lead to the loss of the Empire markets without any reasonable chance for deriving compensation through an increase of British exports to outside the Empire. And the reason why these fears have now abated to some extent lies in the improved prospects of British export trade. During the past six months considerable progress has been made towards the reconversion of British industries for civilian requirements. While the United States has been gravely handicapped by an epidemic of strikes, there have been practically no prolonged major strikes in Britain. The fears that the United States would satisfy all the accumulated demand for

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Prices and Rents in Months Ahead

By CHESTER BOWLES*

Director of Economic Stabilization

Though claiming that price control has held the fort against inflation, Mr. Bowles points out that even with a really effective control after July 1, it isn't going to be easy to win a final victory. Contends food prices have been held down, but clothing and house furnishing prices have had "sharp and serious increases." Says some increases were permitted to meet higher wage costs, and concludes that with controls continued, there will be little change in food prices; that clothing prices will be kept "within reach," and rents should be about same.

The other evening out at our house we had a visitor from back home in Connecticut. And, as usually happens, it wasn't long before we found ourselves talking about prices and price control—and especially what's been happening to the cost of living in recent years . . . our Connecticut friend was particularly anxious to know what's likely to happen to prices and rents in the months ahead. Because I felt you and your family would be interested I thought I would talk about this same subject today.

Chester Bowles

Clearly, the cost of living has gone up since 1939—and it has gone up a lot more than either you or I would like. But we can be thankful of one thing. So far, we're in a lot better shape than we were in this period of World War I. Under the price and rent controls which have been in effect since shortly after Pearl Harbor, prices and rents have risen only about **one-third** as much as they did in the disastrous inflation of the last war. Let's first see what happened then.

At the end of the last war when the Armistice came in November—prices were 62% higher than at the start of the war.

But they didn't stop there. They went right on up. Eggs went up to a dollar a dozen in some places. Sugar went from six to 27 cents a pound. The prices of some meats doubled. Pork chops rose to 50 cents a pound. Clothing prices tripled. Rents in many cases doubled or tripled.

Many of you remember those price increases because you paid them in the stores. But some of us forget the importance of the price of steel and other basic ma-

(Continued on page 2815)

*A radio address by Mr. Bowles over American Broadcasting Network, May 18, 1946.

Bryans Named to Board

Henry B. Bryans, executive Vice-President of the Philadelphia Electric Company, has been elected to the Board of Managers of Western Saving Fund Society of Philadelphia.

The Meaning of Citizenship

By HON. JOSEPH H. BALL*
United States Senator from Minnesota

Asserting we should be as aware of our obligations and duties of citizenship as of our rights and freedoms, Senator Ball holds it is incumbent on citizens to uphold rights of others as well as their own rights. Points out our political system is freedom under law applying equally to all citizens, and attacks labor leaders that "abridge the sacred right of all citizens to work" and mistake freedom for license. Cautions if freedoms are not exercised with proper restraint Government will have to assume more control over our activities and gradually curtail freedom of all of us.

It is well that we should reexamine today the essential meaning of citizenship under our system of government. Our nation is facing many grave issues, both international and domestic. The future safeguarding and expansion of the rights, freedoms and dignity of citizenship in this country are at stake in many of these issues. We will find the proper solutions only if the great majority of us are as keenly aware of the obligations and duties of citizenship as we are of our rights and freedoms.

Senator Jos. H. Ball

I believe it is fundamental in our system that unless most of us do fulfill our duties and obligations, our rights and freedoms as citizens will not long survive our failure. Unfortunately, far too many of the most vociferous groups in our society appear today to be thinking only of the rights and privileges of citizenship in this country and to have forgotten entirely the obligations and duties that go with those same rights and freedoms.

U S a Representative Republic

We speak of our Government as a democracy. That is not an accurate statement. Our Government is a representative republic. We do not have a pure democracy, where the people decide issues directly and the majority decision is final and absolute. Ours is a representative democracy, wherein the people govern through elected representatives. Our Government is also a constitutional democracy. Neither Congress, the Executive, nor the Courts have absolute power in their respective jurisdictions. They are limited to the powers specifically granted to them in the Constitution, and even in the exercise of those powers they may not encroach on the rights and freedoms of individuals guaranteed in the Bill of Rights. The framers of our Constitution were convinced, I believe rightly so, that too great concentrations of political power are dangerous to freedom, and that a bare majority can be as tyrannical as an absolute monarchy. We have seen some instances in Europe where a bare majority has established an effective tyranny. The statesmen who framed our Constitution wrote into it only limited powers, and protected individual rights even against those powers of Government. Then they provided that the Constitution could not be amended except by vote of two-thirds of both Houses of Congress and ratification by three-fourths of the States. They were taking no chances on the liquidation of individual freedoms by a bare majority.

The resulting system of checks and balances does slow down government. Our rules cannot be changed by a stroke of one man's pen. Major decisions generally are not made except after months and sometimes years of public discussion which have built up an overwhelming and not merely a bare majority of public opinion in support of the action finally taken. That is the price we pay for freedom and democracy.

Political Leadership Based on Fundamentals

I believe two things are essential if our system is to meet effectively the great challenge it faces today. One is that our people know the facts and hear both sides of every issue. The second is political leadership that is willing to really give leadership, based on fundamental principle, rather than following whatever appears to be the majority opinion of the moment. Unfortunately

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*An address read for Senator Ball before the National Conference on Citizenship, Philadelphia, May 18, 1946.

The Wagner Act and Strikes

By HON. RAYMOND E. WILLIS*
U. S. Senator from Indiana

Senator Willis lays responsibility for the recent serious industrial tie-ups to the "one-sided" legislation embodied in the Wagner Labor Relations Act. Says venting spleen against John L. Lewis or mine operators is ineffective, but cautions against enactment of hasty anti-labor legislation. Holds present disturbed state is direct result of complete lack of action by President who could have used power of his office to break strikes.

Mr. President, as we take up today legislation to provide the machinery to obviate the industrial disturbances which threaten the peacetime recovery of this nation, particularly the coal strike, let us keep firmly in mind that we are legislating for the public welfare and not for this or that segment of our people. Let us make it plain that we are not acting hastily, that in whatever legislation we pass we are not dignifying any one man by specific action but that we are attempting to legislate honestly and fairly for the whole nation.

Sen. R. E. Willis

If we do the job thoroughly and not as a temporary expediency our deliberations will include an examination of the Wagner Act, setting up the National Labor Relations Board and drawn more or less in favor of one segment of the population. In all fairness, our deliberations ought also to include an examination of the activities of the executive branch of this government in the war-time administration of labor disturbances, to see if we have learned anything which could be applied to peace-time conditions. No matter what law we pass in this body, if the President of the United States refuses to use that law, or allows it to be used as a weapon by one group or another, then the law will not remedy the conditions we want it to remedy.

There have been a lot of recriminations, during the past two weeks, both on the floor of this body and in much of the public press, about John L. Lewis. I hold no brief for John L. Lewis or any other man who would deliberately cause the industrial tie-ups and the economic waste which he has caused during the past months—and in other years. He is merely dramatizing the danger which exists under the law when one man or a group of men is able legally to threaten the American people in their fundamental right to "Life, liberty and the pursuit of happiness."

But let's get this clear. John L. Lewis is doing only what the Wagner labor law under Democratic administration has made it possible for him to do. When the Wagner Act and other nationally one-sided legislation was being forced through this and our companion body, let the people not forget that there were overwhelming Democratic majorities in both Houses of Congress. Let the peo-

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*Speech by Senator Willis on the floor of the Senate, May 13, 1946.

Customers' Brokers Urge Restoration of Margin Trading

Hold it unwise to wait in removing restraints until securities markets are declining because of psychological aspects.

The Association of Customers' Brokers has sent the following letter to the members of the Board of Governors of the Federal Reserve System in Washington:

Donald C. Blanke

"We respectfully urge that the Federal Reserve Board formulate and announce at the earliest possible date, a program and policy for restoring margin accommodations for the purchase and sale of securities.

"We are suggesting that this matter receive your immediate consideration and your decisions made public because we believe that if such a pronouncement is delayed until the securities markets are declining, the effect is likely to be detrimental rather than beneficial to investor psychology. We wish to remind your board of the increased liquidation which followed announcements of reduction in the Federal Reserve rediscount rate in 1929.

"We believe your board has ample precedent for an advance statement of policy in this vital matter, inasmuch as you stated your intention to raise margin requirements before such action was taken.

"We have in mind certain suggestions regarding the method of lowering margin requirements which we shall be glad to present to your board if you so desire."

In commenting on this letter, Donald C. Blanke, President of the Association, stated:

"Our association, through its executive committee, has submitted this proposal to the Federal Reserve, because we are definitely worried about how the markets will act in the event of any large volume of liquidation. We would like to see steps taken now to prevent the public from dumping stocks as a result of any misinterpretation of government action on margins.

"It has been a matter of general comment among our members that ever since the margins have been increased from 50% to 75% and then from 75% to 100% that the markets continue to become thinner; it is, therefore, more difficult to execute orders on either a rising or a declining market. In February we witnessed a rather sharp decline which was about the biggest break on record in relation to the amount of shares traded. After our experience in 1929, when efforts of the Federal Reserve to halt the selling by lowering the rediscount rate proved fruitless, we feel that some announced plan now would create confidence among holders of securities. Otherwise they are running the risk of alarming the public by some sudden announcement during a market break. Such measures have never helped in the past and we doubt if they will now."

How Foreign Investors Should Be Treated

League of Nations publication makes recommendations to countries that seek import of capital. Urges equal and fair treatment that assures security and remuneration to foreign investors.

In a pamphlet entitled "Conditions of Private Foreign Investment," recently issued by the League of Nations and constituting a report by the special Joint Committee on Private Foreign Investment, a series of recommendations are laid down for countries desiring capital imports. These recommendations, stated in order, are as follows:

Legality, equity and good faith should be cardinal in the treatment of foreign investment by all countries. But the individual attitude of each capital-importing country will be determined largely by the special interests of the country and by the stage and direction of its social and economic development.

It is a natural concern of any self-governing country to preserve its national integrity and to keep the direction of governmental policy free from foreign control and interference, subject always to treaty obligations and international law. No country will long suffer the presence of any foreign interest which tends to obstruct or distort governmental action or which exercises an uncontrolled and preponderant influence over the national economy.

Foreign enterprises and investors will, no doubt, appreciate the interest they have in complying in letter and in spirit with the domestic laws of the country in which they do business and in seeking no illegal favor or undue advantage from public officials. Having regard to their special position, they will see to it that nothing they do will be considered as an interference in the conduct of national affairs. It goes without saying that foreign enterprises and investors should not induce domestic interests to conclude contracts which they know to be detrimental to the other party or impossible to fill.

Foreign investors can only expect to receive fair treatment that assures the security and remuneration of their investment if it is a contribution to the economic development and social welfare of the country. In the long run it will be to the advantage of all if investors place their funds in undertakings which not only assure a direct return, but which also further a balanced and properly diversified economic development. Concerns engaged in primary production should seek, whenever possible, to develop processing and complementary industries. If foreign enterprises established in a country follow a consistent policy of reinvesting part of their profits in the country, this policy is likely to prove beneficial to all parties concerned.

Whenever feasible, foreign enterprises will be well advised to encourage early participation of domestic interest in their business by facilitating, for instance, the purchase of some of their equities and securities by residents of the country. The association between foreign and domestic interests should be not merely formal, but effective and *bona fide*. Harmony may be promoted if foreign enterprises engage local ex-

(Continued on page 2827)

The Senate "Silver Bloc" Bill

Bill identical with compromise measure proposed by Senate Appropriations Subcommittee, that proposes raising silver price to $1.29 an ounce. Treasury has indicated its opposition.

WASHINGTON, D. C., May 22—On May 16, Senator Murdock of Utah, in behalf of himself and Senators Hayden, McFarland, Taylor, Johnson of Colorado, Millikin, and McCarran, introduced a silver bill, (S. 2206), containing a $1.29 proviso. This bill is identical with the compromise reached in the Senate Appropriations subcommittee, the text of which was published in the "Chronicle" on May 2, 1946. The measure has been referred to the Senate Banking and Currency Committee, which has before it the bill of Senator Green of Rhode Island, authorizing the sale to industry of Treasury silver at $0.7111 an ounce. At this writing the silver rider to the Treasury Department appropriation bill is still awaiting the decision of the full Senate Appropriations Committee. Apparently the informal efforts of silver-states senators to obtain what they would regard as a satisfactory understanding on the rider with the necessary members of the House of Representatives have not been successful.

Abe Murdock

The Treasury Department, having been asked by Senator McKellar, Chairman of the Senate Appropriations Committee, for an opinion on the above-mentioned compromise amendment, has replied that it is opposed to any legislation which would, even though only gradually, raise the price of silver to $1.29 an oz. The Treasury has also written that it is opposed to removal of price ceilings on silver by legislative exception to the general OPA regulations, and opposes the removal of the transaction tax on silver. The latter it does on two grounds: That it would reward those who have been hoarding silver and thus impede reconversion; and and that it would encourage additional speculation. The Treasury, however, would reluctantly consent to 90.3c as the price at which during the next two years Treasury silver should be sold to industry and the price at which the mints would be opened to newly-mined domestic silver hereafter with no time limit.

Chicago Bond Club to Hold Annual Field Day

CHICAGO, ILL.—Plans for the Annual Field Day of the Bond Club of Chicago are announced by John S. Loomis, the Illinois Company, President of the Club. The outing will be on Friday, June 7, at Knollwood Club, Lake Forest.

John S. Loomis

Walter J. Fitzgerald, Jr., Harriman Ripley & Co., will be Chairman of the General Committee in charge of the affair. He will be assisted by three Vice Chairmen—S. E. Johanigman, The Milwaukee Company; Howard E. Buhse, Hornblower & Weeks; Harold A. Talbert, Blyth & Co., Inc.

The following will be Chairmen of the various Committees: Arrangements, Woodward Burgert, Harris Trust & Savings Bank; Dinner, Robert G. Mead, Stone & Webster Securities Corp.; Entertainment, Richard M. Delafield, The First Boston Corporation; Baseball, Robert P. Walker, F. S. Moseley & Co.; Golf, Howard A. Emig, Farwell, Chapman & Co.; Tennis, Frederick W. Johnston, Mullaney, Ross & Company; Trophies, Harris E. Wilder, The Illinois Company; Indoor Sports, James P. Jamieson, Glore, Forgan & Co.; Raffle, W. A. Fuller, William A. Fuller & Co.; Raffle Prizes, Walter W. Cruttenden, Cruttenden & Co.; Refreshments, Henry W. Meers, White, Weld & Co.

Golf, tennis and baseball will constitute the principal athletic events. There will be a number of other special attractions featured by a carnival and an exhibition of expert swimming and diving. The outing will last all day, including luncheon and dinner.

Keane & Co. Is Opening in Detroit

DETROIT, MICH. — Keane & Company is opening offices in the Penobscot Building to engage in the securities business. Partners are Jerome E. J. Keane, general partner, and Annette D. Keane and George E. Sheldrick, limited partners. Mr. Keane was formerly with Stoetzer, Faulkner & Co. Prior thereto he was partner in Keane & Co., which did business in Detroit for many years as a member of the Detroit Stock Exchange.

Francis G. Lauro to Be Eric & Drevers Partner

Francis G. Lauro will be admitted to partnership in Eric & Drevers, 115 Broadway, New York City, members of the New York Stock Exchange, on June 1st. Mr. Lauro, who holds membership on the Exchange, was formerly a partner in Matheson & Lauro, which will dissolve as of May 31st.

Edward Leo Nesbitt, member of the Exchange, will retire from partnership in Eric & Drevers on May 31st.

Patterson Rejoins Boettcher

DENVER, COLO.—Donald L. Patterson has rejoined the trading department of Boettcher & Co., 828 Seventeenth Street, members of the New York Stock Exchange. Mr. Patterson has been serving in the U. S. Army.

Garvin, Bantel to Admit

Garvin, Bantel & Co., 120 Broadway, New York City, members of the New York Stock and Curb Exchanges, will admit Sidney W. Moss to partnership in the firm on June 1st.

Wartime Savings—Their Use and Abuse

By HENRY BRUERE*
President, Bowery Savings Bank

Mr. Bruere, in calling attention to rise in savings banks Federal debt holdings to 63% of their assets, points out these institutions are now tied to fiscal fortunes of National Government and therefore are directly concerned with national debt administration. Sees need of wider savings bank investments and advocates expansion of FHA mortgage holdings by local banks. Says savings banks are affected by policies affecting nation's economy and urges them to conduct studies and take action appropriate to fullest discharge of their responsibilities and opportunities as custodians of $15 billions of entrusted funds. Defends competitive system of private enterprise.

In the sale of war bonds the mutual savings banks of the nation acquitted themselves with distinction winning repeated and cordial recognition from the Treasury, as has their progressive support of all the war loans throughout the emergency.

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Henry Bruere

From May, 1941, when defense bonds were put on sale, through December, 1945, when the Eighth War Loan drive closed, the banks bought $12½ billions of Treasury issues and sold two billions of war bonds to the public, including their depositors. In these four years the increase in United States Government bonds owned by the banks was 23 times the increase in the period of 1917-19 when they made an outstanding contribution to the financing of World War I.

The national war effort of the savings banks is creditable and

*An address by Mr. Bruere before the National Association of Savings Banks, New York City, May 13, 1946.

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Wanted—A National Policy That Cuts Through Special Interests

By EVERETT NEEDHAM CASE*
President of Colgate University

Educator, in reviewing foreign and domestic policies, sees no solid basis for security or freedom with veto provision in United Nations Charter. Points out that in domestic affairs we have permitted creeping paralysis to invade industrial plants as well as halls of Government. Says stalemate in American production caused by strikes is a body blow to American prestige, to recovery in Europe, and to hopes for a peaceful and democratic world. Holds a sound national policy should cut through special interests and that labor needs outspoken criticism, but cautions against hasty anti-labor legislation. Contends present wage policy is a tragic setback in struggle against inflation and unemployment.

In one sense it is unfortunate that issues involving our relations with other nations should be lumped together under the title "foreign" affairs. It is terribly important for us to realize that in their impact on our lives these concerns are anything but "foreign." Read *Ciano's Diary* if you doubt for one moment that developments in one country are of vital concern to others, including America. Perhaps one day we will recognize the tragic absurdity of a concept of national sovereignty which denies this patent fact, thus permitting each nation to insist that its policies are its own affair. and no concern of others. Perhaps, as our 13 States found the articles of confederation totally inadequate and proceeded to adopt our scheme of federal union, so the nations of the world may recognize and implement their common interests as members of a world society over which no power holds the club of veto or secession. I see no other solid basis for security or freedom.

Everett N. Case

Imagine our situation if New York and Texas and California held such a veto. Imagine our

(Continued on page 2797)

*From an address by President Case at commencement of Elmira College, Elmira, N. Y., May 13, 1946.

World Famine Situation

By HERBERT HOOVER*

Former President reports on food situation and asserts hunger hangs over one-third of world population. Holds situation caused by war and drought will add to evils of famine, pestilence and death, and additional disasters in destruction, revolution and fear. Sees much to criticize in management of famine relief, and calls for drastic reorganization. Points out that though mass starvation does not yet exist, there is prospect of a serious cereal deficit ahead, and it is to our interest to aid in all possible ways if peace and good-will are to be reestablished. Urges still more intensive conservation of breadstuffs and fats, and the immediate marketing of grain, and proposes new World Food Organization.

This is my report to the American people upon the world famine situation. Three weeks ago I broadcast from Cairo our report upon the situation in Europe. Since then we have examined the food problems in Egypt, Iraq, India, Siam, the Philippines, China, Korea and Japan, thus compassing most of Asia.

Herbert Hoover

I can therefore now consolidate our findings in twenty-five countries which we visited and in several more upon which we have received competent information.

At the request of President Truman I have acted as a sort of Food Ambassador to determine needs; to discover possible further sources of supplies; and to coordinate the world's effort to master this danger to the lives of millions. Beyond this, it has been my duty to represent the solicitude of the American people and their desire to aid.

Along the 35,000 miles we have traveled, I have seen with my own eyes the grimest spectre of famine in all the history of the world.

Of the Four Horsemen of the Apocalypse, the one named War has gone—at least for a while. But Famine, Pestilence and Death are still charging over the earth. And the modern world has added four more to this evil brigade. Their names are Destruction, Drought, Fear and Revolution. This crisis is not alone due to war

(Continued on page 2810)

*An address by former President Hoover under auspices of Famine Emergency Committee, Chicago, Illinois and broadcast over the Columbia and the Mutual Broadcasting Systems, together with a subsequent address on May 20.

Wallace Points Out Foreign Trade Essentials

In Foreign Trade Week statement, Secretary of Commerce sees expanded exports essential to ward off starvation and scarcity throughout world. Revises estimate of future exports upward, but says we must provide other nations with dollar credit. Advocates reciprocal trading agreements to remove trade barriers.

In connection with National Foreign Trade week, which extends from May 19 to May 25, Secretary of Commerce, Henry A. Wallace issued the following statement:

Henry A. Wallace

We can no longer afford to debate about the advantages and disadvantages of an expanded foreign trade. The time has come to do business with the world, on a scale suitable to the needs of the world. Other nations urgently need our goods. We need their goods; and in order to build and preserve a world free from the fear of war, we must establish a free interchange of products, materials, and services among the peoples of the earth. These are the realities and the imperative needs that face humanity in the year 1946.

The problem that overshadows all other problems in our deeply troubled times is the problem of scarcity. The scarcity that is uppermost in our minds is the world's tragic need for food. We deeply hope that this need will be alleviated with the next harvest. But the famine-stricken nations cannot hope to make themselves secure from hunger and death until their shattered transportation systems are made efficient once again and until they are supplied with the farm machinery that will enable them to raise crops that will more nearly supply their needs. This fact alone makes it impossible for Americans to forget their responsibility in promoting foreign trade.

In carrying out our responsibility we do not need to feel altruistic. We can base our foreign-trade promotion on a foundation of national self-interest. A year ago I said that we could look forward to a postwar volume of exports valued at well over $10 billions. In view of the almost unlimited needs of the world for our machine tools, our agricultural products, industrial equipment, chemicals, farm machinery, textiles, railway equipment, and automotive products, I now feel that this estimate was conservative. During the war our industrial plant was expanded far beyond its prewar capacity, and we shall need foreign markets more than ever to absorb the increased output. If our markets abroad were limited we would find our internal problem of providing full employment greatly intensified after the initial postwar boom. An export volume of $10 to $15 billions would mean a continuing high level of employment at home and healthy profits for American industry. In saying all this, I am making no prediction as to what our exports will actually be.

Wants No "Dumping"

But we cannot look upon foreign trade merely as a means of dumping our surpluses—as a way of exporting our unemployment. We must provide other nations with ways to pay for what they need. We have already taken some steps that will help to provide other nations with dollar

(Continued on page 2815)

Robt. Ryckman Joins Staff of Ira Haupt

Robert W. Ryckman, recently discharged from the service, has become associated with the syndicate department of Ira Haupt & Company, 111 Broadway, New York City, members of the New York Stock Exchange, it was announced. Mr. Ryckman left Wall Street in 1940 and enlisted in the Canadian army, joining the 12th Canadian Tank Regiment. He saw action in Africa with the 17th/21st Lancers, in the Sicilian invasion, and on the east coast of Italy. In 1944 he transferred from the Canadian Army to the Army of the United States and saw action with the 8th Armored Division in France, Holland, Germany and Czechoslovakia.

His decorations include the Military Cross from Canada, the Croix de Guerre from France, and the British Africa Star.

Dunham & Fletcher to Be Formed: NYSE Firm

Dunham & Fletcher will be formed as of May 29th with offices at 65 Broadway, New York City, to engage in the securities business. Partners of the new firm will be Carroll Dunham, 3rd, Leon Fletcher, Jr., James T. Whipple, Charles E. Brady, William F. Andrews (who will acquire the New York Stock Exchange membership previously held by Mr. Fletcher), Augustine Healy, general partners, and Aldo R. Balsam, limited partner. Mr. Dunham, Mr. Whipple and Mr. Brady were previously partners in Carrere & Co., in which firm Mr. Andrews was also a partner in the past. Other partners in the firm were previously of Gammack & Co.

Still Colburn Manager

SAN FRANCISCO, CALIF.—George J. Flach, who recently obtained a broker's license for his own account, will continue as resident manager in San Francisco for R. L. Colburn & Co., 155 Montgomery Street.

Will Bank for International Settlements be Ended?

By HERBERT M. BRATTER

Washington observer recounts problems involved in proposed liquidation of Bank for International Settlements. Calls attention to opposition to the Bank by Treasury, because of its wartime relations with Germany, and to the Bretton Woods proposal to bring about its liquidation. Notes political and legal problems involved in proposed liquidation, and concludes Bank is doomed.

Recently there has been correspondence between Secretary of the Treasury Vinson and Chancellor of the Exchequer Hugh Dalton relative to the liquidation of the Bank for International Settlements. This supplements exchanges of views between Mr. Vinson's predecessor and various foreign finance ministries. It is hoped in Washington that the liquidation of the BIS can be brought about before many months more. Britishers who are anxious to see the British loan a reality suggest the inadvisability of Britain's burning any bridges at this juncture, but with the expected House of Representatives approval of the loan any possible obstacle to the termination of the BIS from British official quarters should be removed.

Herbert M. Bratter

The position of the American Treasury has been made clear on several occasions during the last few years. Before the Bretton Woods Conference was held, Assistant Secretary Harry White in a press conference, described the Bank for International Settlements, an American-headed institution doing business with Hitler. Mr. White expressed himself similarly at a press conference at Bretton Woods in 1944. His views, it is believed, are still those of the Treasury Department. Various foreign governments—although not all—have more or less the same view about the BIS and its wartime activities. Apart from those activities, there are other reasons why its early demise is being sought.

The Bretton Woods Conference, it will be recalled, adopted a resolution recommending "the liquidation of the BIS at the earliest possible moment." The chairman of Norway's delegation, Mr. Wilhelm Keilhau of the Bank of Norway, was most insistent on this point.

Reasons now being advanced for the early wind-up of the BIS include: (1) That it now has no real function to perform; (2) that its wartime activities were pretty bad; (3) that it may be used as a sounding board for opponents of the International Fund and Bank. Liquidation of the BIS may be made difficult by resistance from a few of the governments concerned and from people now running it.

A Czechoslovak View

An example of foreign support for the termination of the BIS is the following statement given to the "Chronicle" by Mr. J. V.

(Continued on page 2814)

Dealer-Broker Investment Recommendations and Literature

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

"Alcohol From Potatoes"—The President of Merchants Distilling Corporation has announced operation at full capacity by changeover to meet the crisis caused by the grain shortage; National Distillers and Schenley are also distilling alcohol from potatoes — special bulletin on the subject "Alcohol From Potatoes" upon request from Blair F. Claybaugh & Co., 52 Wall Street, New York 5, N. Y.

Foreign Trade and Investment Opportunities — Study—Delafield & Delafield, 14 Wall Street, New York 5, N. Y.

Geared to the News—Brochure of comment and review containing brief analyses of **Philip Carey Manufacturing Co.; Sargent & Co.; The Upson Company; Lawrence Portland Cement Co.; The Parker Appliance Co.; Pettibone Mulliken Corp.; Armstrong Rubber Co.; Ohio Leather Co.; American Furniture Co.; Punta Alegre Sugar Corp.; Haytian Corporation of America; Latrobe Electric Steel Co.; Ray-O-Vac Company; Fort Pitt Bridge Works** and **Welch Grape Juice Co.**—Strauss Bros., 32 Broadway, New York 4, N. Y.

Market Parallel — Comparison of present bull market's swings with those of a like part of the 1921-1929 market—R. B. Brownlee & Co., 420 Lexington Avenue, New York 17, N. Y.

New York City Bank Stocks—Comparison and analysis of 19 stocks for the first quarter of 1946—Laird, Bissell & Meeds, 120 Broadway, New York 5, N. Y.

Pacific Coast Trading in New York Stocks — Revised directory of stocks traded on Pacific Coast Exchanges — 219 issues traded on these exchanges which are also traded on the New York Stock Exchange or the New York Curb Exchange — Kaiser & Co., Russ Building, San Francisco 4, Calif.

American Forging and Socket—Circular—De Young, Larson & Tornga, Grand Rapids National Bank Building, Grand Rapids 2, Mich.

American Insulator Corp. — Statistical study — Peter Barken, 32 Broadway, New York 4, N. Y.

American Service Co.—Circular —Adams & Co., 231 South La Salle Street, Chicago, Ill.

American Water Works & Electric Company — Study of background and outlook in an issue offering interesting speculative possibilities — H. Hentz & Co., 60 Beaver Street, New York 4, N. Y.

Also available is the **Fortnightly Investment Letter** discussing the Treasury's Money Rate Policy; the growing need for higher rail rates, and containing brief memos on several interesting issues. Also on request is a leaflet of research comment.

Amott Baker Realty Bond Price Averages—Current news bulletin —Amott, Baker & Co., Inc., 150 Broadway, New York 7, N. Y.

Archer-Daniels-Midland Co. — Analytical memorandum — Hirsch & Co., 25 Broad Street, New York 4, N. Y.

Associated Dry Goods Corporation — Analysis — Ira Haupt & Co., 111 Broadway, New York 6, N. Y.

Axelson Manufacturing Co. — Engineers Report—Herzog & Co., 170 Broadway, New York 7, N. Y.

Bank of America N. T. & S. A.—Special report—Walston, Hoffman & Goodwin, 265 Montgomery Street, San Francisco 4, Calif.

Bankers & Shippers Insurance Company — Study — Mackubin, Legg & Company, 22 Light Street, Baltimore, Md.

Also available are memoranda on **Insurance Company of North America, National Fire Insurance Company, National Union Fire Insurance Company, New Hampshire Fire Insurance Company, Northern Insurance Company, Reinsurance Corporation of New York; Security Insurance Company, Springfield Fire & Marine Insurance Company,** and **Standard Accident Insurance Company.**

Butterick Company, Inc.—Circular emphasizing the strong position of the preferred stock which sells at a price equivalent to only three times 1945 earnings per preferred share; the net current assets position of the company shows a ratio of 3.15 to 1—lifting of wartime restrictions such as those on paper should have a constructive effect on the future earnings. Dealers may send for Circular ML on Butterick to Blair F. Claybaugh & Co., 52 Wall Street, New York 5, N. Y.

A. S. Campbell Co., Inc. — Analysis — New York Hanseatic Corporation, 120 Broadway, New York 5, N. Y.

Celanese Corporation of America — Analytical memorandum — Penington, Collet & Co., 70 Pine Street, New York 5, N. Y.

Central Public Utility Corp. — Analysis — Brailsford & Co., 208 South La Salle Street, Chicago 4, Ill.

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

Also available is a recent memorandum on **The Muter Co.**

L. A. Darling Co.—One company in four growth fields — Analysis for dealers only—Moreland & Co., Penobscot Building, Detroit 26, Mich.

Drico Industrial Corporation — Current situation and outlook — J. F. Reilly & Co., 40 Exchange Place, New York 5, N. Y.

Also available is the current issue of **"Highlights of Wall Street"** discussing the outlook for the market and the situation in several interesting issues.

Dwight Manufacturing Co. — Descriptive analysis—du Pont, Homsey Co., 31 Milk Street, Boston 9, Mass.

Eastern Engineering—Special report—Amos Treat & Co., 40 Wall Street, New York 5, N. Y.

Also available are special reports on **Automatic Signal** and **Northern Engineering Works.**

Federal Water & Gas Corporation — Memorandum — in the current issue of **The Preferred Stock Guide,** containing comparative figures on public utility preferred and common stocks—G. A. Saxton & Co., Inc., 70 Pine Street, New York 5, N. Y.

Fire and Casualty Insurance Stocks Manual — 1946 Edition with **Bank Stocks Section**—White & Company, Mississippi Valley Trust Building, St. Louis 1, Mo.

Grinnell Corp. — Memorandum —Boenning & Co., 1606 Walnut Street, Philadelphia 3, Pa.

Hammond Instrument Co. — Analysis—Caswell & Co., 120 South La Salle Street, Chicago 3, Ill.

Hartford-Empire — Study of outlook and speculative possibilities for appreciation for this company—Ward & Co., 120 Broadway, New York 5, N. Y. Also available are late memoranda on: **Great American Industries; Alabama Mills, Inc.; Douglas Shoe; General Tin; Upson Co.; Mohawk Rubber; Aspinook Corp.; Purolator; Lanova.**

Hawaii Consolidated Railway — Circular on an interesting "liquidation" — E. F. Waterbury & Co., 25 Broad Street, New York 4, N. Y.

Industrial Brownhoist—Circular —Gottron-Russell & Co., Union Commerce Building, Cleveland 14, Ohio.

Kinney-Coastal Oil Company—Analysis—James M. Toolan & Co., 67 Wall Street, New York 5, N. Y.

Le Roi Company — Study of common stock as a sound speculative purchase — First Colony Corporation, 70 Pine Street, New York 5, N. Y. Special letters available on **Dumont Electric Corp.; Princess Shops; Electronic Corp.; District Theatres Corp.;** and **Simplicity Pattern.**

Midland Utilities Company and **Midland Realization Company**—Current memorandum and balance sheet—Doyle, O'Connor & Co., 135 South La Salle Street, Chicago 3, Ill.

Miller Manufacturing Co.—Analysis of current situation and prospects for 1946—Comstock & Co., 231 South La Salle Street, Chicago 4, Ill.

National Gas & Electric Corp. —Late memorandum on a stock offering combination of improving utility income, together with excellent speculative possibilities from oil developments—Fred W. Fairman & Co., 208 South La Salle Street, Chicago 4, Ill.

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

New England Public Service—Analysis — Ira Haupt & Co., 111 Broadway, New York 6, N. Y.

Pacific American Investors, Inc. —Memorandum on leverage trust —Kitchen & Co., 135 South La Salle Street, Chicago 3, Ill.

Panama Coca Cola—Circular on interesting possibilities — Hoit, Rose & Troster, 74 Trinity Place, New York 6, N. Y.

Revere Copper & Brass—Study of outlook — Edward A. Purcell & Co., 50 Broadway, New York 4, N. Y.

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

Security and Industry Survey —64 page booklet covering 34 industries — includes review and analysis of the current position and outlook for both business and the securities markets; selections of pre-planned portfolios for the investment of different amounts and for varying objectives; factual appraisals of 34 leading industries with selections of individual issues for specific purposes; sections on U. S. Government securities including a timely article on "The Outlook for Interest Rates"; railroad, utility and corporate bonds, preferred stocks, and a listing of consistent dividend-paying common stocks — mailed without obligation, write to department T— Merrill Lynch, Pierce, Fenner & Beane, 70 Pine Street, New York 5, N. Y.

Sheller Manufacturing Corp. — Recent report—**Mercier, McDowell & Dolphyn,** Buhl Building, Detroit 26, Mich.

Simplex Paper Co.—Descriptive analysis discussion potential postwar benefits to the company from the automobile, building, and frozen food industries—Raymond & Co., 148 State Street, Boston 9, Mass.

Southern Railway — Memorandum — Vilas & Hickey, 49 Wall Street, New York 5, N. Y.

Spokane Portland Cement—Bulletin on recent developments—Lerner & Co., 10 Post Office Square, Boston 9 Mass.

Steel Products Engineering Co. —Survey on manufacturers of "Combustioneer," an automatic stoker—J. Roy Prosser & Co., 52 William Street, New York 5, N. Y.

Texas Public Service — Memorandum — Buckley Brothers, 1529 Walnut Street, Philadelphia 2, Pa.

Also available are memoranda on **Gruen Watch Company** and **Midland Utilities.**

Thermatomic Carbon Co. —Circular—Hoit, Rose & Troster, 74 Trinity Place, New York 6, N. Y.

United Printers & Publishers—Memorandum—Buckley Brothers, 1529 Walnut Street, Philadelphia, 2, Pa.

Also available are memoranda on **Eastern Corporation and Standard Stoker Co.**

United States Steel Corp 7% Cumulative Preferred — Study of well-protected preferred stock offering a liberal income rate — Estabrook & Co., 15 State Street, Boston, Mass. and 40 Wall Street, New York 5, N. Y.

Upson Co. — Descriptive Circular—Seligman, Lubekin & Co., 41 Broad Street, New York 4, N. Y.

Also detailed circulars on **Tennessee Products; Wellman Engineering Co.; Shatterproof Glass; Temple Coal.**

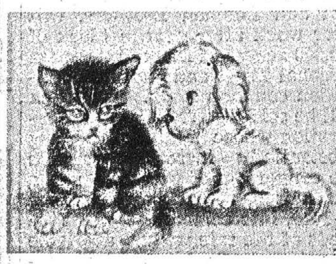
NSTA Notes

Hors'n Around

MELODY

At a regular meeting of the Monday Luncheon Club some local wits fixed up the above picture and suggested Tom Melody of The First Boston Corporation use it in the NSTA Yearbook and Convention Issue of the "Chronicle" in place of his own picture, claiming it was a good likeness. Take a look at Tom when the Yearbook comes out and you'll see how wrong they are.

Better Looking Than Their Master?



Ben Lichtenstein, of B. S. Lichtenstein & Co., says "In view of my lack of beauty perhaps you should publish the above picture of some of the members of my kennel in the Yearbook instead of mine." Ben sure knows his "cats and dogs" but when you see his picture in the Yearbook you'll find out what a great kidder he is.

Campbell Fetner Joins Carolina Securities

CHARLOTTE, N. C.—Campbell B. Fetner has become associated with Carolina Securities Corporation, Security Bank Building, High Point, N. C. Mr. Fetner was formerly sales manager for Southeastern Securities and prior thereto conducted his own investment business in Charlotte.

Roberts Rejoins Francoeur

CHICAGO, ILL.—Francoeur & Company, 39 South La Salle Street, announces that R. R. Roberts has rejoined their organization after 3½ years in war work.

Vinson Clarifies Statement On Economic Blocs

Treasury Secretary tells House Banking and Currency Committee that unless Russia and Britain adhere to Bretton Woods and abide by standards of fair trade and currency, there will not only be a British and a Russian, but also an American "bloc."

Secretary Vinson on May 16 made the following statement before the House Banking and Currency Committee:

I want to make clear what I said on the division of the world into economic blocs.

Secretary Vinson

It is of the utmost importance to prevent the formation of economic blocs grouped around great powers. The way to prevent this is by having all countries join in the World Fund and Bank. That has been the policy of the United States and will continue to be our policy.

Russia participated in the Bretton Woods Conference and had observers at the Inaugural Meeting of the World Fund and Bank in Savannah. Russia is not yet a member of the Fund and Bank. I hope that she will see the advantages of participating fully in these organizations for international economic cooperation.

If we make it possible for Britain to abide by the fair trade and currency standards of the United Nations there is every prospect that the Fund and Bank will succeed in their work and that all countries will find it advantageous to be inside rather than outside the Fund and Bank. On the other hand, if England finds it necessary to organize and maintain a British economic bloc, the United Nations cannot succeed in establishing the same fair trade and currency standards. Inevitably, there would be not only a British bloc, but an American bloc, and a Russian bloc.

The objective of our policy is to prevent the formation of a British bloc and to urge on Russia the desirability of joining with the United States and England, and the other United Nations, in a comprehensive program of international economic cooperation.

Major Schrank Awarded Croix de Guerre by France

Major Joseph Schrank, who heads the trading department of Shaskan & Co., 40 Exchange Place, New York City, has just been awarded the Croix de Guerre with a Silver Star by the French Government "for exceptional services in the course of operations in the liberation of France."

H. MacFarlane Heads Legislative Committee Of Illinois Dealers

CHICAGO, ILL. — Henry S. MacFarlane of Alfred O'Gara & Co., has been named Chairman of the Committee to direct the legislative activities of the Illinois Securities Dealers Association for the coming year, Owen V. Van Camp, President, announced today. Other members include Walter R. Brailsford, Brailsford & Co.; Arthur G. Lilly, Paul H. Davis & Co., and F. S. Yantis, F. S. Yantis & Co., all of Chicago; and Paul R. Noonan, Dixon Bretscher Noonan, Inc., of Springfield. Frank S. Torgerson, Link, Gorman & Co., was named chairman of the educational committee. Others named include Alexander Allen, Allen, Swift & Co., Floyd D. Cerf, Jr., Floyd D. Cerf Company, John F. Detmer, Howard F. Detmer & Co., and George Smith, First Securities Company of Chicago.

Other appointments announced by Mr. Van Camp include: Membership committee, Henry Grote, Chairman, David A. Noyes & Co.; John W. Rowe, Negley, Jens & Rowe, Peoria, and George P. Williams, Langill & Co., Inc. Public relations committee, Mr. Van Camp, chairman and member ex officio, Enyart, Van Camp & Co. Inc., David L. Shillinglaw, Shillinglaw, Bolger & Co., Leston B. Nay, First Securities Company of Chicago, Arthur S. Grossman, Strauss & Blosser; Jack R. Dempsey, Dempsey & Company, and Paul E. Conrads, Conrads & Company, Rockford. Grievance committee, Edward L. Kent, Chairman, Kneeland & Co.; Fred Fairman, Jr., Fred W. Fairman & Co.; Carman S. Brown, C. S. Brown & Co.; Percy A. Caswell, Caswell & Co., and Larry A. Higgins, Hulburd, Warren & Chandler.

Joseph Butler V.-P. of Chicago Stock Exch.

CHICAGO, ILL.—Joseph Butler, 37, has been appointed Vice-President of The Chicago Stock Exchange, James E. Day, President announced.

Born in Cleveland, Ohio, where he received his early education, Butler graduated with a Ph. B. degree in Business Administration at Notre Dame University in 1930, and completed post graduate work at the University of Chicago. Mr. Butler's first connection in the investment business was with Hornblower & Weeks in their Cleveland office where he was employed part time from 1927 to 1930. After graduation from Notre Dame, he became a regular employee until the end of 1934. He left Hornblower & Weeks to help organize and become Secretary-Treasurer of Lawrence Cook & Co., investment dealers in Cleveland. Butler received an appointment to the staff of the Securities and Exchange Commission, Chicago division, in 1940, the position he has resigned to join the staff of the Exchange.

Mr. Day stated that, in his opinion, Mr. Butler's background of experience, both as a broker and dealer, combined with his work for the Securities and Exchange Commission, augurs well to strengthen the staff of The Chicago Stock Exchange.

Record Attendance Assured for Field Day Of New York Bond Club Scheduled Friday

A record-breaking attendance is in prospect for the first postwar Field Day of the Bond Club of New York, which will take place Friday at the Sleepy Hollow Country Club, Scarborough, N. Y., it was announced today by F. Kenneth Stephenson, Goldman, Sachs & Co., and Frank A. Willard, Reynolds & Co., co-Chairmen of the Field Day Committee.

More than 500 members of the Bond Club have notified the Attendance Committee that they will be on hand for the first outing in five years. Favorable weather and a lull in security trading in Wall Street would swell the attendance even further, according to Lee W. Carroll, John B. Carroll & Co., Chairman of the Attendance Committee.

A new high in circulation of the "Bawl Street Journal," the club's humorous publication which is distributed at the outing, has already been achieved with advance orders coming from all parts of the country.

More than 200 of the bond men who will attend the outing will devote the major part of the day to a golf tournament, competing for three trophies of long standing as well as numerous special prizes. Others will take part in tennis, softball, horseshoe pitching, a water carnival and a host of attractions on the Sleepy Hollow midway.

Laurence M. Marks, Laurence M. Marks & Co., Chairman of the Golf Committee, announced today that three cups, in addition to various special prizes, would be awarded for play in three handicap classes. The Ex-Presidents' cup will be awarded to the player turning in low gross on the Sleepy Hollow upper course. It was won by Prescott S. Bush at the las

(Continued on page 2826)

Ohio Brevities

President Hiram Rivitz of Industrial Rayon Corp., announced directors voted an initial disbursement of 37½ cents on new $1 par common stock, representing an increase of 50% from the rate paid on the old stock, split two-for-one last April 1. It is payable June 12 to stock of record May 27.

The rate increase would boost the total yearly dividend disbursement to $2,277,975 against $1,518,650 in 1945 when a total of $2.00 a share was paid. There is 1,518,650 shares of the new common now outstanding. First quarter net income was $1,752,847 after preferred dividends, compared with $342,607 in the same 1945 period.

* * *

A statement covering two issues of preferred stock has been filed by General Tire & Rubber Co. with the Securities & Exchange Commission.

The company plans to increase authorized first preferred from 85,000 to 150,000 shares and sell 25,000 additional shares, and offer 25,000 shares of second preferred convertible into common stock at about 15 to 20% above the market. Additional first preferred would bear 3¾% rate instead of the present issue's 4¼%.

Ball, Burge & Kraus of Cleveland, Kidder, Peabody & Co. and Goldman, Sachs & Co. are the underwriters.

* * *

McDonald & Co. of Cleveland, will head a banking group which will offer publicly over $5,000,000 in common and preferred stock of Thomas Steel Co. of Warren, Ohio.

C. G. Thomas, who holds all the shares, is retiring as chairman of the board.

The registration statement, filed with SEC, covered 16,428 shares of 4¼% preferred stock and 246,420 shares of common.

The company, which since 1936 has invested around $2,000,000 for enlarging and improving plant and equipment, has paid common stock dividends for the last 10 years, disbursements last year amounting to 75 cents.

The company specializes in producing precision cold-rolled strip steel and in applying coatings of non-ferrous metals and lacquers to strip steel sold to manufacturers of such products as motor cars and parts, radios, hardware, electrical appliances, lamps, jewelry, clocks and tools. It also produces spring steel for razor blades, steel tape and springs of various types.

* * *

President Ray M. Gidney of the Federal Reserve Bank of Cleveland, announced the discontinuance of the special wartime discount rate of ½ of 1% on loans to member banks.

He said the reduction was because the emergency for which it was created has passed and the lower rate contributed to "inflationary pressures."

The 1% rate is now in effect, applicable to all advances to member banks secured by Government obligations without regard to maturity or call date.

* * *

Ball, Burge & Kraus and Laurence M. Marks & Co. headed an underwriting group which offered 104,130 shares of common stock of De Vilbiss Co. at $23 a share.

* * *

The Toledo, Ohio company plans to redeem 50,000 shares of outstanding 7% preferred; spend approximately $775,000 on the Toledo plant, and add the remaining proceeds to working capital.

Giving effect to this financing the company's outstanding capitalization will consist of 300,000 of $5 par common shares. Other houses in the offering group are: McDonald & Co.; Paine, Webber, Jackson & Curtis; Reynolds & Co.; Kebbon, McCormick & Co.; Collin, Norton & Co.; Allen C. Ewing & Co.; Grubbs, Scott & Co., and Stern, Frank & Meyer.

* * *

Ford B. Russell, President of the Farmers National Bank of Ashtabula, has been elected President of the Ohio Bankers Association, succeeding Howard G. Hudson of Wilmington.

G. F. Karch, Trust Officer of the Cleveland Trust Co., was chosen Ohio Vice-President for the trust division. Other officers are:

Charles W. McBride of Farmers State Bank, West Salem, Vice-President, and William A. Reckman of Western Bank & Trust Co., Cincinnati, re-elected Treasurer.

* * *

A $56,000,000 public improvements program for the City of Cleveland and Cuyahoga County, was nearer reality today following a surprising and overwhelming victory in primary elections two weeks ago.

City and county voters approved the program, including a total of 24 bond issues, by large majorities. No authority or official would have predicted that all issues would be passed.

Mayor Thomas A. Burke of Cleveland, was about the happiest person in the city following the victory, visioning new schools, new and improved playgrounds, better city parks, planting of thousands of new trees and expansion of the city's already large municipal airport. He announced that action on the huge improvement plan would not be delayed.

Voting averaged about four-to-one in favor on nearly all the issues. Among the improvements and the amounts to be spent, at virtually no cost to the taxpayer, follow:

A total of $3,000,000 for widening and improving streets and planting of 50,000 shade trees.

Nearly $3,000,000 for improving and extending municipal airport to keep abreast of aviation progress.

One million dollars for paving streets, roads and highways.

The same amount for modernization of the zoological gardens at the city zoo.

Four millions for a new bridge over the Cuyahoga River Valley.

Over $3,000,000 for repairs and replacement of other bridges and also elimination of traffic bottlenecks.

Almost $3,500,000 for the construction of new free recreation centers, swimming pools, bathhouses, principally to aid in combatting juvenile delinquency.

Five and three-quarter million dollars to improve sewage disposal works, build new vats and eliminate the present necessity of dumping 500,000 gallons of raw sludge a day into Cuyahoga River.

And a fireproof incinerator to cost $450,000.

Nearly $3,000,000 for general improvements of city parks and baseball diamonds.

Two millions for acquisition of land to straighten out the twisting Cuyahoga River, long a problem for the large lake freighters which now take hours to reach up-river destinations.

Over $2,500,000 for enlarging and improving police and fire stations.

Nearly $2,500,000 for acquiring the rights of way and constructing storm sewers and conduits, now overloaded and deteriorating.

A total of $1,200,000 to repair and reconstruct the long-neglected buildings at City Hospital.

An .8 mill tax levy for construction of new buildings and sites for school purposes.

One and a quarter millions to equip and construct market houses, replacing present ramshackle structures.

A health center to cost $200,000 and $100,000 to improve cemetery grounds.

Among the county bonds there will be expended $3,250,000 for paying the cost of erecting and equipping fireproof buildings and a new county courthouse.

Nearly $5,000,000 to add a wing at Sunny Acres Sanitarium, increasing to 1,000 the bed capacity for tubercular patients. Health officials predicted this improvement would eliminate the disease here in 20 years.

Five million dollars for a new home for the aged and infirm.

Over $500,000 for an auxiliary airport on the east side of town and $395,000 for a new county morgue building.

Proposed Offering of Bank of America NTSA

A national group of investment firms headed by Eastman, Dillon & Co., The First Boston Corporation and Lehman Brothers, will offer week after next, a block of 500,000 shares of Bank of America National Trust and Savings Association common stock. The stock will be sold by Transamerica Corporation whose holdings are being substantially increased through the conversion of preferred stock, which it has held since issuance in 1940, into common stock. Proceeds of the sale will be available to retire bank loans of Transamerica Corporation arising from the payment of indebtedness originally incurred in financing the purchase of the preferred stock at the time of its issuance. Bank of America, in terms of total deposits and resources is the largest bank in the United States operating a main office in San Francisco and 494 branches and 27 "facilities" in the State of California. Earnings for the first six months of the current year, after giving effect to depreciation and amortization but before provision for bad debts reserve, are estimated in excess of $2 per share.

Softball League Scores

The first week of competition in the Wall Street Softball League saw three games played among the six teams of the "Shorts" Division. All games in the "Longs" Division were rained out and will be played off in doubleheaders later in the season. In the games completed this week the new York Curb Exchange defeated the New York Stock Exchange Association of Bond Brokers 2 to 0, C. M. Loeb, Rhoades & Co. won from Goldman, Sachs & Co., 8 to 6, and F. V. Foster bested Carlisle & Jacquelin 15 to 6.

LEAGUE STANDINGS

Saturday, May 18

"SHORTS" DIVISION

	W.	L.	Pct.
N. Y. Curb Exchange	1	0	1.000
C. M. Loeb, Rhoades & Co.	1	0	1.000
F. V. Foster	1	0	1.000
N. Y. S. E. Bond Brokers	0	1	.000
Carlisle & Jacquelin	0	1	.000
Goldman, Sachs & Co.	0	1	.000

"LONGS" DIVISION

	W.	L.	Pct.
Decoppet & Doremus	0	0	.000
Harris, Upham & Co.	0	0	.000
Hirsch & Co.	0	0	.000
Merrill Lynch, Pierce, Fenner & Beane	0	0	.000
Orvis Bros.	0	0	.000
Security Traders of N. Y.	0	0	.000

Ohio Municipal Price Index

Date—	*	†	‡	§
May 15, 1946	1.23%	1.39%	1.07%	.32%
May 8	1.21	1.36	1.06	.30
May 1	1.21	1.36	1.06	.30
Apr. 24	1.16	1.30	1.02	.28
Apr. 17	1.12	1.25	.98	.27
Mar. 20	1.13	1.26	.99	.27
Feb. 20	1.16	1.30	1.02	.28
Jan. 16	1.24	1.39	1.09	.30
Dec. 19, 1945	1.29	1.45	1.13	.32
Nov. 14	1.32	1.50	1.15	.35
Oct. 17	1.36	1.54	1.18	.36
Sep. 19	1.38	1.58	1.18	.40
Aug. 17	1.40	1.62	1.17	.45
July 18	1.22	1.42	1.02	.40
June 13	1.21	1.39	1.02	.37
May 16	1.19	1.35	1.02	.33
Jan. 1, 1945	1.34	1.50	1.18	.32
Jan. 1, 1944	1.41	1.58	1.23	.35
Jan. 1, 1943	1.83	2.01	1.65	.36
Jan. 1, 1942	1.92	2.13	1.70	.43
Jan. 1, 1941	1.88	2.14	1.62	.52
Jan. 1, 1940	2.30	2.58	2.01	.57
Jan. 1, 1939	2.78	3.33	2.24	1.09
Jan. 1, 1938	2.98	3.42	2.55	.87

*Composite index for 20 bonds. †10 lower grade bonds. ‡10 higher grade bonds. §Spread between high grade and lower grade bonds.

Foregoing data compiled by J. A. White & Co., Cincinnati.

Officials of Fund and World Bank

ROBERT HENRY BRAND

United Kingdom's Temporary Executive Director of the Fund

Fifth of a series of biographical sketches of persons connected with the International Monetary Fund and the Bank for Reconstruction and Development.

A British Government representative in Washington in various capacities throughout the war, Mr. Brand was a member of the UK delegation to BW and attended the inaugural meeting of the governors of the Fund and Bank at Savannah this year in the capacity of his country's alternate governor of the Fund and the Bank. Although he had earlier planned to retire from the Government service, Mr. Brand, having latterly served as the UK Treasury's Washington representative, is temporarily staying on and at the same time is serving as British executive director of the Bank until the arrival of Sir James Grigg.

Robt. Henry Brand

Mr. Brand was born in 1878 and educated in Oxford. From 1902 to 1909 he was in the Government service in South Africa as Secretary of the Inter-Colonial Council of the Transvaal and Orange River Colony, and Secretary of the Railway Committee of the Central South African Railways. During the first world war, from 1915 to 1918, Mr. Brand was a member of Imperial Munitions Board of Canada and for nine months of that time served as deputy chairman of the British Mission in Washington.

Brand became financial adviser to Lord Robert Cecil, the chairman of the Supreme Economic Council at the Peace Conference in Paris in 1919. In the following year, he served as vice president of the International Financial Conference of the League of Nations held at Brussels. In 1924 he served as financial representative of South Africa at the Genoa Conference and also as a member of the committee of experts advising the German Government on the stabilization of the mark.

In the early 1930's Mr. Brand became managing director of the Lazard Bros. & Co. and director of Lloyd's Bank. In 1931 he served as representative in negotiations with regard to Germany's short-term credit indebtedness. In 1940 he went to South America as a member of the Willingdon Trade Mission and the next year came to the United States as a member of the British Trade Mission to this country. He headed the British Food Mission to the United States during 1941-1944, in which year he became the representative of the United Kingdom Treasury in the United States. Subsequently he became chairman of the British Supply Council in Washington.

Mr. Brand's wife was a sister of the present Lady Astor and for a time the couple lived on the Langhorne estate near Charlottesville, Va.

Kenneth E. Johnson Opens

INDIANAPOLIS, IND.—Kenneth E. Johnson has formed Kenneth E. Johnson & Co. with offices at 2035 North Meridian Street, to engage in the investment business.

Asks Cut in Federal Unemployment Ins. Rate

Congress was urged on May 20 by Chairman Altmeyer of the Social Security Board to reduce the 3% Federal Unemployment tax to 2%, it was made known in a United Press dispatch from Washington on May 20, which added:

Mr. Altmeyer disclosed that States now have on deposit with the Federal Treasury nearly $7 billion of unemployment tax funds. This is the equivalent of more than four years' employers' contributions.

"Even if we should have as many as 3,500,000 unemployed, the average State could finance benefits with contribution rate of less than 2% without drawing on accumulated reserves," he said.

The Associated Press quoted Mr. Altmeyer as saying:

"The Board appreciates that its recommendation that the present 51 separate unemployment insurance systems be merged into a single national system has strong opposition. Apparently some people feel that the question of what sort of unemployment insurance laws we should have is something that should be left entirely to the States to decide."

Short of establishing a Federal system, Altmeyer recommended these changes in the present system:

"1. That the 3% Federal unemployment tax rate be reduced to 2%.

"2. That the States be permitted to reduce the employers' contribution rate below the standard 1.8% for which employers could claim credit against the Federal unemployment tax."

Says Schwellenbach Aids Civil Disobedience

Robert R. Wason, President of the National Association of Manufacturers, in referring, on May 20, at Denver, Colo., to the address of the Secretary of Labor, Lewis Schwellenbach, to the United Steel Workers (CIO) in Atlantic City on May 17, charged that Mr. Schwellenbach had created a supergovernment of organized labor and was contributing to a rise of civil disobedience by political favoritism to labor union leaders. A United Press dispatch from Denver, Colo., from which we quote, on May 20 added:

Mr. Wason also charged that "Schwellenbach fed the fires of civil disobedience by approving the political activity of labor unions at a time when their economic anarchy is at an all-time high.

"He did this at a time when the public was living under a reprieve from John L. Lewis (AFL United Mine Workers President) as coal, and from A. F. Whitney (Trainmen's Brotherhood President) as to train service."

Rejoin Maples Goldschmidt

SOUTH NORWALK, CONN.—Thomas F. Barry and John T. Coe have rejoined the staff of Maples & Goldschmidt, 85 Washington Street, members of the New York Stock Exchange, after serving in the armed forces. Mr. Coe was in the U. S. Marine Corps and Mr. Barry in the Army.

Ormond Laird Officer Of Frank & Belden

MINNEAPOLIS, MINN. — Ormond E. Laird is now secretary of Frank & Belden, Inc., Roanoke Building, members of the Minneapolis-St. Paul Stock Exchange. Mr. Laird, who has been with the firm for some time, is also now in charge of the trading department.

Automobile Industry Anticipating Greatly Accelerated Production

Following the pattern after World War One, the motor industry is about to stimulate years of national prosperity, says George Romney.

An estimated production of 1,200,000 passenger cars and trucks by the automobile industry in the first 12 months of peacetime operation from July 1, 1945, to June 30 of this year, was announced by George Romney, general manager of the Automobile Manufacturers Association, at a press conference in the Biltmore Hotel, New York City, May 17.

George Romney

Mr. Romney said that while the production since V-J Day has been "sorely disappointing" because of strikes, material shortages and controls, he pointed out that once the motor industry hits its stride it will "register an economic impact on the nation that will equal the showing after World War I."

In 1919, he pointed out, motor vehicle registration in America amounted to only 7,565,446 or one vehicle for every 13 persons.

Within a decade, however, the outpouring production brought cars, trucks and bus registration up to 26,501,443 or one for every four persons.

"This generated new employment in the millions, brought the nation out on the road and expanded the cities so that better health and recreation standards were enjoyed by the masses throughout the nation," Mr. Romney said.

"Even with America's tremendous car and truck production plant of today we have fallen short of the mark set in 1919, the first post-war year after World War I.

"But with the right mental approach, Americans can change the low production totals overnight. We have the plant, the equipment, the skilled manpower. All we need is agreement on the common objective—production. We're rapidly approaching it in Detroit and other motor cities. We need it in the mines, the mills and in Government. If we had had it since the war ended, our industry would already be producing cars and trucks at an annual rate of 5,000,000 units.

"Don't blame labor, management, or any other particular group. It's the fault of everyone and will be until we set our sights on a common goal—quick quantity production of consumer goods needed everywhere."

Teletype for Gillespie

E. F. Gillespie & Co., Inc., of 67 Wall Street, New York City, installed a teletype N.Y. 1-1654 in their syndicate and trading department.

Lamborn Sees Tight Sugar Situation

Diagnosis lays shortage to U. S. Government policy, which it holds has ignored advice of experienced men in industry. Calls for more emphasis on production.

In a complete study of the current sugar situation, Ody H. Lamborn, President of Lamborn & Co., Inc., sugar brokers, points out that this year the people of the United States will receive 900,000 tons less sugar than they received in 1927 when the population of the United States was 20,000,000 less than at the present time.

Ody H. Lamborn

Observing that the U. S. Government has completely dominated and controlled every detail of the entire sugar business for almost five years and has virtually ignored during that period the counsel and advice of experienced industry men, Lamborn gave little encouragement for an improvement in the sugar situation during the next two years unless the Government takes direct steps to increase sugar production.

The Lamborn "Diagnosis of the Sugar Situation" contains a complete analysis of the April 24 report of the Combined Food Board. The Combined Food Board is an international body on which is represented the United States, the United Kingdom, and Canada. It reported the allocation of 11,809,000 tons controlled by the countries represented on the Board.

Insofar as the U. S. areas of sugar supply are concerned, although the total production from those areas is 1,000,000 tons more than last year, the allocations in question will result in a per capita available for U. S. consumers of 73 pounds—exactly the same as that provided last year.

Lamborn's recommendations for an improvement in the sugar situation call for "(a) more realism in Government in handling the sugar program; (b) more consideration by Government of the practical advice of the experienced men in production and processing ends of the cane and beet sugar industries; and (c) all emphasis on production — and more production!"

Colvin & Bailey Forming

Harold R. Colvin, member of the New York Stock Exchange, and Muriel A. Bailey will on June 17th form Colvin & Bailey with offices at 61 Broadway, New York City, to engage in the securities business. Miss Bailey was previously a partner in Belden & Co., which will dissolve on June 15th.

Carrere & Co. to Admit

Carrere & Co., 65 Broadway, New York City, members of the New York Stock Exchange, will admit Helen C. Barbour to limited partnership in the firm on May 29.

Real Estate Securities

The Roosevelt Hotel

With most real estate bonds moving inexorably up to par, and in cases of equity situations, above par, the number of issues producing high yields is dwindling rapidly.

One rather alive issue, yielding approximately 7% at current market levels, presents itself in the 5% subordinated income debentures, due May 1, 1964, obligation of the Roosevelt Hotel Corporation.

The company leases and operates the 1,100 room, 22-story Roosevelt Hotel located at 45th and 46th Streets and Madison Avenue, New York City, in the immediate vicinity of Grand Central Terminal. The property is leased from the New York State Realty and Terminal Company (subsidiary of the N. Y. Central Railroad Co.) until 1964 at an annual basic rental of $350,000 plus an additional sum contingent upon gross income or net earnings. Through the war years the property continued to be well-maintained and the management has reported that it anticipates only normal expenditures for replacement of carpeting, furniture and furnishings.

As at Dec. 31, 1945, the funded debt of the company consisted of $2,081,245.80 in 5% debentures. In addition holders of $163,200 par value of 6% preferred stock had not converted their stock into debentures for which they became exchangeable on a par for par basis under the plan of reorganization declared effective in May, 1944. Interest is payable May and November of each year at the cumulative rate of 5% per annum and a sinking fund is provided out of 25% of net income. The company has the option, however, of depositing bonds in face amount in lieu of cash.

Since the security of these debentures rests on the earning power of the hotel it might be well to examine the corporation's income statements for 1944 and 1945, the two years that have elapsed since the reorganization.

In 1944 gross income was $4,616,434 and net available for interest $347,004, or more than 16% of the total amount of debentures outstanding and more than three times interest requirements. For the year of 1945 gross income rose to $5,012,363 and net available for interest to $422,267, or more than 20% of the debenture obligation and more than four times interest requirements. Earnings for the current year are running far ahead of those for 1945, and based upon results of the first quarter it is expected that the interest requirements will be earned more than five times over.

Taking into account this splendid record of earnings, the large provisions for sinking fund purposes, and the excellent working capital position of the company (approximately $500,000) it appears that these bonds, although debentures, are well secured and behind the market.

Rayonier Elects Directors

Edward Bartsch, President of Rayonier Incorporated, announced today that the following have been elected to the board of directors: William A. Parker, President of Incorporated Investors, of Boston, Mass.; Morton H. Fry, President of Overseas Securities Co. Inc., and Eugene Bashore, Vice-President of Blyth & Co. Inc., both of New York.

William F. Weber, New York, was appointed Assistant Secretary of the corporation.

Eccles Urges Reserve Bank Law Revision

Looks for no substantial budget surplus and is opposed to new Government Bond drive.

WASHINGTON, May 22 — Chairman Eccles of Federal Reserve System today told the House Banking Committee that there is no question about the need for legislation giving the Reserve Board additional powers to enable it to deal with problems which will arise in future in connection with a proper management of the Public Debt and of the entire monetary situation. Mr. Eccles said he doesn't think it possible to bring about a substantial reduction of bank holdings of Government bonds any time soon and he sees no prospect of a substantial Federal budget surplus. When asked whether a new bond drive would be helpful, Mr. Eccles replied, "It would only result in banks increasing their Government bond holdings. That's exactly what happened in the last drive," he said.

Marriner S. Eccles

He also pointed out that in the Eighth War Loan Drive the Government borrowed much more than it needed, and that there has been over $3 billions of borrowing from commercial banks for purchases of bonds by speculators and others.

New York Stock Exchange Weekly Firm Changes

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

Privilege of John D. Gerhart to act as alternate on the floor of the Exchange for Francis G. Lauro will be withdrawn as of May 31st.

Miriam Gerdes Hostetter of Frank Doyle & Co., died on May 13th.

Transfer of the Exchange membership of E. Richard Schwabach to Richard D. Frankenbush will be considered by the Exchange on May 29th. Mr. Frankenbush will continue as a partner in Frankenbush & Co.

Public Utility Securities

Cities Service Co.

During the past four years Cities Service's consolidated earnings for the common stock have remained between $3 and $4, last year's figure being $3.12. However, adjusting earnings to the new tax basis, 1945 would have shown slightly over $4. Moreover, the provision for depletion, depreciation, etc. (including the accelerated write-off of war plants) exceeded $52,000,000—equivalent to about $14 a share—whereas in the 1920's common stock earnings were figured before write-offs and depreciation.

The company is now in strong financial condition. The consolidated balance sheet shows net assets of $149,000,000, and cash assets amounted to $144,000,000. The parent company balance sheet showed cash assets of nearly $50,000,000 against current liabilities of some $13,000,000. However, this idle cash was recently employed to retire $35,000,000 5% debentures due 1950, reducing the funded debt to approximately $100,000,000. Savings from this retirement (less the increase in Federal taxes) would amount to about $1,080,000 or 29¢ a share.

The company's cash position has, it is true, been built up somewhat at the expense of the preferred stockholders, who have received no dividends for 14 years (with the exception of a $3 payment on the first preferred in 1941). Arrears now amount to some $80 on the first preferred, $83 on the BB preference and $8.40 on the B preference. Combined arrears aggregate about $47,000,000.

Cities Service is roughly two-thirds oil, one-third utility. Its principal utility interests are in the Cities Service Power & Light system, which in turn controls another system, Federal Light & Traction. Both these systems are being "integrated" under SEC directives and have made considerable progress in shuffling off isolated properties, refunding and retiring securities, etc. However, a good deal of work remains to be done and the job may take another year or so to complete. Cities Service Company also has some smaller utility interests which it will probably divest itself of. Arkansas Natural Gas, a holding company, is part wholesale and part retail, and the two interests will probably have to be separated since the retail is classed as a utility. However, the company has appealed to the courts the SEC order requiring divestment of the oil and wholesale gas business. Arkansas paid off the arrears last year on its 60¢ preferred, and a recapitalization or refunding would seem to be in order. A small utility holding company, Consolidated Cities Light, Power & Traction, was dissolved in 1945.

It has been generally assumed that Cities Service might retire its preferred stocks (with arrears) by part payment in cash, and exchange for common stock of Cities Service Power & Light. The funded debt would, it has been assumed, be refunded into new 3s, possibly with a convertible feature. But the company has never

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Tomorrow's Markets Walter Whyte Says—

By WALTER WHYTE

Market temporarily oversold points to a rally with shorts squeezed. If seen use strength to unload not to buy.

For the past few weeks I have been either cautious or outright bearish. In no case have I, however, suggested short sales. If this seems paradoxical my reply is that a short position under present day regulations is just plain wastefulness for anybody but the tyro.

* * *

I am aware there is a popular belief that with stock held outright, as 95% of it is supposed to be, going short doesn't require going out and borrowing the stock. At least that is what I've been told. But unless things have changed a lot since I used to sell them at the market, I can't see how owning the stock makes any difference. When you go short you still have to declare it. In that case you have to wait until long stock is sold ahead of yours. This means that about the only time you can go short at a fairly good price is when the market is advancing. It doesn't take any shrewdness to know that the public doesn't sell on rallies —long or short stock. Public selling, and some professional selling, takes place on weakness. The fact that it's all wrong doesn't mean anything. Fear is the biggest motivating factor in any retreat, whether it is in the stock market or in life.

* * *

What has all this to do with going short? The answer is that more and more people, fed up by the inability of the market to advance, are now coyly putting one foot into strange waters—a short position. A great many others are asking about it. Just like a heavy long position is unhealthy for the technical condition of the market, so is a heavy short position dangerous for shorts. Under ordinary circumstances where the fear of inflation is not dangling overhead like a Damoclean sword, a short position in a market which gives every indication of having turned down, is not very dangerous. One can continue selling on the way up just as one can buy on the way down. The average position, if the original premise is correct, will be enhanced. But we are not living under ordinary conditions today. The way stock is being bought is in itself a dangerous sign. But just as it is dangerous for the long, it is equally dangerous for the short; perhaps more so.

* * *

A sudden piece of news can vitalize an inflation - harried public into some wild buying. If, at the same time, an uncomfortable short position exists, the subsequent rally can stretch a move from a normal three point advance to something like ten points or even more. It is fear that can bring this about. Fear by the shorts for "there's no limit to how far up they can go," and fear by the longs that if they don't get in at once the chance will be gone forever.

* * *

The market is now teetering on the edge of an overloaded short position. Many of these shorts are taking their first venture into a phase of trading they know little about. I'll venture to add that many of the advisors know as little. If a rally starts from here, the panic covering of the newcomers can bring about a rally that will make the front pages.

* * *

If such a rally is seen from here the long-term position will be worsened. But that will be small satisfaction to the man who was forced to cover. So my considered advice is to avoid the short side of the market until a strong enough rally is seen.

* * *

So far as the longs are concerned there is no change in the advice given here in the past few weeks. You have certain stocks which show you a profit. If their prices improve on any rally from here you will have still larger profits. When, as and if specific objectives are seen the sugestion is to accept the profits. I don't for a minute believe you'll get the top eighth. Perhaps you may even regret selling too soon. But better too soon than too late. Remember that old saw, "A bull can make money; a bear can make money; a pig can't."

* * *

More next Thursday.

—Walter Whyte

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

FIC Banks Place Debs.

A successful offering of an issue of debentures for the Federal Intermediate Credit Banks was made May 20 by Charles R. Dunn, New York, fiscal agent for the banks. The financing consisted of $24,035,000 0.90% consolidated debentures dated June 3, 1946, and due March 1, 1947. The issue was placed at par. Of the proceeds, $17,180,000 will be used to retire a like amount of debentures maturing June 1, 1946, and $6,855,000 is new money. As of June 3, 1946, the total amount of debentures outstanding will be $306,630,000.

Russian Embassy Says 'Influential Selfish Groups' Oppose Peace

In an "Information Bulletin," containing "the Soviet Union's Policy for Peace," the Embassy contends that "Monopoly Capitalism is capable of engendering new forces of aggression." Holds selfish interests instigate Anti-Soviet campaign.

In the May 16 issue of the "Information Bulletin," issued by the Embassy of the Union of Soviet Socialist Republics, there is an article attacking "monopoly capitalism" as the enemies of peace, who are working against the policies of the Soviet Union, where there are "no classes or groups interested in disturbing peaceful relations."

The text of the Embassy's statement follows:

Although only a few months have elapsed since the end of the Second World War, with its destruction and sacrifices on a scale without parallel in history, the people of the Soviet Union already have a scientific program of peaceful development. This program, which is as majestic as it is practical, is the law on the Five-Year Plan for Restoration and Development of the National Economy of the USSR in 1946-1950, adopted at the session of the Supreme Soviet of the USSR which concluded on March 19.

The Next Five Years

The new Stalin Five-Year Plan is an epochal document. It envisages a rate of rehabilitation and development of our national economy hitherto unknown, even to the Soviet economic system. In the coming five years the Soviet Union will not only rebuild all that was destroyed in the war but will attain a level of production considerably exceeding the prewar.

The Soviet Union, as we know, is a country where in respect to Government programs, promise and performance are never at variance. Every Soviet citizen knows that the new Five-Year Plan, which has been enacted as a law of the State, will be fulfilled, and all Soviet citizens will work with might and main in order considerably to overfulfill it.

The new Stalin Five-Year Plan, which will determine the economic and cultural life of the Soviet country in the first five years of the postwar period, is an important landmark on the road leading to further consolidation of the Soviet State and the economic and cultural progress of our country.

This plan, to which practical effect is already being given in the vast expanse from Koenigsberg to the Kurile Islands, represents a new triumph of the policy of the Communist Party of the USSR. It is a new demonstration of the might of the Soviet social and political system.

The new Stalin Five-Year Plan will make our country a stronger power than ever. And the knowledge of this inspires Soviet men and women with unshakable confidence in the future.

In the Soviet Union, thanks to its political and social system and to its socialist planned economy, crises and unemployment are unknown. The process of postwar reconversion is not hampered in our country by the contradictions and impediments so characteristic of this process in the capitalist countries. For the masses of the peoples of these countries the coming period will be one of cruel shocks and disturbances. Hundreds of thousands are already living in a state of alarm and uncertainty. Millions of workers in America and Britain are haunted by the specter of unemployment.

The problem of establishing healthy conformity between production and consumption, insolvable under capitalism, is the cause of fierce competition and bitter conflict of interests in world markets, with all the attendant consequences.

A Single Policy

Against this background the difference in conditions which determine the trend of foreign policy stands out clearly. In the Soviet

(Continued on page 2813)

Railroad Securities

Considering labor developments within and without the industry, the succession of very depressing earnings reports, and sporadic unfavorable dividend news of the past few weeks, the railroad stock market has been acting remarkably well. Illinois Terminal Railroad directors at their April meeting voted not to institute the dividend policy that had been generally expected on the basis of statements made at the time the stock was initially issued last fall. New York Central directors passed their dividend, and at the annual meeting of Chicago & Eastern Illinois the president spoke in a very gloomy manner as to dividend prospects. Apparently the general speculating public is willing to look upon these dividend actions and pessimistic statements merely as a form of propaganda calculated to underline the need of the railroads for increased freight rates.

Perhaps the most discouraging of the dividend statements was that of Mr. Scandrett, President of the reorganized Chicago, Milwaukee, St. Paul & Pacific, at the road's annual meeting. The road's reorganization was consummated only a few months ago but the effective date of the plan was Jan. 1, 1944 and income accrues on the new securities from that date. On May 1, 1946 an initial dividend of $5.00 a share was paid on the new preferred out of the earnings from 1944. Mr. Scandrett told stockholders that although earnings for the company for 1944 and 1945 were sufficient to cover the preferred dividend requirements in each year it was likely that directors would wait until "conditions are a little more composed and less uncertain" before making any payment out of 1945 earnings.

It is an attitude of this sort which stimulates public reaction against the general principles followed in reorganizations under Section 77. This preferred stock was issued to old bondholders in partial settlement of their claims, with a specified dividend rate of $5.00 a year to be paid out of earnings. The company had very substantial earnings throughout the war years, engaged in a comprehensive property rehabilitation program during the trusteeship period, and turned over to the new company a working capital of over $100,000,000. This is far above what would normally be considered necessary. Certainly the old bond holders, as the new holders of the preferred stock, had every justification to anticipate that their dividends would be paid at least so long as earnings, after liberal allowances for additions and betterments, were sufficient therefor.

In the past there has been some criticism of the Erie management for not maintaining a dividend on the common stock sufficient, when earned, to give an annual income equivalent to that which would have been paid on the bonds for which it was exchanged in reorganization. At least, however, the Erie management has just recently declared the regular $0.50 semi-annual dividend on the junior equity even in the face of a quite substantial deficit for the first four months of the year. Erie has taken the stand that dividends to be paid in 1946 are from 1945 earnings and so regardless of what the 1946 prospects may be there is no excuse for withholding the 1945 earnings, even on the common.

If St. Paul were in stringent financial circumstances or if its burden of fixed charges were so heavy as to constitute a menace even under depression conditions holders of the preferred stock might have some sympathy with the delay in declaring dividends out of last year's earnings. There is little sympathy with this undue caution, however, at a time when so much publicity is being given to widespread claims that Section 77 should be scrapped because it has allowed roads like St. Paul to accumulate too large financial reserves without benefit to bond holders, and that reorganizations consummated under the act have proven too drastic. If withholding of dividends at this time because of uncertainties can be at all justified a good claim could be made for the contention that far from being too drastic the reorganization has not been drastic enough. It would be hard to find any railroad analyst who would subscribe to that theory.

Broker-Dealer Personnel Items

(Special to THE FINANCIAL CHRONICLE)
BRATTLEBORO, VT. — **Gardner I. Hinckley** has been added to the staff of **Herrick, Waddell & Co., Inc.**, 55 Liberty Street, New York City.

(Special to THE FINANCIAL CHRONICLE)
DENVER, COLO. — **Ella A. O'Brien** has joined the staff of **Brereton, Rice & Co., Inc.**, First National Bank Building. Miss O'Brien was previously with the ODT.

(Special to THE FINANCIAL CHRONICLE)
DETROIT, MICH.—**Harold C. Hill** has become connected with **Keane & Co.**, Penobscot Building. He was previously with Lytle & Co., and in the past with Palmer, Everham & Co.

(Special to THE FINANCIAL CHRONICLE)
DETROIT, MICH. — **Jay H. Fisher** has become associated with **A. M. Kidder & Co.**, 600 Griswold Street. In the past he was with Baker, Simonds & Co.

(Special to THE FINANCIAL CHRONICLE)
DETROIT, MICH.—**Charles McFarland** is now with **Marxer & Company**, Penobscot Building.

(Special to THE FINANCIAL CHRONICLE)
DETROIT, MICH.—**Charles C. Bechtel** has rejoined **H. V. Sattley & Co.**, Hammond Building, after serving in the U. S. Army.

(Special to THE FINANCIAL CHRONICLE)
DETROIT, MICH.—**Harry N. Purdy** has become associated with **White, Noble & Co.**, Buhl Building, after serving in the U. S. Army. In the past he was with C. G. McDonald & Co.

(Special to THE FINANCIAL CHRONICLE)
GRAND RAPIDS, MICH.—**Ralph G. Conger** is with **MacNaughton - Greenawalt & Co.**, Michigan Trust Building.

(Special to THE FINANCIAL CHRONICLE)
HARTFORD, CONN. — **Charles C. Roberts** has joined the staff of **Eddy Brothers & Co.**, 33 Lewis Street.

(Special to THE FINANCIAL CHRONICLE)
INDIANAPOLIS, IND. — **Justin L. Forsyth** is with **City Securities Corp.**, Circle Tower.

(Special to THE FINANCIAL CHRONICLE)
INDIANAPOLIS, IND.—**W. Lee Pedigo** has been added to the staff of **Gavin L. Payne & Co.**, Insurance Building.

(Special to THE FINANCIAL CHRONICLE)
LOS ANGELES, CALIF.—**Ray L. Mahaffie** is with **Bateman, Eichler & Co.**, 453 South Spring Street.

(Special to THE FINANCIAL CHRONICLE)
LOS ANGELES, CALIF.—**G. Ralph Burbidge** and **Roy C. Turney** are with **Blyth & Co., Inc.**, 215 West Sixth Street.

(Special to THE FINANCIAL CHRONICLE)
LOS ANGELES, CALIF.—**Gerald M. Goodman, Jr.**, has become affiliated with **Crowell, Weeden & Co.**, 650 South Spring Street.

(Special to THE FINANCIAL CHRONICLE)
LOS ANGELES, CALIF.—**Stanley A. Williams**, previously with Hope & Co., is now connected with **Edgerton, Wykoff & Co.**, 621 South Spring Street.

(Special to THE FINANCIAL CHRONICLE)
LOS ANGELES, CALIF.—**James D. Randles, Jr.** is with **Fairman & Co.**, 210 West Seventh Street.

(Special to THE FINANCIAL CHRONICLE)
LOS ANGELES, CALIF.—**Joseph W. Lucas, Jr.**, is with **Reagan & Co., Inc.**, 234 East Colorado Street, Pasadena, Calif.

(Special to THE FINANCIAL CHRONICLE)
LOS ANGELES, CALIF.—**Richard P. Belden** is now associated with **Walston, Hoffman & Goodwin**, 650 South Spring Street.

(Special to THE FINANCIAL CHRONICLE)
MILWAUKEE, WIS. — **Robert G. Frank** is with **Gardner F. Dalton & Co.**, 735 North Water Street.

(Special to THE FINANCIAL CHRONICLE)
PORTAND, OREG.—**Edward T. Parry** has joined the staff of **Atkinson, Jones & Co.**, U. S. Bank Building.

(Special to THE FINANCIAL CHRONICLE)
SAN FRANCISCO, CALIF.—**Paul H. Brown** is now connected with **Davies & Mejia**, Russ Building.

(Special to THE FINANCIAL CHRONICLE)
SAN FRANCISCO, CALIF.—**John A. Bryant** is with **Hill Richards & Co.**, 1 Montgomery Street.

(Special to THE FINANCIAL CHRONICLE)
MODESTO, CALIF. — **Frank E. Smith** is with **Raggio, Reed & Co.**, Beaty Building.

(Special to THE FINANCIAL CHRONICLE)
SAN FRANCISCO, CALIF.—**Philip S. Dalton** has joined the staff of **Dean Witter & Co.**, 45 Montgomery Street.

(Special to THE FINANCIAL CHRONICLE)
WINSTON-SALEM, N. C.—**Joseph F. Matera** is with **Kirchofer & Arnold, Inc.**

Glickenhaus & Lembo, Inc.

Formation is announced of the firm of Glickenhaus & Lembo, Inc., with offices at 55 Liberty Street, New York City, to deal in State and Municipal Bonds and United States Government Securities. The partnership of Glickenhaus & Lembo, municipal bond brokers since 1939, has been dissolved.

Carl Petersen to Become Partner in Silberberg Co.

Carl Petersen will acquire the New York Stock Exchange membership of Daniel H. Silberberg and on on May 29th will be admitted to partnership in Silberberg & Co., 61 Broadway, New York City. Other partners in the firm are Mr. Silberberg and Allan W. Betts.

Wanted—A National Policy That Cuts Through Special Interests

(Continued from page 2788)

situation if the government of New Jersey spent most of its time devising plots to gobble up Delaware, while Pennsylvania and New York sought ways and means to devour both; in the meantime brandishing arms at each other. Yet the European situation—indeed, the whole world situation today—is as tragically absurd as that, and so long as it remains so we can expect to see debts and armaments mount, liberty progressively curtailed, standards of living depressed—all in the sacred name of national defense. I bring you this message in no alarmist spirit and with no malicious desire to depress you on Commencement Day. I speak of these things only because they are so urgent in their impact on your future as wives, mothers, professional or business women, and citizens of this great democracy.

There is no time to carry our exploration much further, and certainly it would be futile to turn to the domestic scene for comfort or reassurance. I shall not attempt to analyze, therefore, the complex causes of the creeping paralysis which has invaded our industrial plants, if not indeed the halls of government. Certainly I have no wish to join the chorus of recrimination or to read a wholesale indictment of labor and the politicians. You do not dispose of the problem by naming scapegoats. The causes of this disastrous stalemate go deeper, I believe, than the power or the intransigence of any one man or group of men. If you believe, as I do, that the wage policy of Mr. Lewis and Mr. Murray was ill-conceived, ill-timed, and ill-suited to the nation's needs, it is well to remember that they had no monopoly of the assumption on which it was based, and that many labor leaders did not share it. It is well to remember, too, that the field of labor-management relations is wider than the problem of wages, and in the intangibles of human relations, management still has much to learn.

A Body Blow to Recovery

What I do want to point out is, first, the universal impact of this stalemate in American production, coming as it does when goods of all kinds are so desperately needed at home and abroad. It is a body blow to American prestige, to recovery in Europe, to our hopes for a peaceful and democratic world. In wartime so clear and so flagrant a betrayal of these hopes could hardly have occurred. Whether it is less disastrous now in this critical first year of the victory is a question we would better not evade.

The second thing I want to point out is the disservice of this intransigent policy to labor. I do not refer merely to the revival of restrictive legislation—some of which bears a name identical with mine. As a matter of fact, I suspect that labor itself would benefit from an honest and statesmanlike revision and amplification of existing laws, designed to apply to unions, as to other special interests, clear principles of public accountability. My fear is that having temporized with the problem, Congress may now be spurred by the crisis to hasty and ill-considered action. Indeed, the Congress would have deserved well of the country had it been as ready as the people generally to accept the necessity for a loan to the fatigued, much-bombed and still rationed British, and turned their attention earlier to the problems threatening American production.

No, I am thinking rather of the tragic setback this wage policy has given us in the struggle against inflation and in behalf of full employment. Here it is obvious that government must share the responsibility. Its manifold agencies have vied with one another in blowing hot and cold, and there has been no strong or coherent national policy. It is an ironic fact that the demand for a sharp increase in wages was originally justified by the fear that the first stages of reconversion would involve large-scale unemployment and hence a sharp decline in purchasing power. The event did not support that assumption and the inflationary potential of pent-up demand for goods continued to plague the OPA and overflow into black markets. Yet the result of that wage policy today is widespread unemployment, long and costly holidays for workers, with at least temporary cut-backs in their purchasing power and little or nothing on the shelves to buy.

It is axiomatic, moreover, that unless the supply of goods speedily catches up with demand, the forces of inflation become too hot to handle and may easily get out of hand. Then prices may be expected to burst their ceilings, as in unauthorized channels they have done already. Can higher nominal wages compensate for this? Will it help labor to increase wages further without a comparable increase in productivity, thus giving a further boost to costs and prices? Will a large segment of our workers, aided by minimum wage laws and pressure groups, price themselves permanently out of a job? I could recite instance after instance of people who want things done, but don't get them done because the cost of men and materials exceeds the value of the job to them; or because quite simply they can't afford the going rates. Meanwhile the precariously held official price line checks the very will to produce, which alone can checkmake inflation.

National Policy Should Cut Through Special Interests

From this vicious circle only one thing can save us. We must have a policy which cuts through special interests of every kind, and implements our overwhelming common interest in checking inflation and getting down to business. And then we must actually get down to business.

Is this too much to ask of ourselves and our leaders, including our labor leaders? Nonsense: We must ask and they must answer. Personally, I believe in labor unions, and in collective bargaining. I also believe that while industrial workers, like the rest of us, are interested in their take-home pay and want to see it increased, they, too, can sometimes be misled. Let me say that in this instance they have been.

Labor Needs Outspoken Criticism

I realize that for one who calls himself a liberal to make such a charge is most unfashionable. I know that even to question, much less, criticize, union policies is to invite the counter charge that one is anti-union, anti-labor, reactionary and probably fascist. Unfortunately there are self-styled "liberals" who would rather be uncritically leftist than right; but it is now, in its moment of power, that labor most needs outspoken and honest criticism. Meanwhile I have faith in labor's capacity, once the issues are made clear, to recognize and respect the overriding importance of those basic common interests on which our common future depends. But it is up to us to make the issues clear—and quickly.

Make no mistake about it. In peace, as in war, you dare not sit down on your hard-won beachhead and give way to petty bickering or internal dissension. Either you extend the beachhead or you lose your hold. The struggle we are engaged in, willy-nilly, did not end when the Nazis and the Japanese laid down their arms. It is a complex struggle in which it is easy to lose sight of our basic objectives, difficult at times to distinguish friend from foe. Yet if we pause to think them through, our basic objectives are not so obscure, and they are not very different from those which we saw and proclaimed so clearly in the heat of battle.

We want peace. We want liberty under law. We want respect for basic human rights, never forgetting the rights of minorities. We want better living standards at home and abroad. We want as much security as is consistent with freedom and the inevitable risks which help to make life the exciting adventure it is.

We shall not have these things for the asking. To secure them we must be ready to assume risks, to work overtime, to continue our education, and to give energetic and responsible attention to public affairs, as well as to our more immediate and personal jobs. As citizens of a democracy we must constitute ourselves a nation-wide pressure group, to insist that our Government formulate and carry through policies calculated to bring us constantly closer to these objectives.

If we fail, the responsibility will be ours. But if we succeed, it might be that we would find ourselves living at long last in that brave new world of which we have been told so much and so far have learned so little.

Dougherty Resumes Duties

PHILADELPHIA, PA.—A. Webster Dougherty, Lieutenant-Colonel, Air Corps, has returned from military service to resume his duties as head of A. Webster Dougherty & Co., 1421 Chestnut Street.

Public Utility Securities

(Continued from page 2794)

announced a definite program, and the recent retirement of about one-quarter of the funded debt (using up the cash on hand) throws some doubt on the method to be used in retiring the preferred stocks which, with arrears, amount to about $106,000,000 (not including call premiums, which might have to be included).

It remains a possibility that the company might decide to sell its stake in Cities Service Power & Light (after the latter conforms to SEC requirements) together with its smaller utility interests—perhaps issuing subscription rights to the preferred or common stockholders as the custom is nowadays. This might make a cleaner cut operation. Whether the parent company would prefer to have its final capital structure as bonds and common stock, or preferred and common stock, remains a little indefinite; from a tax angle bonds seems preferable. The company might, of course, resort to a bank loan to help retire remaining bonds.

Whatever plan is finally adopted, the outlook based on present earning power seems favorable for both the preferred and common stocks. The common, while it has enjoyed a big advance to the present level around 37, is still a long way from the 1929 high mark.

Correction

In the Financial Chronicle of April 17th in reporting the association of J. R. Werges with Irving J. Rice & Company, First National Bank Building, St. Paul, Minn. it was indicated that Mr. Werges had in the past been with Angland & Company. We are informed by Irving J. Rice & Company that Mr. Werges has never been connected with Angland & Company as stated in the article.

Mutual Funds

The Emotional Hazard

In a fine new comprehensive booklet on the importance of planning your investments, **Keystone Co.** hits at the folly of expecting anything like maximum results from the usual disjointed investment procedures of which so many otherwise thoughtful people are guilty even today. Under the heading, "The Emotional Hazard," this sponsor makes the following timely comments:

"Finally let's recognize the emotional hazard we must guard against in making our investment decisions.

"When the news is bad and the public is frightened, stock prices are low and yields are high. This is almost invariably the time that stocks should be purchased for investment, but it takes courage to buy them in face of discouraging news and general lack of confidence.

"You can check the effect of this mental hazard in your own experience. Did you buy stocks in April, 1942, in the spring of 1938, in the summer of 1932, in 1921, or at the time that war broke out in 1914? Probably not, yet these were remarkable opportunities for the investors who had the courage to buy.

"When the news is good and the public is optimistic and confident, stock prices are high and yields are relatively low. This is the time that investors should sell stocks and take profits to avoid the ensuing decline, but investors are usually reluctant to sell when everyone is confident and feels sure that continued holding would add to profits.

"You can check this, too, from your own experience. Did you sell stocks in the spring of 1937, in 1928 or in '29, or in 1919? Probably not, yet these were outstanding opportunities to take profits or avoid ensuing losses.

"Many investors are good buyers. They step in at the right time and buy, but they 'can't sell.' When the ensuing rise gets under way, they are carried away by the general optimism and instead of selling when it is time to sell, they want to buy more. Other investors can sell, but having sold at the right time they overstay the decline and are still holding cash half way through the next recovery.

"Emotions are frequently the greatest investment handicap. Investors are frightened and hesitant at the very time that they should have confidence and buy, and are confident and want to buy at the very time they should be selling.

"It is easy to see what should have been done in the past, and it is not difficult to plan logically and objectively for the future. The problem is emotion at the time which prevents taking the action that should be taken.

"The first step in eliminating these mental hazards is to formulate an investment program that will fit your individual requirements. Having decided upon a plan, do not allow temporary influences to make you deviate from it. When it is time to act, have the courage to act in accordance with your predetermined plan.

"The security markets offer a very generous reward for courage, patience and sound judgment."

Are More Facts Enough?

The Trustees of **George Putnam Fund**, in their May Portfolio Review, emphasize the importance of public psychology in shaping the extremes of cyclical market movements. We quote in part from their message:

"Anyone who has been faced with the problem of investing money for any length of time cannot help but be impressed with the increase in the factual information available today as compared with 20 years ago. The trend has certainly been towards more and better information. As we have said before, the **quality** of research work being done in the financial community has improved tremendously in recent years. Research occupies a **'front office'** position today in an increasing number of investment organizations. . . .

"With this great increase in factual information has there been a comparable increase in **understanding?** Do we really understand the deep underlying forces back of the broad cyclical movements in general economic activity and more particularly in security prices? With the vastly increased amount of currently available information, can we plan ahead more confidently with our investment program than we could some years ago? Will the general accuracy of future forecasts be any higher than it has been in the past?

"There is no doubt in our minds but that research is a valuable and essential tool in the investing of money, especially in the selection of individual securities. It also should be helpful in pointing out where we are in the cycle and in what direction we appear to be headed. In this broader field, however, we accept research with some reservations.

"It seems to us that the extremes of cyclical movements are more in the field of psychology than economics. At some stage in every cycle, the psychological factors far outweigh the purely economic factors. We strongly suspect that the present era—like its predecessors—will end at a time when business is most active and profitable and the outlook favorable in the eyes of most informed people."

Possible Recession?

"The coal strike continues to dominate the business outlook," writes the Investment Research Department of **Distributors Group** in its current monthly report to the directors. "It's effects, from the point of view of the investor, are of short-term rather than long-term nature. It will postpone, and for an increasingly long period as it continues, the time when many industries can be expected to realize their high potential earning power.

"The stock market reflects a general willingness to look through the present stalemate to that future period. It may well happen, however, that before the coal strike is settled a wave of pessimism as to its result may cause a sharp recession in stock prices. Should this occur it would constitute an opportunity for investment at bargain levels, for the long-term outlook is exceptionally bright."

"Feast" for the Railroad Equipment Industry

"The Iron Horse may still be a colt!" writes **Hugh W. Long & Co.** in a covering letter on a new Railroad Equipment folder.

"We don't know when investors who are looking for undervalued industries will 'discover' railroad equipment shares. But the chart in the enclosed folder shows that in the later stages of each bull market in the past 30 years this 'discovery' was made. And each time it resulted in substantial increases in prices of railroad equipment shares."

The folder discusses the outlook for this industry under the following headings:

1. A New Cycle of Prosperity
2. A New High in Rolling Stock Requirements.
3. Unprecedented Foreign Demand.
4. A Harvest of Orders.

The analysis is introduced with the punchy statement, "A period of feast for a feast or famine industry . . ."

Paper Industry

The current issue of **National Securities & Research Corp.'s** Investment Timing is devoted to an analysis of the "greater prosperity ahead for paper industry."

"The demand for paper appears to be on a permanently higher level," concludes this sponsor. "While the stocks of companies engaged in the industry generally have enjoyed a sizable market advance in the last year, a further rise appears probable in view of prospective increased profits as a result of the elimination of the excess profits tax, relaxation of Government controls, the outlook for an improved pulp supply, and the many increased uses of paper. Selected investment opportunities appear attractive in this industry."

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National Securities & Research Corp. have announced removal of their New York offices to larger quarters on the 20th floor of 120 Broadway. Telephone and Teletype numbers remain unchanged.

Combination

In a current investment bulletin, **Lord Abbett** shows the combined performance of **American Business Shares, Affiliated Fund** and **Union Common Stock Fund** over the past year in comparison with the movement of the Dow-Jones Industrials. The combined record of the three funds is considerably better than the Average. And this combined investment offers a dividend check on the 20th day of each month throughout the year.

Mutual Fund Literature

Commonwealth Investment Co.—Portfolio folder showing securities owned as of March 31, 1946. . . . **Lord Abbett**—Current issue of Abstracts. . . . **Selected Investments Co.**—Current memo on use of **Selected American Shares** in building an estate; Portfolio memorandum showing diversification of a $10,000 investment as of April 20, 1946. . . . **National Securities & Research Corp.**—Current issue of National Notes listing several plans for "defense of original capital." . . . **Hugh W. Long & Co.**—Reprint of Standard & Poor's "The Outlook" dated April 29, 1946.

Geo. E. Snyder V.-P. Of Phila. Stock Exch.

PHILADELPHIA, PA. — Frank E. Baker, Baker, Weeks & Harden, President of the Philadelphia Stock Exchange, has announced the appointment of George E. Snyder, senior partner of George E. Snyder & Co., as Vice-President of the Exchange. Edward B. Smith, Jr., resident partner of Smith, Barney & Co., has been elected to the Board of Governers.

Valentine on Committee

John H. Valentine, of John H. Valentine Co., is serving on the Outing Committee of the New York Security Dealers Association. His name had been omitted from the list of committee members announced by the Association in the "Financial Chronicle."

Wartime Savings—Their Use and Abuse

(Continued from page 2788)
they have a right to take satisfaction in it. It is a worthy illustration of the general support given by all the major groups of financial institutions in war financing. To every bank executive and employee who helped in our successive campaigns and worked on the promotion of sales between campaigns, the committee extends its heartfelt thanks.

Government Bonds Held by Savings Banks

The war's cost increased the national debt from $43 to $279 billions. Treasury bond holdings by mutual savings banks rose from 34% to 69% of their deposit liability and now represent 63% of their assets. They also represent a responsible involvement by these institutions in the right administration of the national debt and the adoption of sound fiscal policies with respect to its fuure management.

When savings banks were first established in America some of them were required by their charters to invest their funds exclusively in State, municipal and U. S. Government securities. Then, as deposits grew, the banks shared in the development of their communities through making mortgage loans on improved real estate. Later on they were permitted to invest in certain large scale business enterprises to the extent of buying, under statutory limitations, the underlying debt securities of railways and public utility companies. Now, because of the unsatisfactory experience with railway bonds in the depression and the radical lowering of yields on high grade utility bonds, these latter types of investment are a minor part of savings bank holdings. In many banks they are virtually negligible.

State and municipal issues are no longer attractive investments to savings banks because of the price inflation due to their Federal tax-free status.

There is going on a steady shrinkable in real estate mortgages in savings bank portfolios due to the repayment of the debts by amortizing, or otherwise, and to the absence of any substantial amount of new construction and because of refinancing.

Therefore the prospect is for an increase in the percentage of savings bank funds invested in U. S. Government bonds and certainly for the retention of those investments at about the present level.

Mortgage Investments

While it is true that we look to Government bonds as our principal investment medium, some banks are seeking to increase their investments in mortgages on homes and other improved real estate. Customarily savings banks have not sought mortgage investments in locations remote from our home main streets. In important savings bank States our banks are limited by law to certain areas where they may make mortgage investments, and some States severely restrict or preclude mortgage investments, by banks of other States. Thanks to the progressive attitude of New York banking authorities and the Legislature of that State, there has been a recent limited broadening of the field for investment in FHA mortgages to States adjoining New York by New York savings banks. We would like a further extension of the authorized States in which such loans may be made. We believe such extension, because of too heavy concentration of funds seeking mortgage investments in the New York areas, would be not only economically sound but expedient. In New York City, for example, savings institutions benefit by the business done by employing business houses in every part of the United States. Yet, we are not permitted to aid in building homes for workers who make purchases and transact other business in our city, beyond our own immediate section of the country. We have proposed that we be given the power to buy FHA mortgages in several Mid-Western and all the Pacific Coast States.

In other respects the investment powers of our institutions are, however, being broadened by legislative action in New York, Massachusetts and elsewhere.

Housing Projects

A new and promising outlet in New York for savings bank funds is the authorized joint investment by three or more institutions up to a limited amount of their assets and under other sound restrictions, in the equities of new rental housing developments. Such developments must be wholly owned by the savings banks. Already plans have been approved for construction providing homes for 4,568 family units and about 15,600 individuals, but the circumstances that have retarded building of all kinds, of course, require postponement of actual construction of these undertakings.

There may soon be an exception permitted if 12 subscribing savings banks proceed with present tentative plans to construct a housing development for the employees of United Nations Organization in flourishing Queens County, New York, providing 800 family units for 2.600 persons.

These new outlets for funds authorized and hoped for, are welcome and promise well for the long future. But "for now," as they say on the radio, and the immediate future, what the U. S. Government owes us in the form of Treasury bonds will be our chief reliance for income and our principal investment preoccupation.

Savings Banks and National Debt Administration

As we effectively assisted in absorbing and distributing the national debt in the period of war emergency, should we not intelligently and resolutely assist in developing a policy and program for the proper administering of that debt throughout the long period of its liquidation?

As we worked together on the war loan campaign, can we not work together now in seeking to make a contribution of constructive intelligence to America's No. 1 financial problem on how to administer the national debt? A helpful beginning of such effort has been made under the leadership of Mr. Randolph Burgess in the launching of a scientific study of the debt question with funds supplied by the Falk Foundation. In this study two of our able colleagues, Mr. Levi Smith, President of the Burlington Savings Bank, and Mr. Earl S. Schwulst, Executive Vice-President of the Bowery Savings Bank, are participating. Meanwhile, suggestions from other sources are being made on points of crucial interest to us. The first of these is that the savings banks should lend their assistance in promoting the sale of savings bonds to the public. A national organization has been set up and the Treasury and the American Bankers Association have appointed liaison and leadership representatives. It may cheer you to learn that the Treasury has asked us to continue the same organization and personnel to help in the promotion of savings bond sales that worked with the Government on war bond sales.

During the war the sale of war bonds gradually assumed the chief position in our promotion of thrift. Virtually all our advertising was directed to the end of selling war bonds to the public either directly or through special devices within the activities of our institutions.

We did not stop selling Government savings bonds to the public when the war ended, but have gone right on doing so because we saw in such sales an aid in controlling the poor man's greatest economic enemy, namely, the progressive inflation of living costs through competitive spending. We shall, I hope, give a good account of ourselves in selling Treasury savings bonds, even if we do not give such sales the preferred poition war bond sales held in the war period. Now we shall urge their purchase as a part of a balanced program of saving, supplementing the savings account and a suitable amount of life insurance. Treasury savings bonds are an excellent adjunct to our other facilities for providing thrift and security, and we are glad to have them available.

With others who hold a responsible relation to problems of public finance, we are concerned to see a check placed on the monetization of our national debt. The thoughtful and able Superintendent of Banks of the State of New York lately addressed himself to this question. He advocated the use of excess Treasury balances in commercial banks to retire a substantial amount of bank-held debt. He also renewed the interesting proposal that a long term bond be issued by the Treasury designed to attract to the Treasury the funds of savings and life insurance institutions available for long-term investment.

Suggestions of this character are the type of problems on which savings bankers need to have informed and practical opinions based on seasoned experience in the actual management of affairs. I respect and value the judgment of economists and certain types of specialized financial experts, but in my opinion, it is not wise to neglect the wisdom of practical men of affairs in arriving at conclusions on Government fiscal policy.

Savings Banks Bound to Fiscal Fortunes of Federal Government

Time was, in the great swelling economy of America in the Nineteenth and early Twentieth Centuries, that those who invested other people's money needed only prudence and safety and a reasonable return. Now they need to be creative and prudent too. To a large degree we have cast the lot of our institutions with the fiscal fortunes of the Federal Government. Surely there is no more financially dependable partner. But there is not inherent wisdom in government, not even in the government of a free people. That wisdom must be engendered by intelligent and cogent public opinion informed by continuous sound thinking based on study of pertinent facts.

Not only are we of the savings banks concerned with the way the Federal Government thinks and acts regarding its debt, but especially are we interested in Government policy relating to building homes for individuals who will buy them and for the lower income groups who will occupy them as tenants. In the decade ahead of us, U. S. Government agencies and the States and cities it assists are likely to be the outstanding leaders in all types of home building. The FHA and the Veterans' Bureau are now in the forefront of agencies that will control the supply of home mortgages. We are eager to work with them to help house our war servicemen and women adequately, and to lay the foundation for a sound and happy life for the young people of our nation to whom we are so deeply indebted for their recent patriotic services.

As savings banks seeking to do a good job, we are no longer snugly tucked away in our respective communities enjoying the blessings of an advancing economy yielding us abundant funds to invest and means for investing them. We have stepped out of our localities in a big way and taken as our partner the greatest financier the world has ever seen, our own respected Uncle Sam. We see that gentleman launched on many new financial undertakings and increasingly attempting to guide, control, discipline and, we hope, encourage one of the most complicated and dynamic economic systems in the world. This system was conceived as a free enterprise system and yields reluctantly to governmental restraint and control. Some restraint and control are needed but all of us who have participated in the historic progress of the nation as producers and consumers of wealth wish to preserve the vitality of such free enterprise while serving the highest social ends to which our people rightly aspire. In common with other progressive American business, the savings banks are intent on maintaining a widely competitive system of private enterprise. We believe that such a system is essential to national progress and to the individual happiness of all the American people.

Savings Banks Concerned With Economic Policy

But we cannot escape responsibility for aiding the development of better ways of serving the needs and interests of the American savings public for whose benefit we exist. To that end we need to coordinate our own thinking, and, to a reasonable extent, our action. Would it be helpful I have been wondering, to associate ourselves for the purpose of studying new horizons and current social and economic problems directly affecting our work, through a vigorous committee on economic policy? Would not such a study be appropriate to the fullest discharge of our responsibilities and opportunities as custodians of $15 billions of entrusted funds? For my part, I hope that the mutual savings banks, as one of the best expressions of beneficent private enterprise America has devised—well tested in more than 100 years of service—will equip themselves to help maintain in America a wise handling of private responsibility.

By enlarging its staff, the association has made an intelligent beginning in this direction. Our respective committees, as they address themselves to the questions assigned to them, will add to our common understanding of the problems that immediately concern the business we conduct. As we mature our opinions and arrive at sound conclusions let us speak out—helping the nation, in turn, to arrive at sound conclusions. In this way we shall escape thralldom to an over-elaborate governmental organization which, in time, if we fail to lead and think for ourselves, may feel called upon to do our thinking for us and to lead us where we may not freely choose to go.

Geo. E. Doty Now With Thomson & McKinnon

(Special to THE FINANCIAL CHRONICLE)

CHICAGO, ILL.—George E. Doty has joined the staff of Thomson & McKinnon, 231 South La Salle Street. Mr. Doty has been a member of the Board of Trade of the City of Chicago for the past ten years.

Securities Salesman's Corner

By JOHN DUTTON

It is not always possible to portray the experiences of others in a manner that can be correctly related to certain individual situations that you may experience. Yet it is true, that nearly everyone in the selling end of the securities business, runs up against the same problems sooner or later. If we are intelligent we learn from others. That is why round table discussions are helpful to every man in a sales organization. That is why it is a good idea to have a "get together" from time to time, and swap cases and experiences.

The writer can think back on his early days in the securities business and he can remember the helpful advice and assistance that was cheerfully given to him by some of the old timers who were in that first sales organization. But this assistance was picked up without direction or planning. How much better it would have been if he could have had the opportunity of sitting in on a discussion by some of the leaders in that sales force, regarding their sales made, and THOSE THAT WERE LOST. What if he could have learned by hearing case histories of what was done right, and what was done wrong? Valuable time would have been gained. Here would have been an opportunity for clinical enlightenment that could not have been obtained in any other way, except through personal experience. **And personal experience is a costly, time wasting, method of learning anything.**

Securities must be sold. Time and again we have stressed this obvious fact in this column. That is why security salesmanship is an economically justifiable means of earning a livelihood. But selling securities is not enough—helping people to invest intelligently is the other half of the job. It is a problem of educating the masses, as well as selling them. We are going to keep our capitalistic system if people find out that it provides a better standard of living than that produced by other nations who are practicing state socialism. And selling securities to the masses means that we have to LEAD THEM TO WATER AND SEE TO IT THAT THE WATER THEY DRINK WON'T GIVE THEM A BELLY ACHE.

If we are going to educate a crop of new men who are needed today in the retail securities business, let's do it right. In fact, there is not a single one of us who have been in this business, and like to call ourselves experienced, who also can't learn a better way of doing certain things. Forums are one way to handle this problem. Call them gab sessions, or what have you, there isn't a salesman who hasn't had some experience this past week that wouldn't be helpful to another salesman, if he could tell about it. How about the time you talked out of turn, or too much, or didn't turn the conversation from a sour note to a brighter one, and these little things killed a sale? How about a customer who insisted upon buying the wrong stock and you let him do it, and he eventually got hurt and you lost his business? Or the time you did the right thing at the right time and everybody was happy? How about the homely phrases that tell a big story in a few words and make a point sink home; wouldn't you like to know a few more yourself, and in return pass on some of your own?

The way to learn is to find out the best way to do something from someone else who is doing it day by day. Most of the people who write books (and even columns like this) are theorists. There is something cold about the written word. But there is a tangible impression that is created when someone you know stands up and tells you a story in plain words about what happened when he tried to do something a certain way. You can analyze human nature until you are blue in the face, but if you want to find out how it works, talk to the fellow who is meeting the public day after day. There is no such thing as a natural born salesman. If you have common sense and the will to work (expose yourself to people who can buy your product), and you will try to learn from your own experiences as well as others who have been successful, you'll do business.

Sales meetings that swap experiences among the men are literally worth their weight in gold. They should be planned and organized and should not be conducted in a haphazard manner. Sales that were made can be analyzed—also those that have been lost. Time saving ideas can be exchanged, and selling tips that will produce real commissions can be circulated among the men so that the whole organization gets the benefit therefrom. This is the job of a salesmanager.

One Year After VE-Day—And Where Are We?

(Continued from first page)

the battle between the advocates of a planned economy and those who believe that progress can only be achieved through the freedom of the individual and of economic activity. The advocates of a planned economy want more power in the President, more power in Washington, more regulation of industry, agriculture and commerce—foreign and domestic. At least they want to retain all the extraordinary powers granted during the war. The opponents of this policy want to get rid of the war powers as soon as possible and rely on the incentive provided by our system to get more production, more employment, and a higher standard of living. We must recognize that war controls cannot be wholly abolished, but that no peacetime emergency can justify the extraordinary powers made necessary by war.

Planned Economy Dominates Our Foreign Relations

In the field of foreign relations, the advocates of a planned economy have been almost universally successful. A great accomplishment of the year was the formation of the United Nations Organization and our adherence to it. Limited as its powers are, it gives some direction over the political relations of the world. But the enabling legislation went much further in transferring from Congress to the President almost unrestrained power to deal with those political relations, even to the extent of making war without consulting Congress. This law together with the Bretton Woods Agreement, the Reciprocal Trade Act, the money granted the Export Import Bank, and the prospective British loan has practically transferred from Congress to the President every power necessary to deal with foreign relations. The growing tendency to cover economic contracts with foreign nations by agreement instead of treaty gives the President additional power, even in financial matters. Opinions of our progress in the field of foreign relations may greatly vary, but no one can doubt that the responsibility for our foreign policy is almost entirely on the President. Undoubtedly, he has been seriously hampered by the obligations which we undertook at Tehran and Yalta, and by the attitude of the Russian Government. But it can hardly be said that up to now we have achieved or are likely to achieve any of the ideals for which we have fought two world wars.

Our Foreign Policy Is Obscure

It is difficult to understand exactly what our foreign policy is or what the President thinks it is. It seems to be dominated more by considerations of force and expediency than by any abstract theories of freedom or justice. Even in those fields where we have a free hand as in Germany, we are apparently dominated by the vengeance principle of the Morgenthau plan, although every official disowns it. We have promoted war trials on a principle of retroactive punishment which violates every principle of justice in which the founders of our Constitution believed. We have sacrificed liberty and justice to the slogan of peace, and there are very few who believe that we have gone very far on the road to peace. My own belief is that peace can only be achieved through the establishment of justice and a willingness to submit disputed issues to impartial tribunals. Our failure to pursue this course has, to a large degree, destroyed the respect from the rest of the world which we have commanded for many years past, and substituted a respect only for our military might. With the atomic bomb in the background, this is a weak reed on which to found permanent peace.

In the field of domestic activity, we have gone through an era of planned economy. The war powers in general have continued owing to the fact that no general declaration of the end of hostilities has yet been made. Undoubtedly, we have progressed somewhat towards a peace economy, but whether we are any better by reason of Government controls is at least open to question. The program of the Administration has roughly been to retain all the war controls and add further controls in nearly every possible field. In retaining controls they have been measurably successful, because obviously we have a residue from the war which cannot be immediately disposed of. But, in general Congress has resisted the retention of these controls and has been successful in preventing their extension.

The situation in Congress is extraordinary. The Democratic Party has a good working majority in both Houses—56 to 40 in the Senate and 236 to 192 in the House. Ordinarily, under such conditions, a Democratic President would have no difficulty in securing the legislation which he desires, but on the basic domestic issue of a government-managed economy the Democratic Party is divided almost in the middle.

The most aggressive branch of the Democratic Party is represented by the CIO Political Action Committee, supported by all the left-wing groups and, up to now on all specific measures by the President. The cause of a free economy is embraced by most of the Southern Democrats and many others to an even greater extent than by the Republicans. Democratic Party discipline still has some strength, but it is weakened on all vital domestic measures, particularly in the House of Representatives.

Since V-J Day, we have had proposed a measure guaranteeing employment to every workers to be maintained by unlimited Federal spending if necessary; measures to increase all salaries and wages in the Federal government, the minimum wage rate, the unemployment compensation rate, and the general scale of wages; measures to establish universal compulsory military training for every American boy and extend wartime conscription for two years after V-E Day; a bill to nationalize the medical profession and have all medical service provided by a Federal Bureau; a demand for unlimited power to regulate prices and to regulate, not only the price, but every detail of the construction of houses; measures to federalize unemployment compensation and the Employment Offices, so that the Federal Government can maintain a close direction over all employment.

The men who press these measures and have obtained the endorsement of the President for all of them obviously favor a detailed control of American life and business by Washington bureaus. They think they can direct the economy of the country to produce and maintain prosperity, better than the ordinary laws of a free enterprise system. It is rather significant that, except for tax laws initiated by Secretary Vinson, there has been no concern whatever about business or about the farmer, the two groups who, under a free system, provide the energy to make the machinery work.

In this whole field, however, Congress has blocked the proposed increased power. The Full Employment Bill was amended until it provides only a Planning Commission without any guarantees of a right to work or reliance on Federal deficits. Unemployment compensation was not federalized or increased. The Minimum Wage bill is still pending. Employment offices are being returned to the states. The medical bill is not likely to pass, nor compulsory military training. Draft extension will be limited to the necessity of the facts. Only in the housing field have additional powers been granted, and the extension of price control will be granted only with definite conditions.

Whenever Congress fails to go along with a measure pressed on President Truman by the left-wing group, there is an outburst of criticism against Congress. The press seems to overlook the fact that Congressmen vote the way they do, either because they believe strongly in a principle, or because they feel they are representing the views of their constituents, or both. The truth is that an overwhelming percentage of the American people today are opposed to planned economy, opposed to more Federal power, opposed to Government regulation of everything and everybody. Congress believes in individual freedom and a free economy because the people believe in individual freedom and a free economy, and for no other reason. They are opposed to the continual grant of more power to Washington. They are opposed to Federal bureaucrats going into every farm and every home and every store, dictating every action of everyday life.

It is quite true that the present situation in Congress tends to block legislation. But perhaps most of the legislation ought to be blocked. The vast powers which remain in the President permit him to take every step which is essential for reconversion. It is hard to see how we have suffered in the least from the acts and failures to act of Congress up to this time. Even in the labor field the Smith-Connally Act gives the President full power to seize the mines, and then makes criminal any action on the part of Union leaders in encouraging or promoting the continued interruption of work. No one could expect Congress to enact a more extreme law. The failure of the President to act under it is dictated by policy and not by lack of power.

How far then have we come in domestic reconversion during the 12 months since V-E Day? Through the Price Control Act, Stabilization Act, and Second War Powers Act the President without further action by Congress has had full power to fix prices, wages, and allot materials. The fixing of wages has practically been abandoned. The power to fix prices has been used with the idea that it can determine the whole economic future of the United States. The results have not been very persuasive arguments for a planned economy. The government completely overestimated probable unemployment. They under-estimated the effect on prices of increases in wages. They have so priced many articles that production has decreased instead of increased. Wherever their prices have been unrealistic, black markets have sprung up over night.

Obsession of OPA Officials

Those who have operated the OPA have been obsessed by the belief that the Government by decree can regulate more than half a billion transactions a day by writing regulations in the Federal Register. They have felt that by regulating prices, they can give certain groups a bigger percentage of the national income and other groups a less percentage of the national income. If they considered the profits of an industry or a company too high, or the cost of distribution as too great, they regarded it as their duty to reduce those profits or change the whole structure of distribution. They entirely ignored the provisions of the Price Control Act and proceeded on new theories invented by themselves. They ignored black markets as being of no importance, because they did not appear on the cost of living index of the Bureau of Labor Statistics. Finally, they produced the extraordinary theory that wage increases could be granted without price increases and that distributors could be forced to absorb any increased prices granted to manufacturers. By listening to the advice of Henry Wallace and OPA economists, the President encouraged and approved a general increase of 18½ cents per hour which will have the most general application that any wage increase has ever had. He has thus forced an increase in prices and started a spiral of increasing wages and prices which will be difficult to stop. The theory that wages could be increased in this amount without increasing prices has already been proved fallacious by the action of OPA itself.

In 1943 the OPA abandoned the theory of flexible price fixing contained in the Price Control Act and adopted in theory a rigid freeze of wages and prices. Since then it has apparently regarded as immoral any change upward in prices, but not in wages. Mr. Bowles testified that the hourly wage rate of factory workers had increased 62% since 1941 as against a 34% increase in the cost of living. From 1943 to 1945 while prices were held rigid for two years, wages increased 9%. The result was that even before the end of the war there were increased costs not reflected in increased prices. With the heavy increase in wages during the winter of 1946, some increase in prices had to be granted, but the OPA held it below even the further increase in costs.

The result is that today we have a price level proportionately below the wage level. Many industries are doing business at a loss. Many products are so priced that they can only be made at a loss, and, of course, they are not made. Shortages in butter, housing materials, shirts, evaporated milk, and many other products are traced directly to this too rigid pricing program.

It is just as bad to have the price level below a proper relation with wages as it is to have it too high. In the latter case, no one will purchase the goods, in the former, no one will make the goods. It has always been clear to me that it was impossible to maintain a price freeze, because certain costs necessarily increase. The shortage of manpower in war compels an increase in some wages, as in lumbering, if any labor is to be obtained at all. Prices must be adjusted.

At a time when we are chiefly concerned in securing production, it is peculiarly stupid to insist upon this principle, and grossly unjust to businessmen whose property can easily be destroyed if forced to do business at a loss. The original Price Control Act was based on the theory that increased costs would be reflected in prices. I believe we must define the terms of that act to make it clear that OPA is still subject to its provisions.

Congress today, however, is in a difficult position. Some goods are still so short that a complete relaxation of price controls will produce a wholly artificial and inflationary price. I don't think this is of much importance if confined to one or two commodities, but if it affects a substantial part of the economy, it would produce dislocations that might easily bring on another depression. Congress cannot administer price control itself. It can only write a law which will prescribe justice to producers and an increase of prices equal to the increased costs. Whether the OPA will follow the law is at least doubtful.

The Problem of Price Decontrol

The problem of decontrol is difficult. I don't think any member of the committee trusts Mr. Bowles or Mr. Porter to put decontrol into effect. In the case of oil, we have a clear case where supply equals demand, and yet we can get no promise to decontrol. I believe it is because the price of oil produced will undoubtedly rise. The normal law of supply and demand will cause a higher price than Mr. Porter's artificially low price. But the OPA wants a government-fixed economy and not a free economy. Mr. Porter testified that he was in the business of defeating the law of supply and demand.

We have considered various decontrol formulas based on the volume of production reaching a percentage over 1941. We have considered a specific decontrol of oil products, and also of meat, dairy products, and chickens on the ground that nothing could be worse than the present lack of control and black market conditions. If we had any confidence in the good faith of the Administrator, decontrol should be left to him under the circumstances of each individual case. But there is a strong belief that he will never decontrol an important product if any price rise is involved.

The fetish of maintaining a fixed cost of living index, in spite of wage increases and excessive purchasing power, appears in the ridiculous subsidy policy which Mr. Bowles seeks to renew for another 12 months. It would cost the taxpayer about two billion dollars a year. Today we are paying a subsidy on bread to the extent of 260 million dollars a year. At the same time the government is urging the people not to eat so much bread in order that there may be more flour for other nations. Isn't this an ideal time to get rid of the subsidy instead of increasing the consumption in this country by holding the price below the true cost of the product?

It is costing us 750 million dollars a year to subsidize meat, and this could be saved by a five-cent a pound increase in the price of meat. Five-hundred million dollars goes to the dairy farmers, who are shouting to high heaven that they want the subsidy abolished. What possible excuse can there be, when all records of buying power are being broken daily, to pay the consumer a subsidy out of the Treasury? Surely, the expenditure of two billion dollars by the Government is even more inflationary than a corresponding increase in price. Congress is certainly inclined to force a rapid reduction and elimination of these subsidies.

No one could listen to the testimoney before the Committees without being convinced that the OPA is unjust, unrealistic, and ruled by every consideration except reason and logic. Day after day specific cases are given of industries forced to do business at a loss, of black markets, of a falling off in production. The net result of this program of planned economy must be the very inflation which OPA swears it is preventing. We cannot escape it because of the tremendous increase in wages, encouraged and sanctioned by the Government. This must result sooner or later in permanently higher prices. The percentage of increase over prewar will probably be at least 50%. While the increase in the First World War was greater for a time, the ultimate increase in wholesale prices from 1914 to 1922 was only 40%. All of the good work of the Price Administration in its early days has been destroyed by the ideological theory that Government can hold prices steady while it encourages a large increase in wages.

Now that the increase has occurred, we probably had better adjust everything else to it and try to hold our economy steady at something like 50% over prewar. There will be difficulties in adjusting the wages and salaries of thousands of white collar and other groups, in adjusting the taxes in local and state governments, in adjusting rents and interest rates, but on the whole these adjustments are probably easier to make than a general reduction in wages and other costs. We shall have to artificially maintain some agricultural prices. One result is that our prices will be so high that we will have great difficulty in selling goods abroad. However, as long as we lend money to pay for our goods, I suppose they can be sold at any price. Perhaps by the time our huge loans are exhausted, world prices may be in adjustment with our own. The danger is that we may not be able to prevent an upward spiral of further wage adjustment.

In other fields, Congress has the same objection to a planned economy. Today there is a tremendous demand for labor legislation. A series of statutes and decisions have reversed the former balance of power and given the labor leaders a position of arbitrary power which has certainly been abused by some. We hope we may amend some of the laws and reverse some of the decisions made by the Supreme Court in recent years to restore justice and a fair balance of power. But I believe Congress is opposed to extreme legislation prohibiting strikes or imposing compulsory arbitration. If strikes are prohibited, then in the last analysis the Government must fix wages. If the Government fixes wages, it must fix prices and we have no freedom for workmen or industrialist. We propose to provide adequate mediation machinery to make unions liable on their contracts and to prohibit secondary boycotts, but we do not propose that the terms of collective bargaining agreements be imposed by the Government.

So, also, in the social welfare field I believe a great majority of Congress is in favor of the measures proposed for assisting the lower income groups to more equality in education, in housing, and in medical care. We have passed a bill to give Federal aid for the construction of hospitals. We are extending medical research. But those who believe in freedom insist that only Federal financial aid be given to the states and local governments and that the states and local governments have the job and the responsibility of providing education, housing, and medical care to those who are unable to pay for it, without interfering with the freedom of about 80% of the people who earn their own way and help pay the taxes for the less fortunate. I do not believe that Congress views with approval the compulsory health insurance plans or any plans which enlarge the administrative activities of Washington bureaus.

The Dangers of Conscription

The present revolt against the conscription law arises from the same viewpoint. There can be no greater interference with individual freedom than to take boys from their homes, their education and occupations and subject them to the orders of superior officers for 18 months. It is a necessary act in time of war. We have never relied on conscription in time of peace. I believe the War Department should have begun at V-J Day to build up a peacetime army on a volunteer basis. Instead of that they have permitted the wartime army to disintegrate until it is useful neither for peace nor for war. Surely with 50 million workers in this country, a million and a half could be persuaded to enter the armed forces if the life were made sufficiently attractive. But Congress doubts if the Army will undertake a full scale effort to secure volunteers as long as Congress is willing to continue the draft. The editors of the country seem to assume that the draft of 18-year-old boys is necessary because the generals say so. Congress is more skeptical because generals have always favored the draft from George Washington until today.

I do not believe there is any group of men as sincerely desirous of maintaining American freedom as the Congress of the United States. Most men claim that they are in favor of freedom. Totalitarianism has infected every mind. But if anything goes wrong they demand action by Congress and regulation by the Government. Labor leaders are violently opposed to the regulations of Unions, but they are all in favor of price control for business and the farmer. The very businessmen who declaim in favor of free enterprise are indignant against Congress because it opposes conscription of men and prohibition of strikes.

Surely we must be consistent. We must believe in the greatest possible freedom in every field as the key to the success of our American system. We must have free business, free labor, free agriculture, freedom of local self-government, freedom of the boy to choose the education best suited to him and the occupation he desires. Those who desire to limit this freedom must have the burden of showing that a real necessity exists. Congress is only to be commended for demanding in every field that absolute necessity be shown before any freedom is further limited.

We have made progress in the last year, because we are getting rid of limitations on freedom. We are laying the groundwork for a program of progress in social welfare, in labor relations and in full employment through private enterprise. These goals can be obtained consistently with liberty. Congress and the people are determined on that course.

Bank and Insurance Stocks

By E. A. VAN DEUSEN

This Week—Insurance Stocks

Two weeks ago this column presented a tabulation of figures for 25 stock fire insurance companies which showed that, during the war years, their aggregate surplus had increased 40%, unearned premium reserves 46%, and average liquidating values approximately 36%.

This week there is presented a table which shows that the 1945 net investment income of these 25 companies (including four additional) was, in the great majority of cases, substantially higher than in the pre-war year of 1939.

	1939 Net Inv. Income	1939 Annual Dividend Rate	1945 Net Inv. Income	1945 Annual Dividend Rate
*Aetna Insurance	$2.44	$1.80	$3.03	$1.80
*Agricultural Insurance	3.97	3.25	4.92	3.50
American Equitable	0.98	1.10	1.75	1.00
Baltimore American	0.42	0.30	0.43	0.30
Bankers & Shippers	5.51	5.00	4.63	4.00
*Boston Insurance	3.13	2.10	3.27	2.10
Camden	1.15	1.00	1.27	1.00
City of New York	1.56	1.20	1.37	1.00
*Continental Insurance	2.10	2.00	2.85	2.00
*Fidelity-Phenix	2.26	2.00	3.22	2.20
*Fire Association	4.01	2.50	3.47	2.50
Franklin Fire	1.39	1.40	1.40	1.00
*Great American	1.51	1.20	1.82	1.20
*Hanover	1.41	1.20	1.74	1.20
*Hartford	3.20	2.50	4.63	2.50
*Home	1.54	1.60	1.58	1.20
*Insurance of No. America	3.53	2.50	4.35	3.00
*National Fire	3.47	2.00	3.11	2.00
National Liberty	0.38	0.40	0.39	0.30
New Brunswick	2.00	1.70	1.89	1.50
*New Hampshire	2.01	1.80	2.42	1.80
New York Fire	1.02	0.90	1.48	0.80
North River	1.06	1.00	1.16	1.00
*Phoenix	3.66	3.00	3.95	3.00
*Providence-Washington	1.75	1.40	1.94	1.40
*St. Paul Fire & Marine	2.38	1.60	3.42	2.00
*Security	1.97	1.40	2.30	1.40
*Springfield Fire & Marine	5.73	4.75	6.40	4.75
U. S. Fire	2.38	2.00	2.65	2.00

*Consolidated earnings.

NOTE—Fire Association, 200,000 shares 1939; 240,000 shares 1945; Insurance of No. America, 1,200,000 shares 1939; 1,500,000 shares 1945.

It will be observed that in seven instances the 1945 net investment income was either lower than or approximately the same as that of 1939; these cases, however, are the exceptions to the general rule.

Companies with lower investment income include: Bankers & Shippers, City of New York, National Fire, and New Brunswick; companies which show practically no improvement, but report approximately the same net investment income both years, are: Baltimore American, Franklin and National Liberty.

It is significant that two of the first group, viz: City of New York and New Brunswick, are in the Home fleet, and all of the second group. Home Insurance Co., itself, moreover, shows only a fractional betterment in 1945 over 1939, viz: $1.58 vs. $1.54. The explanation for this below-average record lies in the investment policy of the management during the war years, which resulted in a far larger proportion of funds being invested in Governments than during pre-war years, and a consequently lower-than-usual proportion in equities.

The figures for American Equitable are not comparable for the two years, because in 1944 Knickerbocker Insurance Company was merged, and the capital increased from 200,000 shares to 300,000 shares. Excluding American Equitable, the average improvement of 1945 investment income over 1939, for the 28 companies, was 15.3%, including the following declines: Bankers & Shippers, 16%; City of New York, 12.2%; National Fire, 10.4% and New Brunswick, 5.5%.

Greatest percentage increases were made by Insurance of N. A., 54.3% (adjusted for stock dividend); New York Fire, 45.1%; Hartford Fire, 44.7%; St. Paul F. & M., 43.7%; Fidelity-Phenix, 42.5% and Continental, 35.7%.

Higher dividends were paid in 1945 by Agricultural, Fidelity-Phenix, Insurance of North America and St. Paul; lower dividends were paid by Bankers & Shippers, City of New York, Franklin, Home, National Liberty and New Brunswick. Five of these latter companies are members of the Home Fleet.

In 1939 dividends were not covered by net investment income in the case of American Equitable, Home and National Liberty; in 1945 all companies covered dividends by net investment income alone. Average coverage of the companies was 1.23 times in 1939, and 1.45 in 1945.

This generally favorable trend in investment income is directly attributable to the constructive dividend policy of most companies, whereby dividend distributions are consistently predicated on and well within net investment income, the difference being ploughed-back into the business, year after year, plus all underwriting profits. This procedure results in a steady year-by-year growth of funds available for investment; the process is still going on.

A. G. Gilman Pres. of Mutual Savings Banks

Officers and trustees attending the annual conference of the National Association of Mutual Savings Banks elected A. George Gilman, President of the Malden Savings Bank, Malden, Massachusetts, to be president of the Association for the ensuing year.


A. George Gilman


Earl B. Schwulst


E. P. Livingston


John W. Sandstedt

Other officers elected were: Earl B. Schwulst, Executive Vice-President of The Bowery Savings Bank, New York, Vice-President; Edmund P. Livingston, Vice-President of the Union Dime Savings Bank, New York, Treasurer; John W. Sandstedt, Executive Secretary, New York.

Pasadena Bond Club Elects New Officers

PASADENA, CALIF.—The Pasadena (California) Bond Club held their annual meeting on May 6 at which time the following officers were elected:

President, Vincent W. Jardine, Wm. R. Staats & Co.; Vice-President, Marvin R. Kuppinger, Lester & Co.; Secretary, George R. Liddle, First California Co.; Treasurer, Marcus B. Eilers, George R. Miller & Co.

New Directors—C. Harry Laufman, Hill, Richards & Co., and Glen M. Ogg, George R. Miller & Co.

The Club decided to hold their annual outing at the Corona Delmar Hotel, the weekend of June 15.

Our Foreign Lending Program

(Continued from page 2783)

program and I hope to give you a brief picture of it and the philosophy behind it in my talk today.

Previous Foreign Lending

First, let me say, however, that we are going into it with our eyes open. We have not forgotten what happened to the investments that we had abroad in the 1920's. Our experience then was bad in many respects, though not as bad as is commonly supposed. As a matter of fact, on our total foreign investment in the 1920's we have received an aggregate service in dollars, which together with the undefaulted loans and equity holdings, is well in excess of the money we invested. Speaking very broadly, we have received something like the equivalent of 3 or 4% return on the whole investment. This is primarily due to our good experience on direct business investments abroad and, in any case, it is far short of the 8 or 9% which was charged on many individual loans in the 1920's; but rates of that magnitude give fair warning that the loan that is being made is a pretty poor risk. And such rates constitute a burden on the balance of payments of the debtor country that is almost impossible to carry when a major world depression strikes.

This time the rate of interest we are charging on reconstruction loans is in the neighborhood of 3%—a rate which, as I have just remarked, appears to have been actually realized on the investments of the 1920's as a whole. Also, this time foreign loans are being carefully screened to meet only the most urgent and productive needs. They are not being blindly pressed upon countries to finance undertakings that are beyond their means. They are being judged in terms of the effects they will have upon the whole economy of a country and its international position. And notwithstanding the enormous uncertainties of the years ahead, there are new factors in the situation that afford some hope that the problem of transferring service on these loans across the international balance of payments will not prove to be the stumbling block it was in the 1930's.

Have Learned to Prevent Depressions

The chief ground for this hope is that we have probably learned enough in the last 10 or 15 years to prevent the full recurrence of such a depression as then occurred. While we are far from having mastered the problem of how to keep a free economy running smoothly at maximum production—while there are many years of trial and error ahead—we have, I believe, learned enough to prevent the most extreme fluctuations. Steadier economies in the major countries will lessen the disturbances to international trade. In addition, the most upsetting element in the international situation in the 1930's—great capital flights—will be severely under control in most countries in the years ahead. All this will tend to limit the size of the international deficits we must face. And as these deficits occur the International Monetary Fund, an institution which was not available in the 1930's, will swing into action. It will use its position to help assure that adequate corrective measures are taken, and taken in time. While they are being taken and until they bear fruit, the Fund will be prepared to assist a country financially by making foreign exchange resources temporarily available to it. Not only will countries have access to the billions of dollars available in the International Monetary Fund, but they already have gold and dollar reserves of their own, which are more than double the reserves that were available to them to meet the crisis of the 1930's. These reserves are not, of course, evenly distributed according to need, and in any case they must largely be used for currency stabilization purposes rather than for the reconstruction job. That job is too big for them. But the loans made for reconstruction will be safer if a larger measure of currency stability and freedom of exchange markets is achieved.

Here then are four major reasons—diminished business fluctuations, control of capital flights, action of the International Monetary Fund, and larger basic reserves abroad of gold and dollar exchange—four major reasons why the international financial breakdown of the 1930's is not likely to be repeated on the same scale again. I might add to this list of economic factors the progress that we hope to make in the forthcoming conferences on commercial policy. If these conferences achieve substantial reductions in the barriers to international trade and open the field more widely to private enterprise and competition, the effectiveness of measures designed to correct balance of payments deficits will be correspondingly enhanced. Even on the political front, although the immediate problems are great, we are better organized than in the anarchic period of the 1930's; for now we have the United Nations embracing all the great powers and with the United States playing a full and purposeful role. The possibility that war will cut across the whole pattern of international investment is materially lessened, though of course far from eliminated, by the United Nations Organization.

All of this may sound a bit optimistic to you bankers. I can sympathize with that feeling. If one looks only at the problems that face us today in the international sphere, there can be few grounds for optimism. The problems themselves are unprecedented, and it would be a bold man who would predict in just what way this war-stricken world will finally settle down. What I have been trying to emphasize, however, is that we are far better organized and equipped to deal with these problems than we were with those which were left behind by the first World War. We should not just sit back and assume that history will repeat itself. The basis of international investment has been strengthened in many important respects and we are taking what the generals would call "calculated risks" when we come to the assistance of the war-damaged countries of Europe and Asia. If we can aid these countries to get back on their feet; if we can tide them over these first years when their shortages are temporarily acute and their means of paying for them through experts are not yet restored; if we can help them to obtain the means to help themselves; then we may find not only that they can repay us what we have lent, but that they are strong enough to participate with us in building a world of free enterprise and expanding employment and production. It is in that sort of world that democracy can best thrive.

Aid to British a Key-Loan

We have kept these purposes clearly before us in the lending program we have undertaken. The key loan is, of course, that to the British. The United Kingdom is the greatest trading nation in the world and the pound sterling is the currency in which much of the world's business is carried on. The many countries that export to England more than they buy from her were at one time able to employ the sterling proceeds of their sales to buy outside the sterling area—particularly in the United States. Under war conditions this freedom was lost. England could not possibly restore it again in the difficult transition years without the aid of the American loan. She doesn't have the dollars. Without the loan she would be driven to desperate measures—to a whole series of bilateral deals, every one of which would descriminate against the United States and would draw world trade away from its most productive channels. Although in the end this system would seriously shrink world trade as a whole and work against Britain's own interests, the United Kingdom would be forced to get what she could out of it in the critical transition years. Anything gained in that period when exports were still insufficient to pay for the most urgent import needs would be worth considerable sacrifice of future potentialities. Once set on this path it would be hard for her ever to disentangle herself. So many vested interests would grow up around the discriminatory bilateral arrangements that even the Bretton Woods Fund could hardly blast them loose. And with England playing this sort of economic game the chances for cooperation in the political field would be jeopardized.

The loan agreement with the British, therefore provides specifically that, within one year from the date when the agreement becomes effective, sterling due on current transactions with any part of the world shall be made convertible unless the United States consents to an extension of time. This is written into an agreement in which $3,750,000,000 is provided to help England purchase the supplies she will urgently need before her exports and other sources of international income build up sufficiently to enable her to pay her own way. Because the loan deals with a key situation and has larger objectives than a mere financial transaction, it is on a larger scale and on more liberal terms than any other contemplated by the United States. It has been laid before Congress for approval; and the funds, if supplied, will be voted by Congress for this specific purpose.

Export-Import Bank Loans

The remainder of the United States lending program is largely being carried out by the Export-Import Bank. Substantial credits, to be sure, are being extended by other agencies in connection with the sale of Lend-Lease inventories and surplus property abroad, and the Maritime Commission has been authorized to sell ships on credit. All this is helping to meet the needs of Europe and Asia on the basis of deferred payments. But the loans of actual money are being made almost entirely by the Export-Import Bank.

Our policy on Export-Import Bank loans has been to meet only the most pressing needs that must be financed before the International Bank for Reconstruction and Development is ready for business. The resources of the Export-Import Bank were in- [illegible] million to $3,500 million and the President has stated that he will ask Congress for another $1,250 million to enable the Bank to complete its part of the reconstruction job. Substantial loans have already been authorized to France, Belgium, Netherlands, Denmrak, Norway, Finland, Poland, and Greece and still larger loans to these and other countries are now under discussion. The programs have been pared down repeatedly; but the rock-bottom needs that must be met before the International Bank is ready to take over remain on a vast scale.

Reconstruction loans by the Export-Import Bank have been made on a 3% 20-year basis except for a few special loans for 30 years at 2⅜%. These special loans have been made only to France, Belgium and the Netherlands and have been for the purpose of financing goods authorized under the Lend-lease program but ordered after the end of the war. They amount to about $650 million. The remainder of the great Export-Import Bank reconstruction loans, which are on a 3% basis with serial maturities, may in the course of time prove salable in some measure to the private market. This is particularly likely in the case of the shorter maturities.

The Bank is anxious to sell as much as it can to the market because it is under a legal directive to supplement private investment rather than compete with it and because the more it can sell, the more resources it will have to do those parts of the job which private investors are not yet ready to do. As you know, the $200 million loan recently made to the Netherlands Government was opened to the banks of the country on a on a participation basis. Since it was an extremely short maturity of from one to two years and bore an interest rate of 2¼% it is not surprising that $100 million of it was in fact taken by the banks. It is not, to be sure, the usual type of loan provided for reconstruction purposes. That would require a much longer term. The $200 million credit is merely in anticipation of other measures that the Dutch will take to borrow here or liquidate their assets. Nevertheless it is cause for a considerable satisfaction that a market which is extremely cautious about resuming international lending after the experiences of the 1930's has made on this occasion so substantial an investment.

Market for International Bank Obligations

The chief channel through which private funds will flow abroad in the immediate future, however, is likely to be obligations of the International Bank. The major part of the Bank's lending will be financed with funds raised in the market, since the Bank can use only 20% of its own capital for making loans. The remaining 80% can be called up only to the extent it may be needed to meet the obligations of the Bank. The Bank may raise funds either by issuing its own securities or by guaranteeing the issues of foreign borrowers. In either case private investors will be supplying funds to foreigners while the Bank assumes the credit risk.

I should be interested to have your comments on the market prospects for bonds of the International Bank. It is possible that there will be an offering of such bonds before the year is out. As you know, the International Bank came into existence last December, and in March the first meeting of its Board of Governors was held in Savannah. The smaller working group of Executive Directors to whom the Board has delegated most of its powers is even now in session in Washington. The President of the Bank will have to build up a staff, and this may take some months. Gradually the Bank will acquire working funds through calling up a portion of its capital. Under its statutes, however, it can hardly call up much more than $400 millions of dollar subscriptions before the fall and if, as seems likely, the demand of foreign countries is predominantly for dollar resources, it may be necessary for the Bank at an early date to offer its bonds for sale in this country.

At the outset insurance companies and savings banks in many States may find that the existing legislation does not provide for purchase of this new type of bond. Until a few months ago this was the case in New York; but through prompt action a law was passed permitting the savings banks of that State to invest in the obligations of the new International Bank when they become available. Commercial banks in general will be free to invest up to 10% of their capital and surplus. It will be for them to determine to what extent they wish to purchase securities of the International Bank, taking into account maturity, risk, marketability, etc., the Bank will undoubtedly exercise great care to adapt the form of its securities to the potential market which it finds available.

Basic Risk Involved

As regards the basic risk involved I might make one comment. The Bank cannot lend more than its unimpaired subscribed capital, surplus, and reserves, which today amount to about $7,600 million. Hence if it borrows and lends to the maximum possible, both its loans and its obligations will amount to about $7,600 million. The obligations will be covered to the extent of about $3,200 million by the United States subscription. The remaining $4,400 million will be covered by claims against foreign governments and central banks amounting to about $12 billion—i.e., $4,400 million of foreign government subscriptions to the capital of the Bank plus the $7,600 million of loans, all of which must have behind them the credit of a government, central bank, or similar institution acceptable to the International Bank. This $12 billion of claims against foreign governments or central banks would have to shrink through defaults to $4,400 million before the bonds of the International Bank would cease to be covered in full. No such shrinkage as this occurred in the servicing of our foreign investment during the ill-fated 1930's and there is little reason to believe that it will occur in the decades ahead — particularly in view of the factors to which I have called your attention earlier in this talk.

If the securities of the International Bank find a ready market in the United States it should be able in 1947 to relieve the Export-Import Bank of most of the burden of making reconstruction or development loans. While the shift from the Export-Import Bank to the International Bank will be from an agency of the United States to an institution representing some 40 nations, the predominant role of the United States in international lending will not be greatly altered by the change. As I have already remarked, the United States investment market will be expected to supply most of the International Bank's funds. Furthermore the American director of the bank wields about 37% of the total voting power. Even more important than this, however, are the provisions under which the consent of the United States is required before the Bank can lend the dollars subscribed by the United States or can float or guarantee an issue in the American market.

Function of National Advisory Council

The power to give or withhold consent in these cases has been assigned by Congress to a new body which already has assumed primary importance in our international lending picture. I refer to the National Advisory Council on International Monetary and Financial Problems, commonly known as the N.A.C. This Council is composed of three Cabinet members—the Secretaries of State, Treasury, and Commerce—and the Chairmen of the Federal Reserve Board and the Export-Import Bank. These five men have been given the task of coordinating the foreign lending policies and financial operations of this Government and of the United States representatives on the International Bank and the International Monetary Fund. It is for them to keep the whole program that I have been discussing in this talk in proper proportion and order. Not only must it be adapted to the needs and capacities of one foreign country as against another, but it must be fitted into the position of our domestic economy in such a way as to help preserve its stability. The N.A.C. is taking its task with the utmost seriousness. The Secretary of the Treasury is chairman and there are regular meetings in his office. The group is constantly shaping and reviewing the lending program of this country, both in detail and as a whole. As the International Fund and Bank come into full operation the task of the N.A.C. will be increased. But it is already clear that an adequate system has now been devised for bringing together the Government agencies primarily concerned with our foreign financial policy. I believe that you have in this Council the best assurance you could ask that the lending program of the United States will continue to be broadly conceived and well-integrated, and that it will make the most effective use of our admittedly limited resources. It will be powerfully, directed toward rebuilding the kind of international world in which American free enterprise can thrive side by side with foreign enterprise, and the foundations of the peace can be made secure.

Conn-Lee Associates

BENNINGTON, VT.—J. A. Conley has formed Conn-Lee Associates with offices at 209 Union Street to engage in the securities business.

J. L. Kennard Opens

EVANSVILLE, IND.—J. L. Kennard is engaging in the securities business from offices in the American Trust Building.

Canadian Securities

By WILLIAM McKAY

Provincial intransigeance concerning the Dominion tax proposals placed before the recent Dominion/Provincial Conference has raised an obstacle in the path of Canadian progress.

Unhappily the conference was dominated by the spokesmen of the powerful dominant provinces of Ontario and Quebec. Narrow provincial interests were placed before the welfare of the Dominion as a whole. The champion of the western provinces, Premier Stuart Garson of Manitoba who has long fought strenuously and eloquently for the general overhaul of the unwieldly anachronistic Canadian tax system proved to be a voice crying in the wilderness.

The proposals set forth by the Dominion Minister of Finance were constructive and if anything, erred on the side of generosity. They took stock of the fact that Canada is now an adult nation and followed the line laid down by the Fathers of Confederation—the provision of a strong central government. The federal plan, moreover, would have gone a long way to implement the recommendations of the Rowell-Sirois Royal Commission. This impartial body which was appointed in 1937 following the Alberta debt default, finally reported on its findings in May, 1940. Many defects were found in the application of the British North America Act which is the basis of the Canadian constitution, and it will be little short of a national tragedy if the constructive steps proposed by the Sirois Report are blindly rejected.

As it is now, the failure of the conference involves a loss to the provinces in the shape of Federal subsidies and social security relief, which by 1947-48 would have totalled over $400 millions. Gone is also this immediate opportunity to modernize the Canadian tax structure and of even greater import is the impairment to Dominion/Provincial working relations. It can certainly not be expected that Mr. Ilsley in his forthcoming budget will do anything to ease the strain on the provincial finances following the disappointing and shortsighted reception given to his proposals. Finally if competition is to develop between the Federal and Provincial governments in the field of taxation the lot of the Canadian tax payer will indeed be hard.

Before the present impasse becomes still more acute it is to be hoped that the leading provinces will on sober reflection, think nationaly and not provincially, especially as the acceptance of the Dominion proposals does not involve the surrender of provincial autonomy. As for the lesser provinces it would be well if they would rally behind the banner of Premier Garson to ensure that the progress of the Dominion as a whole and the full development of the Canadian West will not be retarded at this time, which will undoubtedly be judged in the future as one of the most critical stages in Canadian history.

During the past week the market continued its inactively hesitant course. Price changes were slight and the turnover was on a negligible scale. The general interest was centered on the forthcoming $86 million Montreal financing which was recently unexpectedly postponed on the eve of a definite announcement. The wisdom of this step can now be questioned, for in the zeal of endeavoring to improve on excellent bids made on the crest of a strong upsurge, the offering now has to be launched on a much less responsive market; the proposed parcelling into two or four lots in undoubtedly indicative of the changed conditions.

Internals were quiet and unchanged with free funds slightly easier at 9 5/16%.

With regard to immediate prospects the general trend would still appear to be downward. There is growing acceptance of the belief that the long term rate of interest is stabilizing on the basis of 2½% for the longest Government obligation and the Canadian market has not yet fully reacted to this basic change of outlook. The internal Dominion bond market, with the longest term bond still on a 2⅝% yield basis also appears vulnerable as an increasing body of opinion is beginning to share the belief that the Dominion Government's next long term bond issue in the fall will bear a 2¾% coupon.

Ludington Now With Baker, Simonds & Co.

DETROIT, MICH. — Bert F. Ludington, former President of the Securities Traders Association of Detroit and Michigan, has joined the trading department of Baker, Simonds & Co., Buhl Building, members of the Detroit Stock Exchange, according to an announcement made Saturday by Winslow Howarth, Vice-President of the firm.

B. F. Ludington

Mr. Ludington entered the financial field in 1925 with the Guardian Detroit Company. He enters Baker, Simonds & Co. from Watling Lerchen & Company, which he joined in 1932. He served as Secretary of the National Security Traders Association and has also been prominent in the activities of the Bond Club of Detroit.

Junger Admits Two; Firm Name Is Changed

Samuel H. Junger has admitted George T. Anderson and Robert S. Junger to partnership in his firm and the name of the company has been changed to Junger, Anderson & Co. Offices of the new organization will be continued at 40 Exchange Place. Samuel H. Junger has been proprietor of S. H. Junger & Co., with which Robert S. Junger was also associated, although he has recently been on war duty. Mr. Anderson was formerly with Dean Witter & Co.

Fiscal Progress Since VJ-Day

(Continued from page 2783)

were going to be out of work. One of Mr. O'Malley's whimsy Fascist friends in the comic strip Barnaby, which I hope you all enjoy as much as I, said that the chief postwar problem would be "who would manage the bread lines?"

We had many other things to worry about, too. The war was going to be long. Demobilization was going to be slow. Jobs were going to be hard to find when we were released from the Army. The Federal Government was going to continue heavily in the red for years. Contract settlements were going to drag on endlessly. This would hold back production—provided, of course, that it was not being held back anyway by the failure of the Government to clear its property out of the war plants.

This is a fair inventory of our homefront worries of a year ago. It is good to look back at them, because it may help to restore our perspective on our troubles of today. On the whole, we have come out pretty well; and, if we could lick the problems of yesterday, we can lick the problems of today.

Let's pass the year briefly in review.

We beat Japan a lot quicker than we expected. Our Government had the courage to spend $2,000,000,000 to save untold billions. It had the courage to destroy two cities in order to save millions of American, British, Chinese, Russian, and Japanese lives.

Since VJ-Day, we have demobilized quickly. The number of men in the armed forces has been reduced from over 12,000,000 on VJ-Day to less than 4,000,000 today. And those who have been discharged have been absorbed quickly into peacetime occupations.

We canceled our war contracts quickly following VJ-Day, and we have settled them quickly. Settlement will be almost completed by the end of this fiscal year. Congress had placed in the hands of the Executive Branch a well-thought-out Contract Settlement Act, and settlements have been kept abreast of the filing of contractors' claims. In the meantime, adequate interim financing has been provided, so that no one has had to wait for his money. Plant clearance has proceeded swiftly, and without complaint. War contractors have been placed in both a physical and a financial position to resume peacetime production. I say this with due modesty as I concluded my wartime service as General Counsel for the Office of Contract Termination and Settlement.

Industry has responded swiftly to the termination of wartime needs. The production of civilian goods has risen more rapidly since VJ-Day than in any period of equal length for which we have record, and the production of civilian goods was at an all-time high immediately preceding the shut-downs brought on by the coal strike.

In March, the most recent month for which we have figures, less than 3,000,000 men were unemployed and seeking work, and most of these were unemployed because they could not find the right job, not because they could find no job at all. The number of unemployed is very small, considering the great reduction in the size of the armed forces and the tremendous turnover in occupations which is taking place even in civilian life.

The controls have been relaxed; but they have, for the most part, held. The people have shown that they have the fortitude to put up with controls as long as they are necessary to prevent a postwar inflation and a subsequent deflation and depression. The Government has promised that we will not have to put up with them any longer than that.

Controls are necessary until the war plants are reconverted; until the men formerly in the armed forces and in the war plants are back at peacetime jobs; until the long pipe lines between the producer and the ultimate consumer are filled; and until the most urgent of the pent-up civilian demands are met. All of these things are being done; some of them are nearly completed. In the meantime, I feel confident that the American people will keep the controls as long as they are needed. Two years after the end of the last war would have turned the trick and prevented the 1921 depression. If we profit from our mistake last time, we will continue the controls for another year.

Government Expenditures Reduced

During the past year, the Government has made great strides toward reducing its expenditures.

It is important to understand just what is involved here. The prime requisite is that the Government cut down its purchases of goods and services, and do this quickly. In this way, the men and machines formerly working for the Government can be released to make things for civilians. This is necessary to raise our standard of living. It is necessary to combat inflation, for it was the diversion of men and machines from making civilian goods to making war goods which was the cause of the inflationary pressures in the first place. Inflation can be beaten only by reversing the process.

In general, reducing the Government's demand for goods and services means reducing Government expenditures. This is always true in the long run. But sometimes in the short run it means the exact opposite. Take mustering-out pay, or contract settlements, for instance. The faster money is paid out on these accounts, the more rapid is demobilization and reconversion, and the more swiftly the flow of civilian goods and services gets going. If we had spent less this year on mustering-out pay and on contract settlements, Government expenditures would have been less. We would have saved money this year, but it would have cost us a great deal more in the long run.

The speed with which demobilization has been carried on has increased many classes of expenditures this year. For this reason, I think it is all the more remarkable that total expenditures have come down as rapidly as they have. Total Federal expenditures in April 1945 amounted to $8,000,000,000. In June 1945, the month after VE-Day, they reached a high of $9,700,000,000; while last month, they were down to $4,200,000,000, and they will continue to decline swiftly as demobilization is completed.

While the expenditures of the Federal Government have been declining rapidly, revenues have held up remarkably well. This is because business has been good and jobs have been plentiful. Income tax receipts have been large because incomes have been high, and so have taxes. But no higher than we need in these critical times.

Net receipts for the first ten months of this fiscal year amounted to $35,800,000,000, a decline of only about 4½% from the corresponding ten months of the last fiscal year, all of which were during a period of total war. The decline in receipts, as compared with last year, has, of course, been somewhat greater in recent months. Net receipts in March, the last major tax month, however, amounted to $5,700,000,000, a decline of only 17% below the corresponding month of last year.

As a result of rapidly declining expenditures on the one hand and well-maintained receipts on the other, the Federal budget has come nearly into balance. Receipts exceeded expenditures in both February and March. There will be some deficit during the remainder of this fiscal year, but the outlook for a balanced budget by July 1, 1947 is very good.

Reduction of Government Debt

The approach to a balanced budget has made it possible to apply part of the Treasury cash balance to a reduction in the debt. A portion of the certificate issues due on March 1 and on April 1, all of the bond and note issues due or called for payment on March 15, and all of the certificate issues due on May 1 were paid in cash. In addition, Secretary Vinson announced only yesterday that two billion dollars of the certificate issue due on June 1 and the entire amount of each of the two bond issues which have been called for payment on June 15 will be paid off in cash. This will mean that as of June 15 the net reduction in the Federal debt since its peak at the end of February will aggregate more than 10 billion dollars. The budgetary picture gives us assurance that it will be possible to effect a further large reduction in the debt from the cash balance.

It has been our desire to concentrate the reduction in the debt, as far as possible, upon securities held by banks. It has, consequently, been gratifying to the Treasury that the Government security holdings of Federal Reserve Banks and weekly reporting member banks — the only banks concerning which data are available — have declined by 4.3 billion dollars since the end of the year — a decline equal to almost three-quarters of the net reduction in the total debt occurring during this period.

The interest rates at which the Treasury borrows money have not changed maturity-for-maturity since Secretary Vinson took office. They are low, measured by most historical standards — although long-term rates are not so low, for example, as those prevailing in Great Britain in the last decade of the Nineteenth Century, nor are short-term rates as low as those prevailing in the United States during most of the thirties.

An important aspect of the Treasury's policy with respect to debt management at the present time is to encourage the people to buy and hold savings bonds. We are sometimes asked, "With a steadily declining debt, why is the Treasury continuing to push the sale of savings bonds?"

The answer is, of course, that the Treasury is pushing the sale of savings bonds, not to obtain money to finance the deficit, but in order to combat the inflationary pressures which are still continuing from the war, and which will continue for a while longer; and to secure a better distribution of the public debt.

Every dollar of savings bonds sold today permits us to retire a dollar of debt held by banks. Every dollar which is used to purchase savings bonds and which would otherwise be spent is a dollar removed from the present inflationary markets for consumers' goods, and a dollar added to our backlog of purchasing power saved up against the day when goods will be plentiful.

This will be a double-acting backlog. Some of it will be used to buy goods in the days to come. More of it will be retained indefinitely, but it will provide its holders with the feeling — and with the reality — of economic security which will permit them to spend a larger proportion of their current incomes on goods and services. All of it, as long as it is held, will give to its holders a sense of enhanced participation in their country's affairs and an enhanced interest in our national well-being.

Promoting the sale of savings bonds is one of the things which can be done on the fiscal front to counteract the inflationary pressures which are holding over from the war. As I have already indicated, the most important thing the Government can do on this front is to cut down its own purchases of goods and services — that is, in general, to reduce its expenditures. Almost equally important is that it should maintain its tax revenues, for money paid to the Government in taxes is thereby removed from the market for goods and services.

Tax Reductions

The tax revenues of the Government, as I have already indicated, are holding up very well. We want to keep them that way. In order to do this, it will be necessary to keep tax rates at around present levels as long as the inflationary pressures persist.

Tax rates have already been substantially reduced since VJ-Day. These reductions—which, in a broad way, followed Secretary Vinson's recommendations—were particularly important in two fields. First, Congress swept off the books the old concept of the "victory tax" — which took no account of family responsibilities and taxed the family man as heavily as the bachelor. The name of this tax had been changed from "victory" to "normal" prior to its demise, but there was nothing normal about it. It was unjust and was tolerable only under war conditions. Its elimination was a victory for justice and for fair play.

The second field in which the tax reductions of the Revenue Act of 1945 were particularly important was that of business taxes. Here, Congress — following Secretary Vinson's recommendation —repealed the excess profits tax. This move was thoroughly justified by the conditions of the transition period. The major thesis of the excess profits tax—that the excessiveness of profits can be measured by comparing them with those of a prewar period—was appropriate only for the period of active hostilities. Applied in peacetime, it would have throttled the growth of new and expanding industries, and would have worked major inequities all along the line. The repeal of the excess profits tax has already paid large dividends in speeding reconversion; and it will pay further dividends as peacetime production progresses. By encouraging business men both to produce more and to watch their expenditures more, the repeal of the excess profits tax has contributed to combat, rather than to increase, inflationary pressures.

But, in my opinion, the tax reductions effected by the Revenue Act of 1945 are as far as we should go until inflationary pressures further subside. When that time comes, we can combine a further tax reduction with a thorough streamlining and modernization of our tax structure.

Foreign Loans

There is another aspect of our policy on the financial front upon which I should like to comment. This may be the most important aspect of all in determining the world in which we shall live tomorrow.

The destruction of life and property in the war which has just ended is almost beyond conception. This war has differed from any other of modern times, in that the toll among civilians has exceeded that among men in uniform; and the destruction of property away from the battlefields has exceeded that on the battlefields.

Our standard of living is higher than before the war, while that of every country in the Old World is tremendously lower. It is urgent in the interests of world trade and of world peace — in the interests of the future prosperity and peace of the United States—that these countries be set back on their feet. All of the labor for doing this and most of the materials must come from the devastated countries themselves. The people of those countries have the will and determination to work hard and to live on little, until their reconstruction is complete. But they need a helping hand from us. They need a minimum amount of loans to purchase the American-grown and American-made materials necessary for their reconstruction and for the restoration of their trade. We must, and will, extend this helping hand.

Fortunately, the goods which these countries need the most are not those in scarcest supply here; but, even when they are, we must share — if we are to have peace and prosperity here and in the rest of the world.

Most urgent of all is the loan to Britain. Britain held the line for more than two years before the Nazis declared war on us. This cost her dearly and profited us much. The war has been a great drain on her resources. In order to conserve her assets, she has had to lay down numerous barriers to world trade. She wants the same kind of a world that we want. But she cannot restore her own economy and she cannot remove her trade barriers without a helping hand from us. This is what the proposed Financial Agreement does. It is the Number One item on our slate for better international economic relations.

New Problems

So, in the past year, we have licked many problems; but many new ones have arisen, and many of the old ones remain.

The war has been won; but the peace has not yet been made. Demobilization is three-quarters over; but many of the servicemen have not yet found their proper places in civilian life. We have jobs available for all of our people, and satisfactory jobs for most of them; but we have not solved our problem of industrial relations. We have held the price line during and after the war far better than ever before in our history; but inflationary pressures are still strong. We have almost completed the physical and financial task of reconversion; but the pipe lines of partially finished goods from producer to prolucer and of finished goods from producer to consumer are far from full, and many manufacturers suffer from scarcities of component parts.

We have traveled a long way in the past year, but we still have a long way to go before we reach "normalcy." And normalcy, too, has its problems, if history is any guide. But problems add to the zest of living. I am confident the American people will face the problems ahead, proud of their record, but determined to better it, again and again.

Optimism in London

(Continued from page 2785)

manufactures before Britain is ready to deliver the goods have subsided to a large degree. It is now realized even in Conservative circles that from this point of view at any rate the advent of the Labor Government is a blessing in disguise, as it enables the country to get over the period of postwar readjustment with a minimum amount of industrial unrest. A former Conservative member of the Churchill Government remarked recently in private conversation that, had the Conservative Party won at the general election Britain would be by now in the third month of a general strike.

What is even more important than the relative speed of reconversion, is the relative stability of British wages and prices. This is also due to no slight degree to the advent of the Labor Government. A large proportion of workmen realize that this is their Government, and are therefore satisfied with a minimum increase of wages instead of holding out for a maximum. Moreover, while a Conservative Government would have removed many of the controls which assist in maintaining the stability of prices, the Socialist Government has maintained most of the wartime restrictions. While the anticipated adverse effects of nationalization on output and competitive power may not fully materialize for years, the favorable aspects of the advent of a Labor Government are already evident.

As a result of the relative stability of wages and prices, it is now widely hoped that at the sterling-dollar rate of 4.03 British industries will be able to hold their own in competition for markets within the Empire, even without the assistance of Imperial Preference or Sterling Area arrangements. For this reason, the rigidity of exchange rates under the Bretton Woods system is not expected to cause much difficulties within the next few years. In any case, it is now believed that the coming trade conference will only lead to a reduction of Imperial Preference, not its elimination.

Six months ago the view was held that the loan of $3,750,000,000 would only suffice for covering the trade deficit for a year or two. Now, as a result of the improved outlook, the view is held that it will be possible to retain a large part of it as a permanent reserve. This would mean that the sacrifices made for the sake of the loan would not be the price paid for a purely temporary relief but for a lasting improvement of Britain's foreign exchange position.

There is, however, one aspect of the loan which continues to be the source of much misgiving. As part of the dollars will have to be ceded to foreign countries holding blocked sterling balances, the result will be a diversion of big orders from Britain to the United States. For this and many other reasons, there are still many people in London who are hoping and praying for the rejection of the loan by the House of Representatives.

Pittsburgh Bond Club To Hold Spring Outing

PITTSBURGH, PA.—The Bond Club of Pittsburgh announces its spring outing to be held on Thursday, June 13th, at the Edgewood Country Club in Pittsburgh. Out-of-town guests are cordially invited. Dinner will be at 7:30 p.m. following an afternoon of golf and other sports for which prizes will be awarded; there is a greens fee of $2 payable at the Club office.

Guest tickets are $5 each; reservations and further details may be had from Joseph Buffington, Jr., Mellon Securities Corporation, Secretary of the Club.

Members of the Outing Committee are: L. R. Schmertz, Phillips, Schmertz & Co., Chairman; John A. Carothers, James Carothers & Co.; Alan G. Clifford, James H. Scott & Co.; Frank Gurcak, Thomas & Co.; Arthur H. Hefren, J. S. Hope & Co.; C. McK. Lynch, Jr., Moore, Leonard & Lynch; Charles W. Over; Chas. Snowden Richards, Kay, Richards & Co.; Max N. Schugar, McKelvey & Co.; Richard W. Sheets; E. J. Stewart, Jr., Merrill Lynch, Pierce, Fenner & Beane; Austin S. Unstead, A. E. Masten & Co., and Lawrence E. White, Blair F. Claybaugh & Co.

What Can the United States Learn From Sweden's Past Labor Pains?

(Continued from first page)

it was on the rim of Europe and addicted to traditional ways of living. Its natural resources were few in number and did not readily lend themselves to refinement for the world's markets. As late as the middle of the 19th century 80% of the people derived their living directly from the soil. Now only one-third of the population does so; the country has been industrialized to a high degree. In proportion to population its foreign trade ranks among the foremost. This kind of swift transformation would naturally lead to labor upheavals, and it did. Sweden's past record for working days lost by strikes and lockouts, per capita, was a high one. Now peace prevails, a labor government is in power, and yet industries flourish. How has this been brought about?

Labor Peace Arrived Gradually

At the outset it should be admitted that the Swedes have found no magic formula, no royal road to labor peace. Strikes are still legal and occasionally do occur; but more and more rarely, and more peaceably. Step by step and by trial and error, the people have learned what works and what does not. Labor is organized not only in an economic sense as trade unions, but also politically in the Social-Democratic Party, which has been called "Sweden's New Deal." (It is supported by many voters who are not members of labor unions.) Today the Social-Democratic Party has a majority in both chambers of the Riksdag. But private enterprise has not been stifled; individual liberty still prevails, regular elections are held, and a popular majority has the final word on every issue.

There is nothing in this record on a small scale that cannot be duplicated in the United States on a large scale, provided the American people so decide. The same freedom to learn, to organize, to vote exists here as in Sweden; public school education is just as free and in the case of secondary schools more so. The American press enjoys the same liberties as the Swedish, the radio is still freer, being privately managed, whereas in Sweden it is a Government monopoly. It is true, the American territory is larger, but the means of communication are also better, particularly public highways and the air lines. The American people, it is true, are of a more mixed ancestry, but as long as they all speak the same language, that is not an insurmountable handicap. Racial mixture helps prevent inbreeding.

What We Can Emulate Here

What, then, have the Swedes learned that might be used here? Over a generation ago the Swedish employers decided that it was futile to try to prevent the workers from organizing. Has that lesson yet been wholly learned in the United States? Not that the Swedish employers were less apprehensive about labor's growing strength than the American. Rather the contrary. Swedish capitalists and business managers were much more tied down by traditions and conventional ways of thinking and living than the American. When the first group of saw-mill hands in the north quit their posts in a body in 1879, to demand higher wages, they were surrounded by both military and naval units and either forced back to work or driven out of town. About a thousand had their families evicted from company-owned houses and some were put into jail. "There is a limit to forbearance," declared the king, the father of the present ruler. The workers then had no right to organize. If not employed they were classed as vagrants. These things happened within the memory of persons still living—only 67 years ago.

With the growth of industry, which began in the saw mills, the situation soon changed. While the right to organize was not formally sanctioned by law until 1936, the unions spread rapidly during the last two decades of the 19th century. By 1906 they were recognized *de facto* and concerted attempts to break them up abandoned. While Swedish labor history has been turbulent, it has been remarkably free from violence and bloodshed. All attempts to use strikebreakers were abandoned about 15 years ago. In 1908 a gang of strikebreakers imported from England during a conflict on the waterfront of Malmo, were blown up by a bomb while quartered on a ship, the "Amalthea." This caused a tremendous political commotion; the guilty union members were first condemned to death and later let off with life sentences. As late as 1931 an excited army officer ordered his troops to fire on a strikers' parade while guarding a ship in the north of Sweden as it was being loaded with pulp by company clerks and other volunteers. What would then have seemed an almost every day occurrence in certain parts of the United States, set off an emotional upheaval all over Sween. "Murder!" screamed the labor papers.

The Organization of Employers

What the Swedish employers did at the beginning of the present century to offset the growing labor power, was to organize on a national scale themselves. If organized labor now moves against a single company or a single industry, it faces the combined forces of the Employers' Association, first organized over 40 years ago. To its funds members contribute in proportion to the number of their employees and also file formal undertakings to contribute more in case of need. Headquarters and a permanent staff are maintained in Stockholm. It watches legislation and all developments on the labor front. In the meantime the workers did the same. They are also organized on a national basis. Some of the older craft unions still persist in Sweden and some labor organizations are not members of the general Federation of Labor, but the great majority or over 1,000,000 workers in a nation of only 6,500,000 are dues-paying members and organized by industries like the American CIO.

Labor Contracts Negotiated on a National Scale

For over a generation these two national groups have confronted each other and step by step have evolved a method of negotiating labor contracts on a national scale, covering wages, hours, working conditions, etc., to the mutual satisfaction of both sides. While each union formulates its own contracts with representatives of the corresponding industry, no contract is valid until countersigned by the national organizations of both employers and workers. No single company can, therefore, be attacked by a labor union without arousing not only the whole industry to which it belongs, but also the whole body of Swedish employers. This fact naturally causes the labor people to pause before starting drastic action such as a strike, or a "blockade," as boycotts are called.

Labor contracts run for a year or more and if either party does not wish to renew it, notice must be given three months in advance, usually by October 1 each year. Sometimes, if negotiations are not over by January 1, the old terms are observed on a temporary basis and the work goes on, the new terms becoming retroactive.

Conflict Gradually Reduced

Through these recurring negotiations, as well as through various conflicts during the past 30 or 40 years, the leaders of labor as well as industry have become well acquainted personally, meeting as they do periodically at the same table. Sometimes the same men may also be members of the Riksdag or of various civic committees as well as humanitarian organizations, and in this way they have learned to know and, usually, respect each other. Often they travel together on public missions and often meet at public dinners. The edge of the economic conflict has thus gradually become more and more blunted.

In the '30s, in view of the growing demand for better protection for the rights of third parties, that is, the public, in labor conflicts, the leaders of both employers and workers began to negotiate a general peace treaty. These conversations were held in a suburban hotel near Stockholm, known as "Saltsjobaden," and the resulting "Basic Agreement" signed Dec. 20, 1938, after more than two years of negotiations, is often called the "Saltsjobaden Agreement." In a letter to the New York "Times," published in that newspaper's editorial page on May 21, 1939, Gerard Swope, President of the General Electric Company, who had been chairman of President Roosevelt's Commission on Industrial Relations in Great Britain and Sweden, called this private "treaty" a "new high in voluntarily negotiated agreements between employers and workers." While this contract did not renounce the right to strike on the part of the workers, or that to declare lockouts by the employers, it did provide some guarantee against interruptions of essential public services during labor conflicts, as well as a mutual promise to avoid as long as possible the use of coercive measures in labor disputes, that is, strikes, boycotts, lockouts, and blockades, particularly "secondary" ones. Definite restrictions on the use of such "boycotts" were agreed on, as well as more specific rules in regard to dismissals and layoffs. To apply and administer these agreements a permanent body, first called the Labor Market Committee and then the Labor Market Board, a purely private body, was organized. Thus far it represents only the Employers' Association and the Federation of Labor and its function is to act as a sort of a continuous conciliation organ between the two. What the Basic Agreement does, in effect, is to stipulate that strikes and lockouts should be avoided as long as possible and direct negotiations substituted. Article 8 of Chapter II, the core of the agreement, provides:

"Strikes, lockouts, blockades, boycotts, or any other similar form of direct actions—even if permissible by law or collective contract—must not be resorted to because of any particular dispute:

1. By a party who has forfeited his right to negotiate in the matter;

2. By a party before he has fulfilled his obligations to negotiate;

3. Unless, following negotiations, a written notice of the contemplated action is served on the respective trade-federation of the other side not later than three months from the day the negotiations shall be deemed as having been concluded;

4. Without the action having been decided or approved by the respective trade-federation."

The mutual pledge to reduce open conflicts to the minimum is contained in Article 1, of Chapter IV, which reads as follows:

"No direct action, whether open or secret, must be resorted to by any party on either side in the instances and under the conditions set down in this Chapter, and it shall rest with any and all organizations bound to this Basic Agreement to endeavour to prevent their sub-organizations and individual members from resorting to such actions and, if an action has already been resorted to, to endeavor to have it lifted."

If such an agreement could be reached between the organized workers of the United States and the organized employers of the country, many strikes would be eliminated.

So far both the employers and the workers in Sweden have agreed on keeping the Government out of their dealings, though some day the Labor Market Board may become an official body. Instead of beginning with legislation, the Swedish custom is to try out things privately first and then if they work, confirm them by law.

In labor relations two institutions have already been set up by law, (1) the mediation service, and (2) the Labor Court. A counterpart of the former, but not of the latter, already exists in the United States. Though the Labor Court was set up in Stockholm as early as 1928, it was not an original Swedish idea. Similar courts had already been established in both Denmark and Norway.

Functions of the Labor Court

What does this court do? It does not prohibit or settle strikes or disputes over wages, hours of work, or what is called in Sweden "economic interest conflicts." In such matters the court has no jurisdiction whatever.

The Labor Court does, however, prevent and forestall many strikes, its function being to interpret existing labor contracts and while such a contract is in force, both strikes and lockouts **are forbidden by law.** That is a step forward that has been taken in all three Scandinavian countries, and during the past 20 years the Labor Courts have proved themselves to be both so practicable and so useful that they merit the most serious consideration in the United States. Being an official institution, the Swedish Labor Court has jurisdiction over all labor relations based on written contracts, whether the parties are members of the Employers' Association and the Federation of Labor or not. Its verdicts are enforceable by the armed power of the state; though no such resort to force has so far been necessary.

How large is the field of the Labor Court is indicated by the fact that there are now in effect in Sweden over 11,000 labor contracts, covering the employment conditions of one-sixth of the whole population. (In 1944 the exact figure was 1,062,828 persons, a new record.) For the United States the corresponding figure would be about 23,000,000, and in January, 1945, about 14,300,000 American workers actually were employed under such written contracts. Consequently, it is evident that in the United States, too, a Labor Court would be extremely helpful. The disputes brought before the Swedish court cover such a multitude of subjects and situations that they rival in variety those brought before the regular courts. And yet the Swedish people are by nature conservative and phlegmatic, so, as in the United States, the great majority of minor conflicts of interpretation are settled locally through shop committees and by direct negotiations with employers. The Labor Court is a court of last resort from whose decisions there is no appeal. If you are found at fault, heavy penalties may be imposed. The court is not, therefore, used lightly.

Both Employers and Workers May Collect Damages

During the first 10 years of its existence the Labor Court in Stockholm decided 1,970 cases, of which only 308 had been brought before it by employers and 1,650 by the unions or individual workers, while 12 had been submitted by agreement. When first instituted in 1928 by a Conservative Government, the organized workers opposed it, fearing undue coercion or exorbitant damages. While their own recoveries would be limited, they felt, to the amount of lost wages, the losses claimed by employers might be immense indeed. To reassure them, the damages the court could assess for violation of contracts were limited to 200 kronor or about $50 for each worker. But even so the labor unions protested, staging a one-day general strike in protest. In practice, however, the workers have applied to the court more often than the employers and neither side now questions the court's validity.

The Labor Court is a court of record, that is, its decisions and proceedings are fully recorded and a body of precedents built up for the guidance of later decisions. The judges number seven, all appointed, as is the rule in Sweden in regard to all courts, by the Government. Two, however, are nominated by organized labor, two by the employers and of the remaining three, one has to have had experience in labor mediation and two, the chief judge and his alternate, must be "learned in the law" and have had judicial experience. Five judges constitute a quorum and a majority decides. So far, about two-thirds of all decisions have been unanimous.

Court Is Composed of Experts

The chief virtues of the Labor Court are (1) that it is a court of experts and, therefore, better qualified to deal with labor problems than the ordinary courts, and (2) that its decisions are prompt and final. In Sweden, as in the United States, most judges would be poorly qualified to act in such technical matters as labor relations; the subject is relatively so new that exact principles have not yet been established. In Sweden, as well as in the United States, it is also true the ordinary court procedures are slow. By dilatory tactics one side or the other can delay final decisions for years. In labor disputes, even more than in ordinary litigation, justice delayed is justice denied, particularly as the people's daily bread and butter are involved.

The Swedish Labor Court sits continuously in Stockholm. Preliminary pleadings have to be submitted in writing about a week in advance. By telephone litigants are informed when to appear; usually public hearings are held every Friday. The verbal proceedings are then conducted by the chief judge himself, who, thanks to the advance pleadings, is partly familiar with the situation. No one needs be represented by counsel, though that is not forbidden. Generally even common workingmen state their own grievances and most proceedings are over in less than an hour. Some cases are decided *in camera* the same night; others may take a week or ten days; a few of the more complicated cases may drag out for a month or two, but that is rare. Compared to other Swedish tribunals, the Labor Court acts quickly. Since a majority of the decisions have been decided unanimously, the union men have the satisfaction to know that in such cases that have been decided against them, their own representatives have voted adversely too.

In his book, "The Swedish Collective Bargaining System," published by the Harvard University Press in 1941 (p. 250) Paul H. Norgren recalls a case in which 11 organized bricklayers, working on a Stockholm apartment house, had been cited by their employer for having worked at a slower pace than he had the right to expect, and had done it for the purpose of obtaining a higher piece-work rate in the future. They were found guilty and fined the maximum amount of $50 each, while their employer was absolved of liability for having discharged them.

Management Has Retained Prerogatives

Since labor in Sweden is all but 100% organized, the demand for a closed shop no longer has any point, even though employers retain the theoretical right to hire and fire as they see fit. They also have the stipulated right to run their plants to suit themselves and Swedish labor so far has raised only few objections to the use of labor-saving machinery. Since most plants are small and personal relations between workers and employers still quite close, the problem of technological unemployment has never been acute, new jobs being usually found for those displaced by new machines. Another reason is perhaps the fact that wherever possible wage rates in Sweden are calculated on piece-work, enabling efficient workers to earn more than the inefficient ones, while at the same time obviating much of the expense involved in supervising time workers. The average Swedish employee likes to be his own boss and to have the right to deal directly with the employer. He also likes efficiency and high production.

The high degree of organization likewise obviates not only picketing, but also jurisdictional strikes. Jurisdictional disputes, to be sure, have occurred and continue to arise in Sweden too, but they are settled by the labor organization itself. No "sit-down" strikes have been resorted to in Sweden, at least not in recent times, and "feather-bedding," or the hiring of workers not needed, is unknown. The "check-off" is limited to instances in which at the request of the workers themselves the employers withhold union dues as well as sick benefit payments, taxes, and other recurring charges. Such services are not prescribed in the standard labor contract. Occasionally "wildcat," or as they are called in Sweden "mischief" strikes, do occur in Sweden, too, but in the case of workers bound by written contracts, as most of them are, a quick appeal to the Labor Court is sufficient.

But if labor relations are so well organized in Sweden, it may well be asked, how could the long-drawn-out and costly strike by the metal workers have taken place last year? The answer is "politics." Among the younger machinists, particularly those in the large cities, such as Stockholm, the Communists gained many new adherents during the later stages of the war when Russia was making gains. First, they won several union elections and then demanded a strike for higher wages. It was badly timed as the principal re-armament work was over and exports had not yet begun. Both members of the Government and leaders of the Federation of Labor urged the metal workers to come to terms and renew their contract, but in vain. The strike lasted five months and cost the workers as well as the employers large sums. In the end, only the lowest-paid employees obtained slight increases. It was a bitter lesson for the young radicals who had never been through a strike before. Last fall all important unions renewed their contracts and others postponed decisions without stopping work. An all but absolute peace now prevails, even though most industries have long lists of advance orders and there is a shortage of help.

Swedish Labor Has Assumed National Responsibility

By organizing politically as well as by unions, Swedish labor has gained much additional power, but it has also learned to feel responsible for the nation as a whole. It understands that without high production there cannot be high wages. The piecework system of paying wages helps bring this about. In general, it may be said that thanks to long and often bitter experience, labor relations in Sweden have ripened into mutual understanding. As long as the organized employers and the organized workers maintain a balance of power there is peace on the labor front. Is there any reason why the same could not be achieved in the United States?

Paul Speer Partner

LOS ANGELES, CALIF.—William W. Speer has been admitted to limited partnership in Paul D. Speer & Co., 610 South Broadway. From 1932 to 1938 he was engaged in the securities business in Chicago.

Curb Shelves Plan for Centralized Delivery

The New York Curb Exchange Securities Clearing Corporation is notifying member firms of its decision to shelve for the time being a proposed plan for centralized delivery of securities for transfer.

The decision not to proceed with the plan at present was reached following a meeting of representatives of various brokerage firms at the Curb Exchange on May 14, due to insufficient current interest in the proposal, according to Fred C. Moffatt, president of the Clearing Corporation.

The plan, developed jointly by the Clearing Corporation and the Association of Stock Exchange Firms with the cooperation of the New York Stock Transfer Association, was announced in March. It proposed centralized delivery of securities to and from 51 principal transfer agents within Manhattan through the facilities of Clearing Corporation and the United States Trucking Corporation.

Bingham Stamping Pfd. Offered by Mericka Co.

An issue of 100,000 shares of 5% cumulative preferred stock of The Bingham Stamping Co., Toledo, is being offered at par ($10) by a group of underwriters headed by Wm. J. Mericka & Co., Cleveland and Goshia & Co., Toledo.

The Bingham Stamping Co. produces stamping products used principally in the automotive, refrigeration, and washing machine industries. Proceeds of the financing are to be used in connection with its acquisition of a majority stock interest in The Herbrand Corporation of Fremont, Ohio, manufacturer of commercial drop forgings and drop forged hand tools.

The shares are convertible into common stock at any time on a share for share basis. Upon completion of the financing capitalization will consist of 100,000 preferred shares authorized and outstanding and 500,000 common shares authorized with 188,374 shares outstanding, with 100,000 shares reserved for issuance upon conversion of preferred stock.

The Wagner Act and Strikes

(Continued from page 2786)

ple not forget that all during the past 13 years the Democratic majority has winked at violations of the law, catered to the more radical union leaders and has failed miserably to carry out its clear duty to legislate and administrate in the public interest.

The people of my state of Indiana are not anti-union. They recognize the right of a man to leave his work, to strike, to bargain collectively, to work for the general welfare of his group. The people of my state are not against progress. But they are for just laws, justly administered.

And the lack of these things—just laws, justly administered—are the crux of the national chaos which has descended upon us.

Those who vent their spleen upon John L. Lewis, or those who curse the operators of the mines, both are shooting wide of the mark if they earnestly are trying to place the blame for the present crisis where it belongs. That blame belongs first with the Democratic majority which passed the one-sided laws, and second with the Democratic executive which deliberatively through the years has administered even loaded laws with a plain intent to gain political advantage.

Blames President

The present state of the nation is the direct result of a complete lack of action, a breakdown of responsible leadership, on the part of the executive branch of this Government. There have been many things that President Truman could have done, but he has chosen to follow a do-nothing policy while precious days slipped away and the industrial paralysis has become worse and worse.

More than a week ago, President Truman learned from one of his many surveys that the coal strike and its repercussions were a "national disaster". Every informed American knew that even before the President released his survey. Yet, he let almost an entire week pass without even calling John L. Lewis and the mine operators into conference.

The present "truce" solves nothing. It only puts off for two weeks the day of judgment for the American people.

Through the Smith-Connally Act, the President has had the power to seize the mines. While it is doubtful that the miners would go back to work, the President could at least have said that he took this action.

But most importantly, Mr. President, the chief executive could have used the whole power of his office to break a strike that is clearly anti-social and to prove once and for all that the Government of the United States still is stronger than any segment thereof. This was a chance to prove again, as did Lincoln and Cleveland, McKinley and Wilson, that the Federal Union is more powerful than any component part of it. The President last week could have become a national hero, but he chose instead to become a symbol of a "too little and too late" Government.

Let us today not legislate in a spirit of rancor. Let us not aim any bill we consider at any one group for the inevitable results of such legislation are clearly apparent this morning. Let us consider well our actions, that our people will give us support for whatever we do that is right, and that for a sorely troubled nation, we may find a workable solution that will help us quickly to recuperate from our present industrila illness and become as strong and as prosperous as we ought to be in this peacetime period.

Curb Member Changes

The New York Curb Exchange announced the transfer of two regular memberships from Joseph H. Kastor to Judson L. Streicher, at J. Streicher & Company, and from Edward J. Shean to C. C. Cawthorne, Cawthorne & Troeber, following the regular meeting of the board of governors of the exchange on May 15.

John I. Dakin of J. Barth & Company, San Francisco, was elected to associate membership on the exchange effective June 1, 1946, at the meeting.

Credit and Fiscal Policy in Inflation

(Continued from first page)

through the roof and then landed in the cellar. We are hearing a lot about this aspect of the problem in the discussions over OPA.

But basically, inflation is, and always has been, very largely a problem of too much money. Whatever we do in other directions, we must deal with the problem in this area if anti-inflationary policies are to be effective.

Task of Financial Reconversion

We know, of course, that all wars of magnitude result in inflation, and this—the most costly of all wars—could hardly be an exception. During the war the goal of fiscal policy was to raise the gigantic sums needed, and to do it at low and steady interest rates, instead of at rising interest rates as in the first World War. The problem was one of expansion to enable the banking system to carry its share of the load of the $50 billion annual wartime Treasury deficits.

Now, however, we face a different situation. With the war over, we must reconvert our financial program to peace. We must check the growth of money and credit that has been so potent a factor in inflation.

Obviously, the first and most important step is restoration of a balanced budget and elimination of deficit financing at the earliest possible moment. We must do this, first, because the federal deficit and dependence of deficit financing upon the banking system has itself been the master cause of the expansion of bank deposits and purchasing power; and, second, because elimination of the deficit would give the monetary authorities a freer hand for applying credit control.

Happily, the latest indications on this score are encouraging. Due to the rapid falling off of war expenditures and the continued high-level of revenue receipts, the gap between federal income and outgo has been rapidly narrowing. For the January-March 1946 quarter we had a surplus of revenue over expenditures for the first time in 16 years. While the current quarter is expected to show a deficit, the Administration now expresses hope for a balanced budget for the fiscal year 1947.

If these expectations are realized, it will be a great victory indeed in the fight against inflation. The next crucial battle is in the field of production, and here too we must win before we can indulge in any final celebrations. But in support of these major engagements we need also to bring our credit and public debt policies in line with the overall strategic plan.

Credit Policy and Debt Management

The second step in financial reconversion is a readjustment of the Government's policies with respect to credit and management of the public debt. These policies have been proving inflationary on two counts—(1) in promoting "monetization" of the debt, i. e., lodgment of government securities in the commercial banking system with consequent expansion of bank deposits usable as cash, and (2) though intended to stabilize interest rates, these policies have in fact operated to drive them down, with corresponding inflationary effects in capital values of bonds, stocks, real estate, and commodities.

You will recall how at the outset of the war the Treasury decided to finance on an interest curve ranging from ⅜% for Treasury bills to 2½% for long-term bonds. The Reserve Banks undertook to support this rate structure and to provide the banks with adequate reserves to absorb government securities not taken by other investors. This program was a cooperative undertaking, agreed to by the Treasury, by the Reserve Banks, and by the banking and investment community generally. It worked well during the greater part of the war period, but early in 1945 began to go hay-wire.

With the Treasury bill rate pegged down by the Reserve Banks to ⅜%, and with certificates generally yielding less than ⅞, investors naturally were encouraged to reach out for the longer-term higher-coupon issues as confidence grew in the Government's ability to keep interest rates generally from rising. In the process of this shifting, commercial banks sold, or borrowed against, their low-yielding short governments at the Reserve Banks. This called into use additional Federal Reserve credit, which spread out as reserves through the banking system and made possible further multiple expansion of credit through government bond purchases by the banks. When the Treasury attempted to control this situation by limiting the supply of new issues eligible for commercial bank holding, the effect was merely to intensify the scramble for issues already outstanding and drive prices higher and yields lower. Thus, early this year the 8-10 year Treasury 2s, offered originally at the end of 1944 at par, were down to a 1.22% basis.

While yields of longer-term governments not eligible for commercial bank purchase were held relatively firm during 1945 by the continued availability of new issues in the bond drives, these too joined the downward process following the close of the Victory Loan. The approach towards a balanced budget appeared to forecast an ending of the offering of Treasury securities for new money, and the Treasury appeared to be adopting a policy of refunding all maturing or called debt with certificates.

All this was having widespread effects upon the economy. It was contributing directly to banking inflation, exerting a profound influence upon the entire structure of interest rates, and creating serious problems for insurance companies, savings banks, and other institutions and individuals dependent upon investment income. It was an incitement to speculation generally; for if people cannot get decent returns on sound investments they will take chances on riskier ones. In fact, the inflationary consequences were far-reaching.

The Dilemma of Interest Rate Policy

Both the Treasury and the Federal Reserve authorities have recognized these dangers, and Federal Reserve officials, in particular, have been outspoken in urging measures for curbing the continued expansion of bank credit through government security purchases and for checking the decline in interest rates. But they have found themselves facing a dilemma. Whereas always in the past the traditional method of controlling expansion has been to allow a tightening of the money market, the authorities are not wanting to accept an upward movement of interest rates that would increase the already heavy cost of carrying the national debt and disturb the market in outstanding issues. Also, there has been the political argument that higher interest rates would increase unduly the earnings of the commercial banks, and the argument that low interest rates are desirable for stimulating business.

This is a difficult dilemma, and one that has led to a number of radical suggestions—happily unofficial—for dealing with the situation. One is that banks be required to keep, in addition to their legal reserves at the Federal, a specified proportion of their deposits invested in Treasury certificates at low rates to fixed by the Treasury. The theory is that this would curb the sale by the banks of short-term securities to the Reserve Banks and purchase of longer-term higher-yielding issues in the market; also it would assure a low interest rate to the Government on that portion of the debt held by the commercial banks.

While time available here this afternoon prevents analysis of this proposal, it is apparent that it would involve many complex technical problems. Its ramifications are so far-reaching it is difficult to see just where they would lead. One thing is clear—it would vastly increase the power of the Government, and especially the Treasury, over the bankng system. It is more regimentation, more encroachment by the State upon the freedom of the economic system. Already the discussion of radical new legislation of the sort has been disturbing to the banking situation, and has for example made it more difficult for banks to increase their capital funds by the sale of stock.

Then we have the suggestion that a certain proportion of checking account deposits be frozen, the owners receiving in exchange interest-bearing negotiable Treasury certificates. One can easily imagine the furor that any such step would provoke from the American people.

A Program Emerging

A fundamental objection to all such schemes and proposals is that they fail to take account of what can be done within the powers the authorities already have. It is not a question of needing new powers, but of willingness and courage to use those already at hand. It is encouraging, therefore, to find the authorities tending to use those instruments which they have.

The first step in the program now apparently emerging is the balancing of the budget and ending of deficit financing. This in itself is perhaps half, or more, of the battle.

The second step, on the monetary side, is the Treasury policy of using excess cash built up by the Victory Loan to retire debt. This has the effect of reducing bank holdings of government securities, and, while also reducing bank earnings to some extent, is a sound step in that it has the anti-inflationary effect of reducing bank deposits which are potential buying power.

The third step is the action last month by the Reserve Banks in ending the ½% preferential discount rate against short governments and making the regular 1% the effective rate. While the preferential rate had a useful purpose during the war in encouraging banks to carry their share of government financing, its continuance now would be illogical, unwise, and an invitation to inflation when the need is to reduce credit expansion.

Already these measures appear to be having a salutary influence in checking the growth of ordinary private demand deposits and currency, and in taking some of the speculative fever out of the government bond market, with consequent lessening of pressure upon interest rates. And there are other steps that might be taken, as suggested in a recent statement by the Executive Council of the American Bankers Association.

First, we ought to press vigorously ahead in the sale of savings bonds to the public, and in the effort to persuade bondholders to keep the bonds they have. This is an area in which both the commercial banks and the savings banks can help, by striving to continue the good work they did during the war in selling savings bonds to the people.

Second, there should be offerings from time to time of long-term bonds to nonbanking investors. In this way the Treasury would be enabled to tap accumulating savings in institutional and individual hands, and so carry forward the refunding of debt held by the commercial banks into the hands of other investors. To do this, however, the Treasury, in addition to its savings issues, will need to offer securities of a maturity and rate to appeal to such investors.

Third, steps should be taken to reduce speculation in government securities. Here, as the ABA pointed out to its membership, the commercial banks can help by reviewing carefully their loans against governments, and particularly those made in connection with the Victory Loan. As you doubtless recall, the banks were asked to certify to the Treasury in connection with every subscription that loans against these securities were of a type that could be liquidated within six months. Those six months will elapse by June 8, and the ABA stressed the obligation of each bank to review tis loans against governments to see that it is not encouraging speculation in these issues.

On Determining Sound Interest Rate Policy

Now all this may not sound like a very exciting program. But, for my part, I am wary of exciting programs. I think they could do us a lot of harm. Moreover, I don't think we need strong-arm measures, especially if we begin corrective action promptly. Experience has shown again and again that a little control over the credit mechanism goes a long way when applied in time, whereas it takes some pretty drastic slamming on of the credit brakes to be effective once things get going too fast.

With a program of the kind just outlined, it is possible that credit control may prove compatible with low interest rates and holding down cost of debt service. However, a level and pattern of interest rates that can be held, without unduly expanding credit and stimulating inflation, is not something that can be picked arbitrarily out of the air. It has to fit the conditions.

We should bear in mind that the present interest rate pattern, with its rising curve of yields from short to long maturities, is not a normal pattern historically. It has been with us so long that we have perhaps begun to think of it as normal, but actually it is not. There have been times in the past when money was tight and we had short rates actually rising above the long rates. And there have been times of easy money when the short rates were below the long rates. But the average has been for the short rates to fluctuate fairly closely around the long rates. Never before has there been so great and prolonged a divergence as that with which we have become familiar in recent years.

This abnormal pattern of rates was originally the outgrowth of the depression, with its accompanying excessive desire on the part of investors for liquidity. The Treasury accepted it as the rate pattern for the war financing. We have seen that it worked well for a time, but ran into trouble when investors began to get over their fears of the longer maturities.

Now, within the past month, the Federal Reserve Board has stated, in connection with abolition of the preferential discount rates, that it "does not favor a higher level of interest rates on U. S. securities than the Government is now paying." This would seem to involve a continuing commitment by the Reserve Banks to maintain the wartime structure of interest rates in the postwar period. Apparently the yield curve is to remain pegged down at the lower end by the ⅜% rate on bills and the ⅞% rate on certiifcates.

If this is a correct interpretation it raises two important questions:

(1) How much real independence has the Federal Reserve for controlling credit so long as it is obligated to buy bills and certificates at pegged rates in support of this rate pattern?

(2) May not insistence on this rate pattern—in time, and after present unsettlement in the market may have quieted down—again encourage investors reaching out along the yield curve, with results the same as before, viz., government securities again flowing into Federal Reserve and commercial bank portfolios, and renewed pressure on intermediate and long rates? The recent improvement in intermediate and long-term yields would seem to give some renewed inducement to such shifting.

True, for the time being at least, one can see deterrents to such shifting:

First, there is the psychological effect of the sharp market setback—the revelation that the bond market is not a one-way street.

Second, there is the substantial volume of speculatively-held 2¼s and 2½s, known to be overhanging the market.

Third, a good many banks are being squeezed by war loan deposit withdrawals, which necessitate their making reserve adjustments and influence their inclinations towards additional investments.

Such factors seem likely to exercise a restraining influence for a time at least. What happens thereafter will depend very much, I should think, upon how much of an increase we have in outlets for funds in business and commercial channels. This is really the $64 question. No one can be sure about the answer. But certainly there is more optimism about demands for money, and some factors appear to be working in that direction. The higher commodity prices mean it takes more money to finance business. Also, there has been some decline in the rate of savings, as people are spending a larger proportion of their incomes.

A Flexible Policy Needed

What, then, do these various possibilities suggest as to interest rate policy? They suggest, it seems to me, that neither the level nor the structure of interest rates are things that we ought to have rigid ideas about. The test question is, what level and pattern of rates will be most effective in accomplishing the objective—which now is to reduce commercial bank holdings of government debt and check expansion of credit. The finding of such level and pattern is, to some extent, a cut and try proposition. We have got to "play it by ear."

If experience shows the present pattern and level of rates to be compatible with controlling credit expansion and getting more government debt out of the banks and into the hands of other investors, well and good. If, on the other hand, experience shows the contrary, then surely we ought to give recognition to this in the rate policy. In other words, the point I am trying to make is that we need not accept any particular theory of high rates or low rates, but merely seek rates that by practical test are found to be in harmony with our main objective.

The idea that any increase in interest rates would be a calamity, or that credit policy should be determined by what happens to bank earnings, is getting things all out of focus. So far as interest on the national debt is concerned, the variations caused by modest changes in rates would make little difference in the debt burden. As for the agitation over commercial bank earnings, there is much apparently that is being overlooked. Many banks are still needing to rebuild capital from the terrific losses of the depression. They, like all businesses, are facing rising expenses, and the constant refunding of higher yield investments with securities carrying lower coupon is steadily cutting the average yields of their portfolios. Were the banks, for example, to have to repurchase their government holdings at present prices, they would realize an average gross yield to nearest call date of little over 1%, and a net after taxes under 1%. Moreover, it should be noted that currently reported bank earnings include bond profits and recoveries which cannot be counted on to continue, and also reflect losses which, though practically nonexistent now, are certain to reappear later on.

In conclusion, a sound budget and credit policy has an essential part to play in the battle against inflation. While elimination of the wartime Treasury deficits is a prime consideration, let us not underestimate the importance of sound credit policies. Our alternating cycles of inflation and deflation in the past have often come despite balanced budgets, and have been to a very large extent the result of a misuse of credit. In the long run, maintenance of sound credit conditions is far more important to the good of the country than low rates for government borrowing or low rates for business.

Aviation's Progress

(Continued from page 2782)

which had once been the highways of the world. The so-called Dark Ages had arrived. Commerce, science, art, letters, statesmanship—all these things went into a sleep of many, many winters when communication withered.

Coming closer to home, it has always been my belief that America has grown great in the world largely because our forefathers took the challenge of great distances in their stride instead of contenting themselves with isolated living up and down our coastlines, determined to push on over each successive hill and river to see what lay on the other side. Curiosity? Perhaps. A desire to settle down in some rich new land? Most certainly. But it is interesting that most of our ancestors kept the trails open behind them as they went forward. They did not move to be cut off forever from their people. They moved for better living but the ragged lines of communication were kept open. The rivers were navigated, the plains were marked for travel and as isolated villages arose to the west, the transportation system was improved. The ox-drawn wagon gave way to overland mail coaches and rail; the pony express made its historic appearance; then came the through rail service across the country. And in 1903, a doughty driver took an automobile trip from coast to coast in exactly 61 days!

But something else was afoot in 1903. Wilbur and Orville Wright were working on a gliding contraption that year—a device which was supposed to fly through the air with some sort of self-propelling power. The only people who paid much attention to the Wright Brothers were Ohio neighbors who thought the young men of Dayton a little bit "off their heads." A 61 day automobile trip across the country was much bigger news.

But flight was born in 1903 and man had been given his latest, most startling means of communication.

I said earlier that I was always a little startled with the announcement of each new achievement in aeronautics. And I imagine most of you feel that way too when you read of some remarkable flight. But it is a fact that the most startling achievement in the history of aviation—Orville Wright's first flight, man's first flight — drew practically no immediate comment and was, in truth, barely announced to a public which knew flight was impossible anyway unless you considered ballooning as flying.

Well, even today I believe we miss some of the most important news in regard to aviation. A new altitude record? That stimulates the imagination because altitude knows no fences, no mountain barriers; and men high in the limitless atmosphere carry the same sort of attraction to us that seafarers did in the days of unknown lands and uncharted waters. A record for speed—yes, we see the dramatic in that, too, because speed is the essence of flight.

But aviation has accepted speed, no matter how much greater that speed may get to be. And people who use airplanes for travel or for sending mail or cargo accept speed. Indeed they demand it, for without speed there is little reason for the commerical airplane.

Speed, however, is relative. A hundred miles an hour today is slow; 15 years ago it was acceptable; and 20 years ago it was almost terrifying. The same is true with our current records. Six hundred miles an hour is a hazy fact today, but who can tell how that tremendous pace will seem a decade hence?

A major factor in commercial flight is not, in essence, relative. And that is **safety**. A thousand-mile-an-hour flight with almost certain destruction at its conclusion would have no more appeal than an invitation to surfboard across the ocean behind a destroyer. A few adventurous thrill-chasers would pay for the privilege, no doubt, and there would be the usual line-up of publicity-seekers. But the traveling public rightly demands safety along with its speed and this quality is not variable commercially. Whether the flight is short or long, high or low, helped by following winds or hindered by foul weather, the traveler on an airline today expects his trip to be conducted with all the respect possible for his physical well-being.

It is in this less spectacular field of safety achievement, I believe, that we miss much of the news that is so important to flying as a transportaion service. We read about a speed record and discuss it with our friends in the vein of "what's the world coming to?" but only a few professional commercial airline men ponder the really wonderful records of their companies for safety and regularity.

With the hope that you will pardon me for mentioning my own service, United Air Lines, I should like to point out that in our operations for the Army we have flown over 5,000 flights across the Pacific without serious mishap, and that on our 8,000 mile route from San Francisco to Tokyo our on-time performance has been 100%. Every single flight dispatched from California has arrived in Japan within the 52 hours allotted for its trip.

In two years United flew for the Army over 5,200,000 miles of bitter Alaskan routes carrying people and supplies to outposts in the Aleutian Islands when the Japanese were on our northern steps. We carried 33,500 military passengers, almost 6 million pounds of military cargo and more than two and a half million pounds of mail. Those are impressive figures. But here is the fact that makes me know the solid foundation on which we are building our lines. "Not a major mishap or injury was incurred in doing the entire job."

Now this is a record which is bound to carry conviction to you gentlemen who are used to dealing in calculations. It is a figure which I could not have given you back in those days when we first flew across the country without radio, weather reports or adequate lighting. But it is a fact today and it is a confirmation that our constant striving for safety has not been effort thrown away.

Safety is achieved in only two ways: by using throughout an operation only the most skilled, best trained men; and by employing in the operation the soundest equipment that can be had. Needless to say there is not a responsible airline in this country which does not spend the larger portion of its time and money in constant effort to better what it already has, both men and material.

Time was when ice was an unconquerable opponent. If ice were known to be along the route and could not be avoided, a flight was canceled in the interest of safety. Then came the development of the Goodrich de-icing boot which made flights through most ice routine. Safety engineers were not satisfied, though, and for years they have worked toward a more perfect system that will make any and all ice as easy to fly through as a moderate rain. And now our latest planes will carry the result of these years of safety research—the heated wing and tail surfaces. With this method even the heaviest ice is prevented from forming on a wing which melts the particles before they have a chance to cling.

Thanks to research, planes can take off easily now on instruments and it is routine to fly on instruments en route. To all commercial pilots a flight on instruments is quite as easy as a flight in the clearest weather. That is training and practice and experience.

But if our destination is obscured we are forced to choose another field for landing. Or, as occasionally happens, we must cancel our flight. Yet this, too, is a limiting condition which will change commercially in a short time. It is already possible to land planes without any visual reference to the ground. Several systems have been used successfully during the war and even now the major airlines are installing the most adaptable type for their regular operations in the near future.

Not content, however, to place all the responsibility for a so-called "blind landing" in the hands of the pilot, there are being installed on the planes we shall presently have in the air an automatic pilot which takes over from the human pilot and lands the plane perfectly whether there is any visibility or not.

Thus another great problem in safe flying is solved and the logical next step has already been taken experimentally. A kind of automatic pilot called the "flight control" has been installed in an Army airplane and has proved itself as desirable as it is successful. Using this device, a pilot merely taxis his plane to the downwind end of the runway. He then sets the brakes and idles the engines. He presses a button, the brakes release automatically, the throttles advance, the automatic pilot keeps the plane moving in a straight line. When a certain speed is attained, the plane lifts from the ground, the wheels are retracted and the plane climbs to a predetermined altitude. And then, now mark this, the airplane takes a predetermined course at a predetermined altitude and flies to the destination desired. When it arrives over a special radio station at the destination, it lowers the landing-gear and flaps and makes a landing. And no human has done more than press a few buttons.

The airlines aren't using this device as yet, but it seems reasonable that the day will come when ground facilities will permit its use and the inevitable "bugs" will have been worked out of the instrument itself. When that day arrives, surely the commercial lines will avail themselves of such a mechanical brain in the interests of safety and regularity of schedule. For the lines have always been interested primarily in safety and every assistance given the human pilot is considered a step in the right direction.

And this brings me to my last remark regarding safety. Perhaps "passenger comfort" is a better heading, for I refer to the pressurized cabin that is going into service on many new planes this Fall.

In brief, a pressurized cabin permits a plane to go to extreme heights in the atmosphere without appreciably changing the air pressure within the cabin. Thus planes may fly higher over rough terrain or bumpy weather without causing passengers to breathe heavily or feel the slightest discomfort. Planes may ascend or descend more rapidly without bothering ears or sinuses. Again I say this may more properly be called "passenger comfort," but there is still a safety factor in this particular engineering advance. When a pilot does not have to worry about his rates of descent or whether his altitude is a little too much for people without oxygen, surely there is an additional measure of outright safety there as well as the added comfort that every passenger will understand.

So there are some of the things, besides records and speeds, on which we pin the hope that our business of flying people and goods throughout the world will soon become the greatest factor of toleration and understanding in the history of the world.

We must keep up our engineering in the search for speeds and extreme altitudes. But we must also keep our research and records for safety on a comparable level. Only thus will we realize the airman's dream of all flights on time in all kinds of weather at the greatest speeds and with the utmost comfort and safety.

If we do this there will be little chance of the air roads falling into disuse as have so many other great highways of civilizations past.

Charles A. Parcells Adds Geo. Kempton to Staff

DETROIT, MICH.—The brokerage firm of Charles A. Parcells & Company, Penebscot Building, members of the Detroit Stock Exchange, announces the addition of George C. Kempton to its sales department.

Mr. Kempton, who is a graduate of University of Michigan and Detroit College of Law, comes to his new position from the Ford Motor Company.

Pickering & Co. Opens

HEMPSTEAD, N. Y.—Pickering & Company, Inc., is engaging in the securities business from offices at 127 Atlantic Avenue.

World Famine Situation

(Continued from page 2789)
destruction of agriculture. On the top of that camity has been piled drought in the Mediterranean, drought in India, drought in China and partial drought in South Africa and the Argentine. Never have so many evil Horsemen come all at one time.

Hunger Hangs Over One-Third of World Population

Hunger hangs over the homes of more than 800,000,000 people—over one-third of the people of the earth. Hunger is a silent visitor who comes like a shadow. He sits beside every anxious mother three times each day. He brings not alone suffering and sorrow, but fear and terror. He carries disorder and the paralysis of government, and even its downfall. He is more destructive than armies, not only in human life but in morals. All of the values of right living melt before his invasions, and every gain of civilization crumbles. But we can save these people from the worst, if we will.

In our Mission through Europe, I have had the devoted cooperation of my six colleagues, all of them with long experience in famines. We secured independent investigations in advance of coming; we consulted at length with the heads of state and with the food and agricultural experts of each government; we checked and cross-checked all information with American officials in those countries; we have checked it again with the Relief organizations of many nationalties who are working closely with the stricken peoples. And above all, my colleagues and I have gone into the byways to see for ourselves. I am confident our conclusions are close to reality.

Much to Criticize in Relief Management

On this journey I have seen much which I could criticize as to the management of the famine relief. I criticized such matters to many officials in the world frankly. I could criticize them bitterly. But, after every boiling of inward indignation at men and at nations, I come back again and again to the fact that millions are in grave danger of starvation. To explode into public criticism in this crisis would only weaken the amount of support and diminish the food they will receive. Criticism can wait for history. I only want to record that all has not been perfect in the world that I have witnessed. It all adds emphasis to the fact that today the vital need is unity and cooperation *now*, so that we may master this crisis.

In appraising the world situation, I could give you reams of figures of rations, of calories, of tons of this and that, for every country and each district. I could give you their stocks of food on hand, in transit, and the further need of each famine area. I could give it by the month, or for the crisis. I could give the time required for ship transport with details of port, railroad and truck capacities for distribution. This sort of detailed information would convey little to you, but it is full of meaning in the lives of men, women and children to my colleagues and myself. For in these figures lurks the certainty of hunger to hundreds of millions, and even the spectre of mass starvation before this crisis is passed. Rather than such details, time requires that I give you a global picture, in the hope that it will convey to you the gravity of the situation, and the need for our utmost further effort.

Reduced Calories

I have said before that calories are the yardstick of hunger, of starvation, of famine, and finally death. And I may remind you that an average of 2,200 calories per person per day is the minimum in a nation for healthy human beings. And do remember that we Americans, the British, the Canadians, the Australians, the Swedes, the Argentinians, and most of the Western Hemisphere are consuming over 2,900 calories per day right now. If these 800,000,000 people should receive no more relief, and if we assume that their own remaining resources could be evenly distributed, which they could not, the measure of their hunger with the caloric yardstick is about as follows:

About 100,000,000 people would be reduced to the 2,000 calory level.

About 100,000,000 more people would be reduced to an 1,800 calory level.

About 150,000,000 more would be reduced to an 1,500 calory level.

About 150,000,000 more would be reduced to an 1,200 calory level; and

About 300,000,000 more would be reduced to a 900 calory level, or below—and that is slow death.

As we descend this scale, we move step by step from the stage of hunger to the stage of disease and epidemics, to the stage of public disorder, to the stage of starvation of all but the strongest and, finally, at less than 900 calories we come to mass starvation. The Nazis at Buchenwald and Belsen gave almost that amount to their prisoners. But long before a population is reduced to these lower levels, government would break down.

No Mass Starvation

All this sounds like an engineering formula. It is; but it is a formula which means life and hope to nations. At the best we can do, it means gnawing hunger to millions, but it is not mass starvation.

We must prevent the descent to these lower levels. Reconstruction and peace in the world would go up in the flames of chaos if we fail.

The transcendent question is the available overseas supplies with which to fulfill this formula. And I shall discuss breadstuffs only, for they are the symbols of life and hope. The problem of fats is no less urgent, but I will not burden your memories with more figures than necessary. And in breadstuffs I include all human food cereals that are available.

We have two sources of breadstuffs supply for this crisis — the residues of the 1945 harvest in the surplus countries, and the earlier part of the coming harvests of 1946. The harvest of some countries comes in June, others as late as October, and some supplies from the new harvest can be available to the countries of late harvests. If the present harvest prospects continue favorable, relief will come to the world within a few months. By September new supplies should be available and the immediate crisis will ease.

In March last, the Combined Food Board in Washington made an estimate of the amount of food needed by all the deficit nations for the first six months of 1946, and of supplies available from the food-surplus nations. These estimates of need were based upon the requirements as stated by the nations who must have overseas supplies. Adding in estimates of the need between June and the fall harvest, the total requirements of cereals were listed at, roughly, 26,000,000 tons. For the same period supplies were estimated at 15,000,000 tons. Thus, there was an unbridgeable gap of 11,000.000 tons, or nearly 43%. And that would be a calory level below human endurance. That gap of 11,000,000 tons spells death to millions.

During these past months shipments have been moving, and mass starvation has so far been prevented. Our Mission examined the stocks now in the hands of each country and the amounts of their own production that could be expected. We measured the needs of each nation on a drastic caloric basis such as would pull them through, would prevent mass starvation, would maintain order and economic life. We kept the 1,500-1,800 calory bedrock figure always in mind. Most of the nations we visited joined earnestly with us in working out the very minimum they could do with, as they all realize the desperation of other nations.

Reducing Cereal Deficit

The net of these drastic revisions was to reduce the total world requirements of breadstuffs by about 4,000,000 tons. By developing some new sources, by substitution of other cereals, by shifting between early and late harvests, by our sacrifices in America and by spreading sacrifice into other surplus areas, we estimate supplies for the hungry will be increased by a minimum of about 3,000,000 tons. Thus, the gap has been decreased from 11,000,000 tons to 3,600,000 tons. But the gap is still there—and it is a tragic gap.

I can illustrate how tragic that gap still is. It equals the whole amount necessary to save 40,000,000 people. We would, of course, not concentrate the shortage on one nation but if we spread it over all, the results are about the same. There are Americans who believe it right, and a duty, to feed women and children even of a surrendered enemy. No one is the enemy of children. There are others who believe that the only hope of a peaceful world is to save the enemy peoples from starvation and thus start building them into peaceful, cooperative peoples. There are others who, remembering the immeasurable crimes the enemy has committed against all mankind, believe in "an eye for an eye," a "tooth for a tooth." To these, let me say that to keep five hundred thousand American boys in garrison among starving women and children is unthinkable. It is impossible because, being Americans, they will share their own rations with hungry children; it is impossible because hunger brings the total destruction of all morals; it is impossible because of the danger to American boys of sweeping infectious diseases, which rise from famine. It is unthinkable because we do not want our boys machine-gunning famished rioters. It is unthinkable because we do not want the American flag flying over nation-wide Buchenwalds.

Effect on European Children

And what of the children in Europe?

This 1,500 calory bottom level is dreadfully hard on children. It is hard because a larger portion of the average ration must go to heavy workers if essential services be kept going. While this diet, which is as much as 85% bread and the balance a little fat, sugar and vegetables, will pull adults through, it is not adapted to children. Several nations give them priority in what little dairy supplies there are; extra food is given in some schools; and the charitable agencies are doing the best they can. But in all, they are touching only the fringe of the problem. The proof of this is an annual infant mortality rate as high as 200 per 1,000 among children under one year in many cities. The further proof is that there are somewhere from 20 to 30 million physically subnormal children on the Continent. After the war in 1919-1920, we gave a good extra meal a day, of 500 or 600 calories of restorative food, to 10,000,000 children. I deplore that this special aid for children has had no counterpart through a wide-spread organization set-up after this war. Civilization marches forward upon the feet of healthy children. It is not too late to stop this most costly retreat and its debacle of endless evil.

Much the same could be said of tens of millions of children in Asia. There many millions of these children have been falling far short of full life since long before this famine. And they are harder to reach and help, because of age-old rooted customs.

Reorganization of Food Administration Needed

Our Misson has stimulated some action for children, both in Europe and Asia. I have already proposed not alone a systematic handling of this problem of subnormal children, but a drastic reorganization of the world's food administration for the next harvest year. It is a primary job for the United Nations Organization if peace and good-will are to be re-established on earth.

UNRRA, with its earnest staff, attends to about 20% of the world's food needs. Their supply is by charity, of which the vast majority comes from America. But great as this work is, 80% of the problem is not charity—it is the furnishing of supplies which people can buy, yet they are just as hungry as the destitute.

Before closing, I should pay tribute to my colleagues on this journey, and to the great army of men and women in every nation over the world who are working unceasingly to save these millions of lives. The volunteer organizations of the religious bodies, of the Red Cross of many nations, are in the field, unceasingly doing their best—but they can remedy only a fraction of the suffering.

Europe Hopes

There are some hopes of further decreasing this gap of 3,600,000 tons.

First: Still more intensive conservation of breadstuffs and fats in North America. Before I went on this journey, we asked the American people to reduce their consumption of wheat products to two pounds per week per person and to cut their purchases of fats by 20%. Hundreds of thousands of families have responded by cutting out wheat products altogether. Public eating places in many cities have cooperated. I regret to say there are too many who have not cooperated with some hungry human being. I earnestly hope that every American will remember that an invisible guest sits with him at every meal.

Second: We have need that every farmer bring every grain of cereal to market.

We are seeking for still further cooperation in other nations. The Latin-American states have responded to our appeals and to those of Pope Pius XII for cooperation. At President Truman's request, I shall visit these governments to consult with them on measures of coordination of our efforts.

If we can succeed in persuading every man and woman, every nation to do their utmost, we shall master this famine. And we shall save the lives of hundreds of millions from the greatest jeopardy in all the history of mankind. We shall have saved infinite suffering.

I was asked by the President to undertake this work in a purely advisory capacity and with the further journey to the Latin-American states, my service ends. The responsibilities of administration of the programs I have outlined lie with our officials. I bespeak for them the full support of all Americans in their efforts to meet this terrible world crisis.

In conclusion, do I need to reinforce this report with more urging to do your utmost? I may repeat again what I said three weeks ago from Cairo: "If every source of supplies will do its utmost, we can pull the world through this most dangerous crisis. The saving of these human lives is far more than an economic necessity to the recovery of the world. It is more than the only path to order, to stability and to peace. Such action marks the return of the lamp of compassion to the earth. And that is a part of the moral and spiritual reconstruction of the world."

Proposes New World Food Organization

Mr. Hoover, on May 20, addressed the Food and Agricultural Organization of the United Nations now meeting in this country, and made several suggestions for a new world food organization. His remarks follow:

I have been asked to present to you my views upon world food organization for the next harvest year. There should be drastic reorganization. A new set-up should take over on September 1 next, when this immediate world crisis shall have passed. We can hope for some breathing spell from the tensity of the present situation at that time. What the final authority of such an organizaion should be and what methods it shall use cannot be determined until we see more clearly the food outlook for the next harvest year. We will know what the situation is for the northern hemisphere by September 1st. But the broad lines of such organization can be determined at once.

Up to date the climatic conditions for the next harvest appear fairly favorable. If these conditions continue favorable it should be a more plentiful year than the harvest year through which we are now passing. We have to remember that the present crisis was not all due to the war degeneration of agriculture. It was partially due to the destruction and looting of food, and it was also due to the unprecedented combination of droughts in the Mediterranean, India, China and a partial drought in the Argentine and South Africa.

It would be fortunate, however, if those states of Europe, torn by major military operations, should in the coming harvest produce a 75% ground crop. I need not recite the effect of shortage of fertilizers, farm machinery and man power which will affect the coming harvest. These deficiencies will, except for some unusual climatic blessing, seriously affect the production. In animal products it will be a still slower recovery than cereals because of the war destruction of herds in many countries and a probable continued shortage of feed. But even with a 75% ground crop and the absence of droughts, it will be a tight year in world totals of cereals and fats.

For all these reasons it is necessary now to begin some more effective world organization to take the place of present improvisations. I am not here going to criticize the world food policies of the past year. But they must have vigorous reorganization if we would avoid another crisis like that which we are now in. As I have said, how elaborate that organization must be will depend of course upon the volume of resources from this coming harvest.

Suggested Changes

But in any case, certain major suggestions are warranted for immediate consideration:

1. That a new organization be created now under the auspices of the United Nations Security Council, or better still under your committee. For convenience, I will refer to this organization as the

United Nations Food Administration.

2. That a single food administrator be appointed with a small advisory committee. That the advisory committee should in majority represent the surplus food producing nations as they will have to furnish the supplies.

3. That under the United Nations Food Administration certain regional organizations be set up, say one for Europe, including North Africa, one for the Far East, one for South America, and one for the Indian Ocean area, which should include Australia, New Zealand and South Africa.

4. That this agency serve only during the period of food scarcity and agricultural reconstruction from the war.

5. That this agency should absorb from September 1st, the food and agricultural activities of UNRRA, which covers only 20% of the present world problems. Director General LaGuardia favors such a course. The new administration should incorporate also the Combined Food Board, and all other international agencies connected with food and agricultural reconstruction.

Cease Charity Policy

6. That it be the purpose of the United Nations Food Administration to return to normal commerce the food, fertilizer and farm supply business of the world with all speed possible. Commerce will secure more economical distribution; it will serve with far more assurance and efficiency to farmers, merchants and consumers than governments. Moreover, the world must quit charity as a basis of widespread food distribution. I cannot too strongly emphasize that charitable distribution is hugely wasteful and inefficient. Charity should be organized separately. Nations should from September 1st forward finance their own food purchases by other means than charity.

7. That the United Nations Food Administration should have by agreement among the supply nations the direction of the destination of some marginal quantity of food so that it can fill in any neglected chinks of commerce. What that percentage may be can be estimated when we know the amount of the world's food resources.

8. That this agency should be empowered to advise nations on measures of conservation, on voluntary relief activities, on stimulation of the production of fertilizers, farm machinery and other materials of agricultural reconstruction.

9. Special feeding and medical care of physically subnormal children should be organized systematically and should be the sole charitable contribution of governments. That is the most needed reconstruction effort in the world. It does not call for large figures.

The primary purpose of the United Nations is to give security and peace to the world. Effective distribution of food during scarcity and the reconstruction of agriculture, and above all, the reconstruction of human beings is essential to order and peace of the world. The first voice of war is the guns—but the final voice in making peace is food.

Geo. E. Donavan to Represent Scharff & Jones

NEW ORLEANS, LA.—George E. Donavan will represent Scharff & Jones, Inc., Whitney Building, in Northern Mississippi. Mr. Donavan was previously in the U. S. Navy.

Lester Smith in Shreveport

SHREVEPORT, LA.—Lester E. Smith is opening offices in the City Bank Building to engage in the securities business.

"Our Reporter on Governments"

By JOHN T. CHIPPENDALE, JR.

Forces operating in the money markets are still causing widespread price changes in Government securities. . . . First there was the great oversubscription of the Victory Loan due in no small measure to the purchases of speculators and free-riders. . . . The Government, fearing there would be a severe deflation this spring, with large unemployment, was very anxious last December to raise as much money as possible in order to build up large cash resources to meet deficits and adverse economic conditions. . . .

While lip service was given to regulations to prevent purchases of bonds by speculators with bank credit, the governmental authorities were very willing to take these funds because of fear of future poor business conditions. . . .

THE RECORD

What happened is now history. . . . Business continued to move ahead despite strikes; Government finances improved, and the Treasury instead of having deficits to drain off its funds, came up with surpluses. . . . The huge sum of money raised during the Victory Loan could now be used for debt retirement. . . . With the turn of the year it was evident even to the monetary authorities that there would be no depression and the belief became very prevalent that there would be no need for Government financing for a long time to come and there might even be some repayment of debt by the Treasury. . . . This resulted in a sharp upward surge in Government bond prices, particularly in the restricted obligations. . . .

These bonds moved ahead to all-time highs the early part of April, with the speculators and free riders not only holding their bonds but in many instances having added to their commitments during the rise, with the hope that prices would continue strong so that they could get out with handsome profits on a long-term tax basis. . . .

As prices moved ahead, with the Treasury retiring bonds instead of issuing them, it was decided by the money managers that something had to be done to chase the speculators and free riders out of the market because they were ruining it for investors. . . . This led to agitation for changes in the differential discount rate and rumors that bank loans made for the carrying of Government bonds would be called. . . . Talk of higher interest rates due to the debt retirement operation and the Treasury no longer a borrower was being heard. . . .

MARKET CRASHED

Markets were very thin and all of a sudden on April 8 prices started to tumble as dealers, investors and speculators all pulled away from the market. . . . The monetary authorities had won their point; they were shaking some of the free riders and speculators out of the market, but in doing it they created chaos in the Government bond market. . . . There were no bids for bonds and the daily price limitations of 8/32nds made it impossible to conduct an orderly market. . . . Investors and dealers refused to lend support because they knew prices would go lower. . . .

With prices still falling, the monetary authorities eliminated the preferential discount rate, which certainly added no confidence to an already weak market. . . . It was evident that the speculators and free riders were being hurt by the market trend, but likewise was the investor. . . .

Finally the market was so chaotic that it was clear to almost everyone that something had to be done to bring order into what had always been regarded as the most stable market in the country. . . . These conditions forced the elimination of limited daily price fluctuations and, although the market went lower after this change, it was now a free market showing tendencies to stabilize. . . . It even moved up somewhat from the lows made at the time of the ending of restricted price changes. . . .

FURTHER DECLINES FEARED

Prices had now reached levels where investors were showing an interest in acquiring securities because of the satisfactory income that was available. . . . However, purchases were not too vigorous since they consisted largely of scale orders, because buyers were cautious since the period was approaching when Victory Loan purchases would be long-term holdings for tax purposes. . . . This might lead to another period of weakness as free riders and speculators disposed of their holdings. . . . Large institutional buyers as a result were still largely on the sidelines. . . .

STEMMING THE TIDE?

Then last Friday, late in the day, the Treasury in agreement with Federal, announced that the commercial banks could purchase limited amounts of the ineligible bonds. . . . Did the monetary authorities become panicky over the inability of the market to rally further from the recent decline? . . . Did they believe, that some action must be taken to change the course of the market? . . .

It seems quite evident that this move by Government authorities, in allowing the commercial banks to buy small amounts of the ineligible issues, was done to bolster the market and to prevent it from going down too far. . . .

While the amount of such bonds that can be bought by the deposit institutions is very small compared with the total outstanding, or the estimated floating supply in the hands of speculators and free-riders, it could have a stabilizing effect on the market. . . . It could help to improve a very poor psychological condition, since it shows that the money managers will make quick and unexpected changes to help the market. . . .

POLICY REVERSAL

This recent development seems to be a decided change in attitude since agitation has been for a larger amount of bank assets in short-term obligations in order to decrease bank earnings. . . . It may be that the monetary authorities have recognized the trend toward longer-term high coupon obligations by the commercial banks in order to offset the loss of earning assets through the debt retirement program. . . .

In order not to force up prices of longer-term eligible bonds, which are still at substantial premiums despite the recent decline, the money managers may have decided to enlarge the field of long-term bonds that these institutions can purchase so that they will not be building up the premium account too substantially. . . .

A BETTER MARKET AHEAD

Regardless of the reason for the change of policy toward the ineligible issues by the money managers, it will mean more potential buyers for these bonds, which will have a favorable effect on the market for these securities. . . . The whole market is still in a buying range and although there may be some switching out of the eligibles into the restricted issues or even less vigorous buying of the bank bonds, these issues should still be acquired when the income return is satisfactory. . . . A good trading market with advancing tendencies still seems to be ahead of us. . . .

DEBT RETIREMENT AND INTEREST RATES

The Treasury's announcement of the retirement in cash of $2 billions of 7/8% certificates on June 1, as well as $1,036,000,000 of 3s and $819,000,000 of 3⅛s on June 15, was expected by the market. . . . The open market activities of Federal, along with the method used to handle these debt payments, will have an important effect on excess reserves of the banks and the money markets. . . . These should be watched carefully. . . .

The British action in reducing the interest rate on long-term bonds was not a surprising development. . . . It does, however, serve to indicate that interest rates the world over will continue low because of the heavy debt burden. . . . It seems as though 2½% is the highest rate that Governments want to pay for long-term borrowings. . . .

Levett Brothers Formed

Levett Brothers has been formed with offices at 70 Pine Street, New York City to engage in the securities business. Mr. Levett was formerly with T. A. Edison Co.

Leven Bros. in New York

David Don Leven has opened offices at 305 Broadway, New York City, to engage in the securities business under the firm name of Leven Brothers. In the past he was with Don Leven & Co., Inc.

Our Policy Toward Russia

(Continued from page 2784)

the future of our international relations.

Doubts on U. N. Future

A year ago in Washington there was considerable enthusiasm for the United Nations then being created. Today there is a profound sense of frustration and futility about its future. A year ago we had decisively defeated Germany; we were certain of victory over Japan; we were proud of our achievements during the war and confident of our position in the world. Many of us talked about the leadership we were going to exercise in creating a decent and peaceful world for our children. Today—our domestic economy is virtually paralyzed by the lack of a labor policy and our foreign policy is confused and ineffective. We emerged from the war with the greatest industrial capacity the world has ever seen, with mastery of the seas and of the air, the sole possessor of the atomic bomb; and yet today we are quaking in our boots and seriously considering dispersing our cities and going underground like troglodytes. If we are fearful of the future what must the attitude of other nations be, with one exception? It is hardly a situation that inspires one with confidence in the future.

No single mistake on our part, or any single act on the part of any other nation, has caused our distress. It is the cumulative effect, the pattern of mistakes and acts of aggression that disturbs us. When the United Nations was being created at San Francisco, many of us thought that a democratic system in which all nations might participate was possible. We believed that a system of binding rules of conduct might be developed, at least in the field of armaments, to which all peoples could subscribe. Many of us did not like the veto power of the Big Five, but we believed that it was perhaps a necessary concession to suspicions which we thought time would prove to be unfounded. It did not occur to us that any nation entering the organization would use the veto indiscriminately to destroy the organization itself. There are doubts in the minds of many of us today that Russia will ever submit to rules of conduct in any field. There are even some who have concluded that the United Nations, because of the veto power, may become the instrumentality through which positive action by those who believe in its principles is prevented, while the more cynical proceed with unilateral aggrandizement. In a certain sense the veto power in the Security Council is similar to the right of unlimited debate in the Senate of the United States. Properly used with restraint and judgment, it is a justifiable practice, but the right in both instances can be so abused by indiscriminate use that it can render impotent and ridiculous the institution of which it is a part.

Suspicions of Russia

I realize that it is extremely difficult to be objective and judicious in one's analysis of the motives and actions of a great power like Russia. There is ever present the danger that one's ignorance of the facts, or prejudices will distort one's judgment. We all know that Russia was badly treated after the first World War and had some justification for resentment toward the Western Democracies. We also know that without these same Democracies she could not have saved herself from the domination of the Nazis. That old score, it seems to me, has been washed out with blood and treasure and is no longer a valid reason for suspicion or antagonism.

During the past several months the question which haunts us most persistently is, is it the purpose of Russia to dominate the world through a subtle combination of infiltration and force or is she only seeking security? She persuaded us that in the dismemberment of Poland she sought only security. But can we believe that her security requires the domination of Trieste, Iran, Tripoli and Manchuria? Since 1939, according to a recent article by Mr. William Henry Chamberlin, Russia has annexed 273,947 square miles of territory containing more than 24 million people. In addition he lists 12 other nations and areas with a population of 165 million which she controls. These are facts, not theories, and are persuasive as to the purposes which inspire her policy. Her recent actions in Iran, in which for the first time in a matter of major importance she positively violated a definite, unequivocal agreement, are indicative of her increasing boldness and determination in challenging the United Nations and her former allies. While the Security Council had its say, it is also evident that Russia did not retire from Iran without compensation.

As I said before, it is not that any particular act of Russia has affected our confidence in her purposes, it is the cumulative effect of many acts. Her ruthless stripping of Manchuria, her extravagant demands of reparations from Italy, and for bases in Tripoli and the Dardanelles, the annexation of the Baltic States and Polish territory, the violation of her pledges to establish free governments in the Balkans, and, last but not least, her refusal to permit official representatives or citizens of her former allies to enter any of those territories under her control, except under the most stringent restrictions. By imposing communism by force upon such countries as Yugoslavia and Romania she has gone far beyond her agreements with her allies.

These overt actions of Russia, coupled with the speeches of her leaders, in which they do not deign even to mention the contributions of her former allies, are scarcely designed to inspire confidence in her self-restraint. The recent rejection of Secretary Byrnes' proposal for a 25 year alliance is not consistent with a policy of security only. I recognize that since I have no inside information about the long range plans of Stalin or the Politburo, my views are necessarily speculative. I am not sure that these conclusions are sound. We are in a transitional stage and conclusions based upon rapidly changing events are necessarily tentative in nature. With the qualifications understood I may venture the opinion that Russia's policy seems to partake of both opportunism and fanaticism. Her traditional and, to a considerable degree, her legitimate desire for warm water ports may be said to be the objective of her opportunists. They are simply taking advantage of the universal confusion and Anglo-American indecision to advance these ancient interests. On the other hand there are leaders in Russia who apparently believe that they have a sacred mission to save the world from what they assert is the decadence of the capitalist democracies. The opportunists, as such, are not so dangerous, but every success they achieve enhances the fanaticism of the zealots and fortifies their conviction that only communism can bring peace and prosperity to the world. It is characteristic of all authoritarian systems that they identify their regimes with God and the highest moral precepts. The Nazis and the Japanese pursued this course successfully with their own people. Crusading communism appears now to be on the march. As one sage so aptly put it, "the world has suffered more from the errors of the good than from the crimes of the wicked." No wars have been more marked by passionate hatred than the wars between Christian sects, both sides alike proclaiming a mission of righteousness and mercy, and proclaiming it moreover with deep sincerity. It is the religion of the state, of the party; the pagan principle that the individual is nothing and the party everything that is the real danger to our Western Christian Civilization. If, as some assert, Russia is interested simply in a higher standard of living and security for her people there is little cause for alarm, but if she is intent upon saving our souls there can be no limit to her aggression or to her ruthlessness.

What Attitude Toward Russia?

The crucial question for all of us who have some responsibility in these matters is, what should we do to keep the respect of Russia and at the same time restrain her expansion within the bounds of reason and safety for ourselves and Christendom? That, I submit, is not an easy query to answer. Before venturing an opinion on that question, may I first suggest that we have made some mistakes and neglected some of our responsibilities to the end that, in a negative way, we have contributed to the aggressive forces within Russia. After V-J Day the haste with which we demobilized our army and brought the boys home, cancelled lend-lease and repealed excess profit taxes and rationing, demonstrated that we little understood our postwar responsibilities. It would not be unreasonable for Russia to conclude that again we were going home to let the world stew in its own juice; in spite of our professions of faith in the United Nations. Then, on top of these unwise and irresponsible actions, our own economy has so bogged down as the result of indecision leading to disastrous strikes that all the world must stand in amazement at the helplessness of the giant that can win a war, but apparently is incapable of organizing itself for peace. What, they must ask, has happened to the champion of democracy who was going to lead the world into the promised land of peace and security? Apparently her own people have rebelled and paralyzed her economic life. With Russia and her satellites preaching, most persuasively, the superiority of communism over capitalism we certainly have contributed little to the success of our cause in recent months. To top off this dismal performance, the House of Representatives with their ears attuned to the next election, only this week emasculated the Selective Service Act. Is it possible that we are going to disarm even before the first peace treaty is concluded?

The one bright spot in our actions in recent months is the Lilienthal Committee report on the control of atomic energy. This report exemplifies what I believe to be the proper approach for an effective foreign policy. It is well reasoned, clear, and, above all, it presents a positive and definite proposal for action. If the report is accepted by Russia it will be the most important step forward since the end of the war. On the other hand a rejection of the proposal by Russia will provide a very significant clue as to her future policy and we should shape our own policy accordingly.

It is my own feeling that until the appearance of this report our policy was inclined to be negative and indecisive. I would suggest to our Government that after a thorough study we attempt to formulate equally concrete proposals with regard to the infiltration and expansion of Russia in Europe, the Middle East and the Far East. We, of course, must be just in our position. I think certainly that we should give recognition to her need for adequate warm water ports and a fair and equitable share in such essential commodities as the oil of the Middle East. It would be far more sensible if we should, in cooperation with the other nations concerned, make positive and, I might say generous proposals, to Russia than to have her continue to gnaw away at the status quo in defiance of the principles of the United Nations. For example, I think we should lend our influence to the procurement of complete freedom for Russia in the use of the Dardanelles, but that we should oppose exclusive military domination by Russia of that waterway. It seems to me that the United Nations might well be used in this and other instances to guarantee free and equal use by all nations. The process of subjecting other strategic areas should be in accord with the development of confidence in the power of the organization. Like disarmament, it cannot effectively be brought about haphazardly but only in accord with a well planned agreement and after United Nations organization has warranted the respect of the world.

I need not go into all the specific problems which may be treated in a manner similar to atomic energy, of which I think there are several. The principal point I wish to emphasize is the positive, affirmative character of the proposal. Our Government has so often apparently had no positive program and has been in the position of quibbling and quarreling with, but finally giving in, to the demands of Russia. It does not necessarily mean that we should never compromise our views in any specific instance but it does mean that we should be contributing direction and leadership rather than merely going along or obstructing.

Peace at Any Price?

There is one further observation that I should like to make regarding a common misconception as to our policy. There grew up after the last war, and there is likely to grow up after this war, the belief that our policy is peace at any price. I think Hitler believed this to be our policy and relied upon it when he undertook to overrun all of Europe. Our present reluctance to maintain an army and navy, together with the determined and articulate band of irreconcilable isolationists in our midst, may revive this belief. I do not think this country really believes in such a policy and it is highly important that all the world know that while we do not seek war, yet we are willing and able to fight whenever we believe any power threatens the right and opportunity of men to live as free individuals under a government of their own choice. This does not mean that we intend to concern ourselves with every local quarrel in every part of the world. There is, and can be, no automatic rule of thumb that can tell us when the point is reached where our security and the security of all free peoples is endangered by the persistent expansion of any power. Nevertheless we know that such a point has been reached in the past, and it can be reached in the future, and, if and when, that time arrives this nation must and will resist with all its power. In any case of difference of opinion as to rights, whether it be in domestic or foreign affairs, if one party to the controversy is committed in advance to the principle of surrender rather than resistance in case of a deadlock, there is little chance of an equitable settlement. I think therefore that a basic principle of our foreign policy must be that there is a point beyond which we cannot, in justice to ourselves and to the civilization of which we are the heir, permit any nation to expand without offering resistance by force.

I realize that these observations may be criticized by some as being alarmist or defeatist on the one hand, or as offensive and warmongering on the other hand. I can only cite the fact that throughout my public career I have promoted to the extent of my ability, the creation of an organization among the nations through which I hoped the rule of law and reason could be established for the solution of differences among men, rather than the rule of the tooth and claw. Never before in a public utterance have I questioned the purposes of Russia. It is with profound reluctance that I have concluded that the recent actions of Russia are not consistent with a desire to bring peace to the world under the aegis of the United Nations.

I am not ready to say that she has definitely and finally decided not to cooperate with the United Nations, but her attitude at Paris and at Hunter College point in that direction. Unfortunately our own country has unwittingly contributed through weakness and vacillation to this result. Regardless of the responsibility for this state of affairs we are confronted with a situation which requires a careful analysis of our future policy. It is still possible that by a wise and forthright course of action, we may reestablish unity and strength in our domestic affairs from which will flow the confidence and the ability to restrain Russia's ambitions within reasonable bounds on the one hand, and on the other hand to reassure her as to the friendly and pacific purposes of the Western World. I think we all agree that none of us want another total war, but we also know that vacillation and weakness, or pacifism, does not inspire confidence in us or bring peace to the world.

The opportunity to lead the world along the path of peace purchased at such a frightful cost in blood and treasure is fast running out. With strength and wisdom we may yet triumphantly play the role which history has imposed upon us.

L'Aiglon Apparel Stock Offered by Otis & Co.

Otis & Co. made a public offering May 21 of 130,000 shares of common stock of L'Aiglon Apparel, Inc., at $6.50 per share. The Company, whose business dates back to 1896, manufactures women's dresses which are sold principally under the trade-mark "L'Aiglon." Sales are confined, except in a few instances, to one department store or other retail outlet in approximately 1,400 of the largest communities in the United States.

Of the shares being offered, 50,000 are being purchased from shareholders and 80,000 represent new financing by the Company which will use the proceeds for the purchase of new machinery and equipment and for acquiring an additional plant site and constructing a new plant thereon, or obtaining an additional plant by purchase or lease. The Company operates plants in Philadelphia, Sunbury and Northumberland, Pa., and will begin operations shortly in Hagerstown, Md.

Let Us Not Pursue False Gods

(Continued from page 2783)

Very definitely the trend in England and on the continent is away from the radical statism familiarly called communism, but just as definitely the trend is toward a form of state control of the ordinary implements of livelihood violently at variance with our American way of life.

The chief difference between the regimentation of Moscow and that of Socialist-Labor is that business obeys the decrees of the Russian bureaucrats "or else" whereas the Englishmen are free to criticize the administration of the coal mines and the Bank of England to their hearts' content.

English government trends have had a lasting effect upon government trends in America. Our modern labor unions, which cut so deeply across the face of national economic life imitated in the original Knights of Labor the English Socialist Federation of 1883. English sympathy for the American cause during the Spanish American war probably prevented German interference with our Navy before Manila in 1898, followed a generation later by America becoming a belligerent for the first time in a European war.

Since the first World War, almost every important event of a political or economic nature in England has had its repercussions here. The Roosevelt New Deal era which was hailed by liberals in this country as blazing new paths in social and political life was merely a detailed and precise imitation of the fundamental trend of social welfare philosophy expressed in England in the early twenties by such ambitious programs as "managed money" (followed by abandonment of the Gold Standard in 1931), socialized medicine (the earliest Beveridge plan), old age pensions and insurance, doles and government work-relief programs which long antedated our initial WPA and NRA. And nationalized telegraph, telephone and radio communications.

English Government Trend Will Affect Us

So it goes without saying the trend of government in England will very definitely affect the trend of government here. More than that, as I said months ago, England's experiment in State Socialism will depend upon our support. I mean that England financially is in difficult straits. Striking a balance sheet, the British government debt in consequence of 2 six-year wars is beyond the capacity of the country for generations, yet by electing a Socialist Labor government pledged to take over large industries the new regime has added billions to that debt.

I see nothing so far revealed in the English trends worthy of imitation here. The fact is, it's too early to know about the success or failure. We know very little about the success or failure of the English effort—I do know from personal contact with English friends that some government regimentation of every phase of life, save only freedom of speech and worship, is very real.

British Offer Nothing For Us To Emulate

But I see nothing to adapt ourselves to. Indeed, it is difficult to know what the English leaders themselves think and plan for this ultimate goal. I doubt if they know themselves. The eminent Cardinal Griffin, who is in this country from London, stated in a speech a week ago today that "the most disturbing features of modern statecraft is that we have not the slightest idea what many leaders mean by the terms they use, and, not to put too fine a point on it, very little reason for believing that they mean anything at all." And that International Socialist firebrand, Professor Harold Laski, shows no such restraint. He outraged the limits of decency last week when, according to the New York "Times," he said, "To those who say we have to choose—as I do not believe we have to choose—between the Soviet Union and the United States, with its passion for free enterprise which is not free and is not enterprise, we, the Labor Party, stand four-square behind the Soviet Union."

Prof. Laski Fortunately Disclaimed by Mr. Attlee

I know Laski and I have before this referred to his habitual attacks upon what he calls our "rotten, decadent, capitalistic system" despite the fact, as I have frequently pointed out, that this same decadent capitalistic nation has twice saved the British Empire from defeat. While this little man is permitted to strut "his little hour upon the stage," we may be consoled with the assurance of Clement Attlee, that British Labor can never accept the Communistic philosophy of living.

Let us in the meantime defend our private capitalistic economy. It is so far superior to anything yet promised by England's democratic state-socialism that I am not immediately worried about English influence upon American standards of life. But I am very seriously concerned about the handicaps we ourselves impose upon our private ownership economy and I am disturbed that most people I meet are not similarly concerned.

Our Self-Imposed Handicaps on Private Ownership

A tax burden sufficient to destroy all initiative and risk has not paralyzed our enterprise. Labor disputes in this country have determined the pace of recovery and reconversion in this postwar period and sets the tempo of public life. Prior to V-J Day, business leaders everywhere predicted the solution of all reconversion problems within a 90-day period. But they did not reckon with the labor dislocations which have reduced recovery to a snail's pace.

In consequence, where as six months ago it was reasonable to say that an industrially prosperous, strong America would lead the progress to a brave new world, many now doubt if we can become strong and prosperous ourselves.

The answer is, of course, we can. Remember there are no hopeless situations, there are only hopeless men. And young men especially free from inhibitions born of defeat should never doubt their ability to solve whatever problems of public welfare their generation may present to them. But they must get into the fight. The trend of things in English government will not affect our economy nearly as much as the trend of our own affairs will. We cannot have prosperity and good times and full employment in this country by political calculations or by commanding business to create jobs. Business can only create jobs when there is an incentive for businessmen to venture capital in undertakings which will make those jobs. The Socialist Labor Government in England will not show us how to do that. We must do so ourselves by insisting that our Government so administer the laws of business and labor that management and labor work together to attain the largest productive output necessary to sustain the nation at the highest rate of employment.

I don't know whether that will come through price ceiling changes, lifting of controls, compulsory full employment legislation or any of the numerous new methods suggested such as participation of labor in the management and profits of industry.

United States Is Industrially Sick

But I do know the country is sick industrially now and is hardly apt to give inspiration or leadership to the rest of the world still reeling under the consequences of the World War. And I know that the discontent engendered by unemployment, strikes, loss of pay envelopes, etc., are the conditions out of which first unrest and then industrial revolution come into being. And I do know that unless that dissatisfaction is removed, the alluring lingo of the agitator who offers communism and socialism as the panacea for economic ills will be listened to in this country as it has always been in Europe.

The Solution is Within Ourselves

I think the solution of our problems is to be found within ourselves, not in watching trends of thought abroad. I think it is to be found in a wholesome return to the practices and preachings of those early Americans who in every part of the country took a personal interest in the civic affairs of their communities. The affairs of the nation may seem too big a problem for you to tackle. But surely the affairs of your home community are not beyond your grasp nor beyond your selfish interest. Yet the nation is merely an aggregation of local units of government.

If each individual participates in the affairs of his own community, he will soon find a solution to its social and economic welfare problems. It is within the genius of American citizenship to solve its problems. And theoretically if every community is strong and prosperous, the aggregation of communities which we call a State and the union of States which we call the Nation is strong.

Public Indifference Scored

It is the indifference of the great majority of our people that makes it possible for organizations of minority pressure groups to get the kind of labor laws, the kind of business laws, the kind of trade and price regulations and the kind of tax laws which are crippling initiative among our business men.

A strong nation—America—will do more to restore stability and strengthen the discordant world of today than that world can do for itself or for us.

Capable Men Needed In Politics

The recent examples of General Motors employees losing one-third of their annual wages because of a strike which cost the stockholders one-third of their dividends should convince employees that there are no profit pockets in the shrouds of Big Business. And it should emphasize forever the truth that the interests of employee and owner are the same, that wages and profits go out the window when strikes enter. As a practical suggestion, I urge that each of us strive to get capable talented men to go into politics, to hold offices and to take Government jobs. For more and more of our life's activities will be directed by Government bureaus. Let us try to make these jobs well paid so as to attract the best. I say without fear that nowhere in any country will you find a more efficient body of public servants than the young men in our own FBI, as organized and directed by J. Edgar Hoover. Intelligent, alert, imaginative, sympathetic to public opinion and citizens' needs, it is tops in public administration and service.

Can it (Socialism or Statism) happen here? Very definitely and very quickly, if our people aren't awakened from their indifference and lethargy and don't take steps through their duly elected representatives in Congress to stop the drift toward Statism. If Socialism happens here, then history will have recorded the greatest and most tragic bit of stupidity the world has ever known—for history will record a nation's substituting for its own time-tested and beneficial economic system, a discredited and disreputable system whose only claim to achievement lay in the fanciful prophecies of the deranged mind of its inventor, Karl Marx.

Russian Embassy Says 'Influential Selfish Groups' Oppose Peace

(Continued from page 2795)

Union where there are no antagonistic classes there is naturally a single policy, both domestic and foreign.

In our country there neither are nor can there be classes or groups interested in disturbing peaceful relations between nations, in new conflicts and wars. The Soviet Union's position in international affairs in dictated exclusively by the desire to ensure peace for the constructive labors of the Soviet people, by concern for the security of our country, by the desire to develop and consolidate international cooperation for the benefit of all nations, large and small, and for the maintenance of peace all over the world.

Tendencies Abroad

But conditions determining the trend of foreign policy are different where there are influential classes and groups whose narrow and selfish interests are at variance with the ardent desire of all peoples for a lasting peace. One cannot close one's eyes to the fact that monopoly capitalism is capable of engendering new forces of aggression. This accounts for the contradictory tendencies manifested in the foreign policy of many countries.

Experience has shown that reactionary circles who espouse the policy of force and of domination of some countries over others are often in a position to exert a baneful influence on the foreign policy of their countries, sapping the foundations of international cooperation and poisoning the international atmosphere.

Under these conditions it is but natural that the Soviet Union's consistent policy of ensuring peace and security, of developing good-neighborly relations with adjacent countries and cooperation among democratic powers, should encounter the opposition of reactionary imperialist circles in the international arena.

Flouting the true interests of their countries, the more vicious British and American reactionaries seek to prevent further development of the cooperation among the democracies which arose in the days of war against fascist aggression.

The policy of cooperation among the democratic powers in their struggle against the common enemy who menaced the whole world was a correct and wise policy. It was supported in word and deed by the masses, the common people, the world's millions.

The policy of creating the United Nations organization as an instrument for maintaining peace and security and thus promoting further cooperation on this basis was a correct and wise policy. It has the support of the masses, of the millions of common people who stand guard over the peace.

They enthusiastically hailed the birth of this international security organization based on equality of the freedom-loving democratic nations. They expect this organization to guide itself in all of its activities by the principle of the equality of states and not by the principle of the domination of some states over others.

They fully realize that only the former principle can furnish a healthy basis for the development of this international organization, and that the latter principle is fraught with the gravest danger to the organization and to all nations.

Sensible and sober minds have always been convinced that the preservation of unanimity among the leading powers in the decision of international questions is a condition for the existence of the United Nations organization.

Those who hope to fish in troubled waters may rise in arms against this principle, which is affirmed in the charter of the organization—let them. Such reactionaries will only expose themselves as enemies of international cooperation.

Anti-Soviet Campaign

Power policy, the policy of imposing one's will upon other freedom-loving nations, will not be approved by the masses of the people. The circles which inspire this policy and which stand behind the statesmen who are pursuing it fully realize this. So they are instigating an anti-Soviet campaign. They are trying to defame the Soviet Union by attributing to it unseemly actions of which they themselves are guilty.

The reactionary press lies and calumniates and monstrously distorts the facts. The home and foreign policy of the Soviet Union is presented in a false light. Those who know the truth and try to declare it are branded as "agents of Moscow."

Court Rules States Can Tax Govt. Machines

The United States Supreme Court on May 13, in a 7-0 opinion delivered by Associate Justice Black, ruled that States may tax machinery owned by the Defense Plants Corporation, a Federal Government agency, provided their laws regard such machinery as real property. The court ruled specifically in a case from Pennsylvania, involving a Congressional act permitting taxation of real property owned by the Reconstruction Finance Corporation (which has taken over the Defense Plants Corporation) and a Pennsylvania law classifying machinery as real property.

The Court's decision stated that Congress, in permitting taxation of real property owned by the RFC had not defined the term "real property" and that State rules should govern. The Associated Press reported from Washington that an RFC official said that the ruling might mean that the Government would have to pay "many millions to various local taxing units since the Government has had about $4,000,000,000 in machinery in forty-six states."

Farrell & Carraway at McClung & Knickerbocker

HOUSTON, TEXAS—Baylis E. Farrell and Joseph K. Carraway have joined the sales department of McClung & Knickerbocker, First National Bank Building. Mr. Farrell served for six campaigns with the 813th Tank Destroyer Battery of the U. S. Army. Mr. Carraway was with the Army Ordnance Department for thirty-five months.

The Meaning of Citizenship

(Continued from page 2786)

we are deficient in both today. Too many individuals are hearing only that side of any issue which the particular pressure group with which they are affiliated wants to present to them and they make no real effort to hear the other side. And far too many politicians in positions of leadership, who know the facts and could help us make the right decisions on issues, are instead following the path of expediency and exploiting rather than helping to dispel ignorance, bigotry and prejudice.

If we are to make our system work, every citizen must practice what Voltaire preached when he said, "I disagree with everything you say but I will defend with my life your right to say it." It is all too apparent from recent events that some Americans have forgotten this fundamental precept of democracy.

Thomas Jefferson, who was a great philosopher, as well as a statesman, is reported to have said once: "That government is best which governs least." I don't believe that Thomas Jefferson was advocating no government at all as an ideal. That would be anarchy. He was far too intelligent and had thought too much about government to make that error. What he meant was that too many laws and rules for the conduct of individuals laid down by government inevitably tend to curtail our freedoms. It is very often necessary for government to step in and make rules which curtail the freedoms of powerful individuals, in order to keep such individuals from using their power to curtail the freedoms of all of us.

I think the point Jefferson was making is that for the democratic system to succeed and avoid becoming bogged down in government rules and red tape, every citizen should in the final analysis be more concerned in guarding the rights and freedoms of all other citizens than he is in exercising his own rights and freedoms. That may sound like a paradox, but let's discuss it a little.

Freedom, under our system, is not license to do absolutely as one pleases, but freedom under law which applies equally to all citizens. And even these freedoms enjoyed under law must be exercised with some restraint and with a due regard for the rights and freedoms of all others or we run into serious trouble. Take for instance the right of free speech guaranteed in the first amendment to the Constitution. The best way for me to safeguard my own right to freely express my views is to make sure that every other citizen enjoys the same right and opportunity to express freely his views. If I insist on exercising my right of free speech in a meeting by taking all the time to state my own views and talking so long that no one else has an opportunity to talk and present his views, then I am making a mockery of the right of free speech so far as all the other participants in that meeting are concerned. If all of us persisted in that sort of attitude, then very soon all freedom of speech would be liquidated. The same principle applies to all our other rights and freedom. We must exercise them with restraint, to the end that we do not interfere with the rights and freedoms of all our fellow citizens.

Those of us who own property, for instance, have the right under the Constitution and our laws to use that property as we please subject to the right of the Government to take it over in time of need and for special purposes. However, it is essential that we exercise that right with due regard to the rights of others or we soon get into trouble. A little over half a century ago, some owners of large aggregations of capital and large segments of our industry, began to use that property and the power it gave them to create for themselves monopolies on certain goods and services which were essential to the nation's whole economy and to the public welfare. As a result the Government had to step in and through a whole series of anti-trust laws restrain the free use of property to an extent sufficient to guard against this creation of monopolies. Unquestionably, the anti-trust laws have worked some hardship on business and have curtailed somewhat the freedom of enterprise and initiative. That curtailment became necessary because a few individuals insisted on interpreting their right to use their property as they pleased as a license to disregard completely the rights and freedoms of all other citizens.

The freedom of the press had to be restrained by laws against libel and slander because a century ago some publications insisted on interpreting that amendment to the Constitution as granting them a license to tell any kind of lies and malicious slander about any individual. There are dangers in such limits, and there have been some instances where the libel and slander laws have been abused, but they became necessary to protect the freedoms and rights of all individuals.

Any individual or group which denies any restraint on his or its rights and freedoms sooner or later runs into trouble and the Government has to step in and apply restraints. We have an example of this today in the leadership of some great labor unions. The right of unions to strike, to concertedly withhold their labor in order to secure from employers attention to grievances or demands on wages and working conditions, has been affirmed in our laws. But when in the exercise of that right the leaders of great and powerful unions carry it to such lengths that they seriously affect the nation's whole economy and abridge the even more sacred right of all citizens to work, then they have gone too far and it is time for Government to put some limits on the rights and freedoms of this particular group and its leaders. Like the industrial tycoons of the past century, the leaders of labor must learn that freedom in a democracy is not license.

All of us recognized during the recent war that there is one primary obligation of citizenship which comes before any rights or freedoms. That is the obligation, if it becomes necessary, to defend our country and our system against any enemies. It seems to me that obligation of citizenship is just as important in peacetime as it is during a war. Now it is a slightly different obligation, the obligation to study the great issues facing our country and to try to decide them intelligently, not on the basis primarily of how they affect us individually, but as to how they will in the long run affect the future welfare of our country and our system.

I believe very deeply that the rights and freedoms and dignity of the individual citizen are the very foundation of our system of society. I have stressed tonight the obligations and duties of citizenship because it seems to me that a proper recognition of that side of citizenship at this time is very essential if we are to safeguard freedom itself. Unless the majority of us exercise our rights and freedoms with proper restraint and due regard for the freedoms and rights of all other citizens, then Government will have to step in more and more to control our activities and to curtail gradually the freedoms of all of us. In the final analysis, it is our actions and attitudes as individual citizens which will determine that all-important issue.

Hytron Electronics Stock Publicly Offered

An underwriting group headed by Herrick, Waddell & Co., Inc. on May 21 offered to the public 125,000 shares of Hytron Radio & Electronics Corp. common stock at $9 per share. The purpose of the financing is to provide adequate working capital for Hytron and its subsidiaries for expanding operations. The company proposes to make advances to Air King Products Co., Inc., a recently acquired subsidiary for equipping a newly completed plant and for working capital. Hytron is negotiating with the Reconstruction Finance Corporation for the purchase of a substantial amount of machinery and equipment now held by it under an agreement of lease originally from the Defense Plant Corporation. The balance of the proceeds will be used to retire bank borrowings and general corporate purposes.

Hytron, under its present management, has been in the radio tube business from the beginning of its commercial development. The company was the originator of Bantam or GT Glass type of tube which is now one of the two most widely used types of receiving tubes. During the war Hytron produced over 2,000,000 tubes of four types used for regulating voltages in radar, communications and special electronic equipment. The company became the major source of supply of these tubes for equipment manufacturers throughout the nation.

Hytron's net sales amounted to $5,527,257 in 1945. Air King Products Co., Inc., and Royal Wood Products Mfg. Co. Inc., has consolidated net sales of $6,758,443 for the fiscal year ended July 31, 1945, and $2,129,228 for the five months ended Dec. 31, 1945. The principal plants of Hytron are in Salem and Newburyport, Mass., and those of Air King are located in Brooklyn, N. Y.

Giving effect to this financing Hytron will have outstanding 573,835 shares of common stock.

Monroe Gasket & Mfg. Stock Publicly Offered

A group of underwriters headed by R. H. Johnson & Co. on May 17 offered to the public 72,000 shares capital stock, par value $1 per share, of Monroe Gasket & Manufacturing Co., Inc., a New York corporation. The price to the public is $4 per share. Other underwriters are: Grimm & Co., R. M. Horner & Co., and O'Connell & Janareli.

Proceeds from this sale will be used by the company to make a down payment of approximately $27,500 on the purchase of a new building. The balance will be amortized over a period of approximately ten years. The company further plans to build and equip in this building a foundry and machine shop. The balance of the proceeds of the issue will be used for addition to working capital and the elimination of a loan of $50,000 to Smaller War Plants Corporation.

Upon completion of this financing capitalization of Monroe Gasket & Manufacturing Co. will be 162,680 shares of capital stock outstanding out of an authorized issue of 320,000 shares.

Sidney Jacobs in N. Y. C.

Sidney Jacobs is engaging in the securities business from offices at 50 Broad Street, New York City. He was formerly with Stryker & Brown for a number of years.

Will Bank for International Settlements be Ended?

(Continued from page 2789)

Mladek, Czechoslovakian executive director of the International Fund: "There is no room for the BIS. Its purposes either have become obsolete or would be absorbed within the general program of the Fund and Bank. It is doubtful that any of the United Nations would ever conceive of using the BIS, where the Fund or Bank can be used. There is no doubt that the scope of the Fund and Bank largely exceed the importance and capacities of the BIS operations. That the BIS sat around the table with Nazis and Japs during the war is well known. I wouldn't like to pass a snap judgment on the alleged wartime activities of the BIS with the Axis, but I believe there is much to be said for following the procedure proposed at BW. Whatever useful functions the BIS may have performed in its early years can certainly be better carried out by the Fund and Bank."

Liquidation of the BIS may pose some legal problems, but Washington lawyers see nothing insuperable about them. Art. 55 of the BIS statutes provides for liquidation by a three-fourths majority of the General Meeting. But, the article adds, the BIS "shall not be liquidated before it has discharged all the obligations it has assumed under the Plan." The BIS came into being following the Paris conference which gave birth to the Young Plan in 1929, and subsequent conferences at the Hague and Baden-Baden. Its primary function was to facilitate reparations payments. But today no one expects World War I reparations to be revived.

Lawyers will have to decide by whom and how the shares of the BIS originally owned in Berlin, Rome and Tokyo will be voted. What happens in the event of a dispute over liquidation also seems to be a matter for lawyers to determine. The BIS statutes provide that "disputes between the BIS and shareholders" be referred to the tribunal provided by the Hague Agreement of 1930. Clearly, there was no thought when the BIS was set up that there would be any disagreement about the institution's dissolution. In fact, during its early years the BIS was looked upon as an institution of great future promise, carrying out economic and financial stabilization functions which had been advocated long before. Primarily, of course, the BIS was European in character and purpose, although it was expected to play an important part in the reconstruction of China and Russia and in the general restoration of currency stability through the gold standard.

In 1933 the Midland Bank criticized the limitation of BIS dealings to gold-standard currencies. It also suggested greater representation of industry and commerce on the BIS board. But, with changes in these respects, the Midland Bank thought that the BIS was "likely to fill a role of steadily increasing importance in the world's monetary affairs. . . . Its potentialities are immense. It has unrivaled resources of personnel and material for studying and meeting the needs of a world whose economic organization is undergoing profound changes. . . ." History has dictated otherwise. Although, with the exception of fiscal 1945, the BIS annual reports, crammed with the products of economic research, have grown thicker and thicker, the BIS itself has become little more than a meeting place for a limited number of central bankers.*

The board of directors of the BIS, according to the 1945 annual report, consists of a chairman, ten directors, and three alternates, representing Switzerland, France, the UK, Italy, Belgium, Sweden and the Netherlands. The president of the BIS is Mr. Thomas H. McKittrick, an American. Among the directors listed in the report is Mr. Camille Gutt, who is now managing director of the International Monetary Fund. Mr. Gutt informs the writer that he never attended a meeting of the BIS and has resigned from his BIS directorship, as required by the Fund.

If there should develop opposition to liquidation of the BIS, it may be argued that the delegates to Bretton Woods had no power to bind their governments and that its resolution about the BIS in any case was nothing more than a recommendation. Reasons for opposition to the BIS' liquidation are said to include the argument that the BIS is needed as a central bankers' bank, an argument which seems to be taken care of by the Bretton Woods plan. Possibly also some countries which have claims against Germany under the Young plan may argue that to liquidate the BIS is to admit formally that World War I reparations are dead. In this connection, it must be recalled that the United States still keeps on the books its World War I war debts.

Perhaps, in the end, the possibility of opposition to liquidation of the BIS will prove groundless and the bank, age 16 and prematurely stunted, will quietly slip away into the limbo of lost hopes. Now, when we are making financial arrangements scheduled to run 56 years, or into the next century, it is interesting to recall that the Young Plan by its terms at birth had approximately the same life expectancy.

*Cf. in the "Chronicle" of March 28, 1946, the article, Bank for International Settlements.

A. G. Becker Co. Offers Heyden Chemical Pfd.

An underwriting group headed by A. G. Becker & Co., Inc. on May 22 offered to the public 90,000 shares of Heyden Chemical Corp. 3½% cumulative preferred stock, Series A at $100 per share.

Heyden will apply the proceeds from the sale to the redemption of the outstanding 38,000 shares of 4% cumulative preferred stock, Series A, and the 10,000 shares of 4% cumulative preferred stock, Series B, and prepayment of a $2,500,000 promissory note given in connection with the corporation's recent acquisition of 100,000 shares of the Class B common stock of American Potash & Chemical Corp.

The balance of proceeds will be added to working capital in reimbursement for cash payments made in connection with the acquisition of American Potash & Chemical Class B shares and a plant near Princeton, N. J. for the manufacture of penicillin, the latter having been acquired from the U. S. Government.

Giving effect to the present financing and the corporation's recent 2½ for 1 share split up of the common stock, Heyden's outstanding capitalization consists of the 90,000 shares of preferred stock being offered and 1,181,595 shares of common stock, par $1.

Prices and Rents in Months Ahead

(Continued from page 2785)

terials used for war equipment. Eventually we have to pay these prices through taxes. I wonder if you realize that more than a third of the entire cost of the first World War came about because prices of so many raw materials—the materials used in the war weapons we had to buy — were going up and up all the time. For example, copper prices almost doubled and steel plates used in ships and tanks more than tripled.

Well, by May 1920 the prices of food, clothing and everything else finally got so high that people couldn't pay them any more. The bottom dropped out of our economy. And thousands of Americans lost their homes, their jobs, their farms and their businesses in the black depression of 1921.

Price Increases Since 1939

Now what exactly has happened to prices and rents in this war period — a period, by the way, when the inflationary pressures have been far greater than during the last war. The cost of living has gone up, all right. But it may surprise you to learn that by far the larger part of the increase you notice today took place before there was any really effective price and rent control program.

Let me explain that. . . .

Rising prices and rents — and the inflation that goes with them —have always gone hand in hand with war. Prices began to rise here in the United States long before we actually entered the war. From 1939 — that's seven years ago — right on through 1942 the prices of nearly everything began to go up — slowly at first — then more and more rapidly. By early 1943 food prices had already risen 53%. Clothing prices were up 28%. Rents had begun to increase.

Congress had passed a price control law in 1942, but the Government didn't really have the authority, the machinery and the experience it really needed to control prices until April, 1943 — more than 3½ years after the war started in Europe.

So, now — let's see what has happened to prices and rents since our whole present system of controls was brought to bear — three years ago. That is the only fair test of whether or not we as a people have done a reasonably good job of heading off inflation in this war period.

The other night at home I suggested to our visitor that she make a mental note of the prices she pays the next time she goes to the store. For example, a loaf of bread is no higher than it was three years ago. You pay the same, or just about the same, for most of the basic foods — your milk, meat, cheese, cereals and most of your canned goods.

You pay about the same for most of your fruits and vegetables —although, of course, the prices of these will vary a little depending upon how good or bad the crops are.

Now, every housewife knows food takes by far the largest part of the average family budget. So it's important to your over all cost of living that food prices have been pretty well kept in line during the past three years.

The next largest part of the average family's expenditures goes for rent. And if you live in an area that is under rent control — and in the same house you rented three years ago — the chances are 20 to 1 that you are still paying the same rent.

Clothing Prices

When it comes to clothing prices the record is not good. Clothing, with all its different types and styles, has always been a problem. If we had rationed it early in the war — and placed more effective controls on the use of textiles—I am convinced that we could have kept prices more closely in line. As it is apparel price increases have been sharp and serious, and the Government should take its full share of responsibility for that.

On top of that, the quality of much of our clothing has become shoddier.

The records of price control on house-furnishings is certainly not good either. Fortunately, clothing and house furnishings together take only about one-fifth of the average family's budget — unless you are a returning serviceman with a full wardrobe to buy. So the increases there have not been as serious in the over-all cost of living. Moreover, during the last few months we've gotten a better grip on these prices. And I really think, if we have legal authority to keep ceilings on these things after July 1st, that we can protect you against any further serious price rises in these fields.

What Would Happen Without Control

Have you ever wondered what would have happened if there had been no controls at all? How high prices and rents would be today. Your guess is as good as mine. But if homes for rent are as scarce in your town as they are in most, it doesn't take much imagination to estimate what your rent would be if controls were taken off tomorrow.

We do know what has happened in several cases where price controls have been lifted or suspended — oranges, for example. They shot up over night. In fact, they went so far that ceilings had to be put back on again.

We know, too, what has happened to the prices of things on which the Government has never given the legal authority to set price ceilings. Take movie tickets, for example. In some places they've gone up from 40 cents to a dollar or more. Haircuts that used to cost 40 cents cost 75 cents or a dollar today. Permanent waves that cost $5.00 before the war often cost $15.00 today.

Or — more important than all of these — take houses and lots or rentals for stores and offices. The increases there have been a scandal. I've repeatedly urged that the Government be given the authority to put a stop to them. But this authority has been withheld.

Now, lately I know you have been hearing about a price increase on this item or that one. And I know you've been wondering what effect they're going to have on your cost of living from now on out.

For the first 5 or 6 months after V-J Day we continued to hold prices generally pretty well in line. But then, beginning in March, we had to allow some increases — particularly on automobiles and various kinds of household appliances. Most of these price increases had to be given in order to take care of higher manufacturing costs. And in many cases the higher manufacturing costs resulted from necessary increase in wages.

Prices And Wages

When the war ended, many factories stopped working overtime. Thousands of workers were transferred to lower paying jobs. The result was that a great many people were taking home almost one-third less pay each week than they received during the war. That was a really crippling cut for a good many families. So the Government allowed wage rate increases that would at least partially cushion that shock.

However, even with those increases, the average worker's pay check is still around 15% smaller than it was during the war.

Believe me, we've worked hard to keep increases in manufacturers' prices just as small as possible and to keep them from affecting too seriously the prices that you pay in the stores. However, some adjustments were necessary in order to insure that we would get the heaviest possible production of the things we all want and need.

Then, in addition, we have had to make some upward adjustments in the prices of grains, in order to get more grain for shipment to starving people overseas.

What happens from here on depends **chiefly** on what happens to the price and rent control law which is up before Congress right now. As you know that law expires on June 30th — six weeks from now. And Congress is deciding what form your price control protection will take in the months ahead.

Naturally, if our authority to keep the lid on your rent and on the prices you pay is weakened, your cost of living is going to go up. I know you realize that right now Congress is facing a crucial decision.

But even if we have a really effective price and rent control law after July 1st, it isn't going to be easy to win the final victory in this fight against inflation. We'll need adequate funds for enforcement against the Black Market and for general administration. And we'll need the cooperation of all groups in the country—farmers, business men, workers and housewives. Until we get through these difficult months, we'll have to restrain a natural tendency to try and catch up with every little advantage the other fellow may seem to have.

What To Expect

With that kind of cooperation —and adequate authority—what do I see ahead for food prices? If we get good harvests this summer, I think our food supply — and therefore, food prices — can be kept roughly where they are today. That is, of course, if we get from Congress authority to continue subsidies at least through the critical period.

What about clothing? If we can keep production moving up rapidly during the next six months, I think you'll see a lot more better quality garments in the stores at prices within your reach.

I don't see any reason why rents should go up at all. But let me emphasize that all of this depends on the kind of price and rent control law Congress passes within the next few weeks.

So far the American people have held the fort against inflation. When I look at the havoc wrought by inflation in Italy, China and France — in this war period — and in our own country during the last war — I think we have a right to be thankful.

But unfortunately, our fight is not yet won. Almost overnight we can lose the ground we have held for these four difficult years. But I have a lot of faith that we as a people will summon all our courage and good sense in the dangerous weeks and months just ahead—and that we won't let the victory over inflation — the fight to hold prices and rents — be lost in this last round.

Strickland and Widin Form Firm in Newark

NEWARK, N. J. — Edgar F. Widin, member of the New York Stock Exchange, and Roscoe L. Strickland will form Strickland & Widin with offices at 760 Broad Street, as of June 3rd. Mr. Strickland was formerly manager of the Newark office of Francis I. du Pont & Co.

President Signs Bill Extending Draft to July 1; Teen-Agers Barred, 26 to 29-Year-Olds Called

With a view to postponing final consideration of extension of the Selective Service Act, expiring May 15, until legislation commanding more interest of Senators had been disposed of, Congress during the past week passed a measure, designed to serve as a stop-gap, extending the draft until July 1. President Truman, a few hours before the expiration of the Act, signed the measure hurriedly passed by Congress, banning the induction of fathers and youths in the 18 and 19-year-old groups.

On May 9 the Senate passed without debate or objection a resolution, to extend the draft briefly until July 1. The House, having passed basically different and more complete legislation to cover the Act's extension, was thus presented with the need to consider the Senate measure as an alternative. When the House on April 15 sent legislation extending the draft law until next Feb. 15 to the Senate, it approved an induction holiday until Oct. 15 by a 149-127 vote and ordered a ban on teen-age inductions by a count of 195 to 96. Associated Press advices from Washington May 11 stated that Representative Sheridan (D.-Pa.), who blocked House action on May 10 on the Senate's stop-gap resolution for continuing the draft six weeks beyond its May 15 expiration date, told reporters that he would offer the teen-age amendment on May 13 when the House planned to take up the temporary measure.

The Associated Press further reported:

Mr. Sheridan explained that a ban on teen-age inductions would protect many of some 80,000 high school and college students holding deferments until the completion of their present school year, late this month and early in June. He said that he saw no need for their induction.

On May 13 the House voted to pass the stop-gap legislation with amendments by a vote of 280 to 84. The amendment previously adopted, separately by the House on May 13 and approved by it the same day in a single roll-call vote of 213 to 154, provided for:

1. A ban against induction of fathers.

2. A prohibition against drafting 18 and 19-year-olds and a ban against drafting anyone over 30.

Acceptance by the Senate on May 14 of the legislation adopted by the House was followed by the President's signing of the measure, reluctantly; according to Washington advices to the New York "Times," May 14, by William S. White, the White House Press Secretary, Charles G. Ross, stated that the President regarded it as "a bad bill," but preferred it to no extension at all. The same advices to the "Times" said:

Maj.-Gen. Lewis B. Hershey, Director of Selective Service, ordered the boards not to take any of the following actions with respect to a registrant who has not reached his twentieth birthday:

Order any such registrant to report for pre-induction physical examination.

Forward any such registrant for pre-induction physical examination.

Order any such registrant to report for induction.

Forward any such registrant for induction.

Forward any such registrant to work of national importance under civilian direction.

The directive said, however, that the liability of persons of 18 or 19 years old to register remained unchanged.

On May 15 the President authorized the induction of childless men 26 through 29 in order to keep Selective Service legally alive however crippled. Draft headquarters spokesmen, according to the Associated Press in a Washington dispatch, said that under the new setup the pool of eligible men from which monthly calls can be met consists of about 59,000 from 20 to 25 years old, of which perhaps 50% are unfit physically. With the 26 to 29-year olds added an additional 13,000 registrants may be available for induction. Even before passage of legislation prohibiting the induction of 18 and 19-year olds, Selective Service was way behind in meeting Army calls for men.

President Truman told his news conference on May 16: "It is to be hoped that before July 1, when the present extension expires, the Congress will extend Selective Service for a year in a form that will meet the nation's requirements."

Wallace Points Out Foreign Trade Needs

(Continued from page 2789)

credits. We have contributed generously to UNRRA, we have enlarged the capital of the Export-Import Bank, and we have joined the International Monetary Fund and the International Bank for Reconstruction and Development.

In the long run, we must make it possible for other nations to send us goods and raw materials to pay for what we sell to them. This two-way trade between ourselves and other countries will enrich us as well as the other nations, since each nation will be enabled to produce and ship the things it can produce most economically. This is the ideal goal; in practice, we cannot hope to reach it soon. But we can make attempts, through international discussions, to arrive at reciprocal trading agreements that will remove some of the barriers that now exist.

To this end, we have proposed that an International Trade Organization be established for the purpose of breaking down international barriers to trade; and if the pending loan agreement with the United Kingdom is ratified by Congress, we can look forward to a period of cooperation toward the objective of multilateral trade among all nations. If the loan is not ratified, we can expect a continuation of the sterling bloc, export subsidies, import quotas, cartel marketing agreements, high tariffs, and the other barriers that have restricted international trade so drastically during the past two decades.

A healthy foreign trade with these restrictions eliminated or greatly reduced will mean that our own economy will flourish and that our democratic institutions will have a much improved chance for sound health and vigorous growth. Our duty to ourselves and to the world is to cooperate with energy and in good faith with other nations — and with our final goal clearly in mind. This goal is nothing short of the achievement of abundance for ourselves and for others so that death from famine, suffering from want of the primary necessities of life, and the wholesale destruction of war can be removed from the world.

M. Aaron to Manage Lewisohn, Arbitrage

Lewisohn & Co., 61 Broadway, New York City, Members New York Stock Exchange, announce that M. Aaron is now associated with them in charge of their Arbitrage department. He was formerly with A. L. Stamm & Co. in a similar capacity.

An Organized Labor Program

(Continued from first page)

obligations to our own membership. I want to be sure that in the next two years we will be able to arrange a higher standard of living for the Amalgamated Clothing Workers of America. You know that the only way you can do it is through a concept of cooperation with the rest of the movement.

There is no industry or organization which can do more than conditions in the country will permit it to do, and now we have a greater commitment, together with the other organizations of the CIO, to bring organization into the South. It is a great thing and we must make good. I am sure we will but remember that a resolution itself does not accomplish anything unless it is implemented. You know it, because that has been our experience in years past.

We have even greater commitments than merely the organization of labor in our own country.

Never in the history of our nation has so much depended upon what a particular generation will do and what it will mean to the country. It has been stated that this generation has an enviable destiny. Destiny makes a great claim upon us. Franklin Delano Roosevelt gave his life in making history, and on what we will do in concert with other Americans will depend the future of this nation.

This will determine what kind of America we are going to leave to our children and the generations to come. In these times we ought to think of what kind of America we want to live in. What kind of country are we living in? What does America mean to us?

It is too bad that too many of our fellow citizens do not give themselves a little time to think about it.

There is no question in my mind that we should make sure, first of all, that we maintain what we have and that we expand that. I am not just using phraseology in talking to you. I have been privileged to go abroad and have been privileged to watch closely what is going on in the world. I have been a participant in the affairs of nations in one place or another during the two wars.

We enjoy freedoms. Yes, these things are being challenged time and again by the reactionaries, but to enjoy the kind of freedoms that we want, we will have to preserve them and expand them. A great many people in the past have given their lives to making it possible for us to have our individual freedoms such as freedom of worship.

This country fought a revolution in 1776 to establish freedom. This country fought a war under Lincoln about slavery to maintain that freedom.

The spirit of America lies in the fact that it is not afraid to experiment and it is not afraid to undertake new things.

No matter how much we are not satisfied with our standards of living, we enjoy a higher standard of living than many people enjoy in the world today. This particular generation has the obligation to make sure that we are not going to go backwards but that we go forward.

We have to make sure that our terrific expansion and production do not create unemployment. It must be substituted by more leisure.

There is no reason why all Americans should not enjoy vacations, not for weeks but for months. There is no reason why we should not have complete security for every American. There should be not a single person deprived of the kind of things that make for a good life. We know that.

The question of hospitalization for all of the people is within our power. It is within our power to make it available not only to ourselves but to every man, and so the fight we are engaged in is a fight for a full life, a life of enjoyment, of satisfaction for ourselves and generations to come.

We are today the most powerful nation in the world, and again it is our obligation and it is within our power to make the greatest contribution to world peace, to the creation of friendship and cooperation instead of strife. We must think in these terms when we think of what it is that we are fighting for. We have the tools in the organiaztion of labor right in our country.

The contribution we have made today would have been impossible if we did not have this great number of organized workers, and so we must proceed to complete a process of organization. Then, we must use the power of organization intelligently and constructively in the service of labor and the nation. We must also make sure through our influence that the power of the nation is being directed into the proper channels for the good of the rest of the world.

We have a program for political action that will be a great test. We are not motivated by hate; we are not motivated by peeves. We must have constructive statesmen in the Congress instead of petty little bigots so that we will make good on our obligations right here. It is within the power of America to provide for their own people conditions beyond the dreams of generations past.

Not only do we have to be the most powerful in productivity, but now is the right time to open the door of the atomic age. This world can be made a place where men and women can walk together in peace and friendship and enjoy all that this world can provide for us, but we must have the power of government placed at the service of the people instead of only in the control of the few privileged, selfish, greedy people who do not accept the right of the common man and do not understand what democracy means.

Fortunately for us, in other countries they have to fight to get the weapons to be able to exercise their best judgment. We have those weapons, the weapons that are needed, in the ballot box. The weapon is the great educational campaign to make every American understand what is at stake. When we do it, there is no question of what we will do about it because our program is not a class program. Ours is not a selfish program. Our program is a program for all America, and therefore I want you to take your obligations seriously in this year of political action.

Make sure that you give yourselves to it. Make sure that nothing is left undone.

We have the power to do it because we represent the aspiration of the good men and women of our country, and they are the overwhelming majority. We can only be defeated when there is confusion, when there is lack of understanding and lack of interest; and that is why the opposition is all ready to start a campaign with only one purpose, to spread confusion.

Now, we shall not go back to 1944. I know we can meet the challenge even better in 1946 if you and other Americans will do what is required of you as good citizens. Remember that at stake is the peace of the world. The thing at stake is whether our children, our grandchildren and the generations to come will look back to what has happened now as just one of those things which is the result of ignorance.

And so, delegates, in closing the session, I want to say to you the opportunity has never before been given to any of you people to be of such great service, to do so much; but we have been given very little time to do it.

We want a better America, an America that will give its citizens, first of all, of course, a higher and higher standard of living so that no child will cry for food in the midst of plenty. We want to have an America where the inventions of science will be at the disposal of every American family, not merely for the few who can afford them; an America that will have no sense of insecurity and which will make it possible for all the groups, regardless of race, creed or color, to live in friendship, to be real neighbors; an America that will carry its great mission of helping other countries to help themselves, thinking not in terms of exploitation, but in creating plenty abroad so we can all enjoy it here in America.

My friends, many of you have left before the session is over. Those who were at the first Convention in Webster Hall, New York City, I am sure, did not believe themselves that what has been accomplished today would be possible. It was done because there were men and women who were willing to give of themselves to make our aspirations and our hopes realities, and they are today.

Delegates, I cannot impress upon you too much that this is going to be a greater, better America, a greater, better world, because we will accomplish this by the cooperation of the people here with labor organizations abroad.

We will face our task and do it and give ourselves to it so that we can come back two years from now, proud of our contribution to America.

Allen B. DuMont Lab. Stock Marketed

A syndicate of 58 firms, headed by Van Alstyne, Noel & Co. and Kobbe, Gearhart & Co., Inc., is offering today to the public 425,000 shares of class A common stock, with a par value of 10 cents a share, of Allen B. DuMont Laboratories, Inc. The stock is priced at $11 a share. Upon completion of this financing, the company proposes to expand principally in the fields of television broadcasting and the production, assembly and distribution of television receiving sets and television transmitting equipment. In addition, the company's program includes the expansion of its facilities for the production of cathode-ray tubes, cathode-ray oscillographs and other devices of which cathode-ray tubes are a part, and for further development and improvement of all its products and the invention of new products.

The company was incorporated on Oct. 21, 1935, in Delaware. Its President, Dr. Allen B. DuMont, introduced the first domestic cathode-ray oscillograph. During the war the company added radar equipment and other electronic devices in which cathode-ray tubes play a part, to its products.

Funded debt and capitalization of the company, upon the issuance of these shares, will include $13,448 in mortgages, 1,471,040 outstanding shares of class A common stock and 560,000 outstanding shares of class B common. Paramount Pictures, Inc., owns 100% of the outstanding class B stock.

Operations of the company are carried on in four plants located in Passaic and Clifton, N. J.

"For What Are We Living"

(Continued from page 2784)

ceeding generations that burning thought.

Now, for what are all men created equal? I contend it is for the express purpose to do good and be happy. If we look at the history of Europe, we discover that empire after empire rose and fell and after each collapse more and more equality among people began to be evident. Education that had been denied the great majority began to be available to more and more, and as more people received education, the equality idea spread further and further away from the historical source of civilization, toward envelopment of the whole world.

Ideas grow only because they are acted upon. They lie dormant and produce nothing through inaction. The idea of equality among men would have died aborning had not an aggressive young man said, "If you would be happy, follow me"—and historians said of Him, "He went about doing good." In other words, He gave the world an idea and implemented it with a plan of action.

I think I am safe in saying that all of us want to be happy—whether or not we have ever stopped to think about it. It is that for which we are living. Some of us believe that happiness is money. I know many men who would give all their money to be healthy. Some of us believe that happiness is power to direct and rule. I wonder if there is an individual in a position to direct and rule today, who knows he is now in that position, and who feels that there is happiness in ruling with all the chaos and confusion that seems to be running rampant throughout the world.

Some of us believe that happiness consists of being what the world calls a "big shot." I wonder if there are any so-called "big shots" who do not pine for quiet seclusion away from cameras, reporters and the telephone. Money, power to direct and rule, and the public's accolade of greatness all seem to be as nothing unless they are directed towards doing good.

We Are the Greatest Aggregation of "Do-Gooders"

We, in America, have been called by journalists the greatest aggregation of do-gooders the world has ever seen. Well, in view of the fact that America is the envy of the rest of the world, does that not prove that doing good pays off in a big way?

It seems to me that there is little difference between the way thousands of young women are now emigrating to America and the way that thousands of young men emigrated to America several hundred years ago. It seems both must have thought that America offered everyone an equal chance for a happier life. Certainly some one might say the men talked them into it, but after all men have been talking women into it since the earliest days of civilization, and that is rather natural, since the equality of men and women springs from the coequal function of married life, namely, of one being the homeprovider and the other the homemaker and of the natural congenial union of the two to become parents.

Also, it seems to me that there is little difference between laborers and capitalists in the pursuit of happiness. There is a natural union of both for a better life in the same society. I see no merit in the Russian way of life which says "Down with the capitalists and up with the workers." Nor do I see any merit in the archaic American way of life which says "Down with labor and up with capital." I think that we are witnessing on the American scene a gradual rapprochement between labor and capital for a happier life for all of us. The spectacle that makes us all grow red with rage, is the powerful labor leader or capitalist who has forgotten that the proper function of his power is to do good, so we might all be happy.

Power Politics in United Nations

I see very little merit in the way the delegates of the United Nations seem to be throwing around the power of their respective nations. As far as I have been able to judge their actions, it seems that each spokesman has taken the attitude "we can't afford to let this or that nation get more of the world than we have," rather than use their respective power to see how each can make his nation, and help each other, produce a better way of life as rival equals, rather than as domineering tyrants.

I see very little merit in the way our various Governmental department heads seem to take the attitude that this or that department shall dominate the reconversion program, and that if it doesn't the nation will go to pieces, rather than to use his power to analyze just how his department fits into the national picture as a whole and give us a minimum of regulations that will afford a more equalized opportunity and a happier state of mind and way of being for the people.

Liberty and Freedom of Action

The idea of equality also involves another great idea, namely, that of liberty or freedom of action. That aggressive young man who preached the idea of equality, laid great stress upon the fact that truth made a man free, and that the exercise of free will was absolutely necessary to the full development of the individual and the preservation of the dignity of the human person.

Russian Communism seems to say that this freedom must be entrusted to a few, by whose whims the individual's activity is divined. American democracy imputes this freedom to all the people and entrusts to all of us the sacred trust of allowing each and every individual the greatest amount of freedom possible in his development and growth.

The idea of equality and freedom spread throughout the world defeats all the petty few who would make themselves the self-appointed rulers of society. I do not believe that freedom of action means license to do any and every act humanly possible, but I do believe it means the ability to perform each and every act that will enable us as individuals, both singly and collectively, to do good and thus be happy.

I believe freedom of action dictates that we regard ourselves as our brother's keeper, to the extent of the simple necessities of life, namely, food, clothing and shelter, because certainly men cannot be happy the while others are hungry, unclothed or unhoused. Painting the whole town "red" with full production and distribution of food, clothing and shelter, defeats the greatest fears and needs of people everywhere, and enables men to think, plan and act for the simple comforts of living, over and beyond necessities, that make for a richer, a fuller and thus a happier way of life.

In another way, equality and freedom place squarely upon our shoulders a very definite and real responsibility for the needs and comforts of our fellow-man. We recognize this duty under the American way of life, and do plenty about it. We believe in a living and family wage, and thus the right and duty to bargain collectively as free equals is recognized and upheld in our courts.

We believe in the right to a fair profit, and thus we have anti-trust laws to permit every man an opportunity to engage in business or practice a profession without undue restrictions.

Avarice and Greed of a Few

The trouble lies in the avarice and greed of a few who would dominate economically at the expense of the well-being of the many. Or, again, it lies in the misconceived idea of Government's prerogatives in reference to economic life as exhibited by some anonymous, inexperienced, bookish Ph.D.'s, who write directives and rules of action that are completely out of harmony with the fundamental concepts of free and equal opportunity. In this era of groups and blocs of interest, I have looked around the country to find a group that subscribes whole-heartedly to the ideas and action which we have explored together. That group, it seems to me, are the young men between 21-35, who are banded together to the extent of some 100,000, and located in every State of the Union to do good in their respective communities and thus bring about a better and happier state of living for the citizens of this nation. That group is known as the Junior Chamber of Commerce. The members are not juniors, and their organization is not a Chamber of Commerce. They have attained man's estate and recognize their duty to their fellow man. They are conscious of their civic responsibility and do something about it.

The Junior Chambers of Commerce

Take for example the Newark Junior Chamber of Commerce, an active group nearby. A few years ago, they recognized a grave need for a boy's club to combat the evils of perhaps a blighted home life that threw young fellows into the street for a place to spend their energy. They established a place for them to meet and use their energies and enthusiasm in a constructive way. Then again during the war, to combat a growing need for wholesome recreation for our troops away from home, they literally painted the whole town and suburbs "red" by arousing the citizenry to help them establish and operate the Stage Door Canteen, most effectively.

I like to tell the story of my own home town (Mobile, Ala.), because I had a part in the program that literally earned the editorial comment "They painted the whole town red, those Jaycees, the Junior Chamber of Commerce fellows, and earned the respect and admiration of the world for their unselfish attitude of making their community a better place in which to live." We planted azaleas from one end of the town's main streets to the other, nearly 50 miles of floral grandeur and beauty, and encouraged people from all over the world to come to our city and revel in this city-wide garden, away from the cares of a nation sweltering in the throes of a depression. The amount of good that was done for people who had lost faith in money as happiness, was immeasurable. They went home happier for having had the experience of seeing the results of a whole town aroused over the idea of doing good and being happy, and of sharing it with others.

I think of the St. Petersburg, Fla., Junior Chamber of Commerce. Many of you know of how these young fellows have done everything possible to make their community a most fitting place for those of us to whom intense personal activity is no longer possible; for us to bask in the sun of our past achievements with our fellow men from all over the country, and contemplate the future of eternal happiness as our final goal in life.

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comes up with, however, nothing effective can be accomplished without **implementation.** And here all is most vague. Questioned at a press conference as to what kind of implementation there can be without colliding with sovereign rights and interests of the states concerned, Mrs. Roosevelt seemed to be forced to go into a polite but complete "stall" of mouthing sweet hopes "for the future." It is impossible to see how **action** can ever be taken in the case of violations by any of the major Powers—as if 1933 Hitlerism were on the rampage today. Any complaint to a commission or subcommission would immediately run into a political fight, and surely request for relief made to the Security Council would run into Veto, or worse.

While Russia might otherwise have been the unmentionable in this matter, she has already conveniently herself highlighted the difficulty in dealing with her. For her Mr. Borisov, in referring to the commission's report, said that it was difficult to see "just what the future of such an organ as this will be"; and definitely questioned whether it **"might not infringe upon sovereign rights of States."** He thereupon insisted that the report should state that the Soviet member reserved the right "to make observations later," and meanwhile recorded himself as not having voted on various matters, including the implementation of the Commission's recommendations.

With or without the blessings and professed optimism of Mrs. Roosevelt, it is difficult to find a basis for public faith in an increase of human rights, directly in the face of the clearly expressed opposition of quite the biggest of the Big Powers! Perhaps it would be far wiser to function within the realities, rather than to court public disillusionment.

* * * *

The Extension of Soviet Obstruction

Fantastically enough, in the economic and social deliberations Russia seems just as intent on deliberately obstructing and kicking over the traces, as she has been in the political sphere in the Council Chamber at Hunter, and in the Luxembourg Palace in Paris. Her persistent tactics of ill-humored and almost adolescent obstreperousness, are particularly exasperating to those many sympathizers with her "cause," because she thus is arbitrarily blocking the Organization's otherwise business-like procedure.

The Soviet representative on the Transport and Communications Commission flatly refused to cast a vote for or against its important formal recommendation for an international shipping body; on the ground that he had not had time to study the report properly. (An excuse seemingly plagiarized from the recent Russian refusal to joint the Bretton Woods organizations.)

But it is in the Human Rights activities that both her obstruction and her abortive "veto psychology" have been most brazenly demonstrated. Nikolai Kriukov, as the Soviet representative on this commission and participating in all its meetings until May 13, took an active part in the discussions and voting. Thereafter his place was taken by Alexander Borisov, who thereupon stated that his predecessor had been only an observer and should therefore not have taken part in either discussions or votes. As a result of this strange procedure, Mr. Borisov now takes exception to some of the agreements to which his countryman has assented, files objections and dissents to various of the commission's conclusions, and reserves the right to object to future Council action thereon.

Apart from these *ad hoc* disturbances, the Soviet is pursuing another minority-of-one dissenting policy, in insisting that commission members shall act as representatives of their respective nations, rather than as world citizens and international experts. The prevalent Organization opinion, on the other hand, is that the members should function as international **experts** as the only way to stimulate prestige, and enlist the indispensable force of public opinion. Furthermore, the Soviet policy gives direct assurance that there will be nationalist cleavages and complete obstruction to the functioning of the World Organization.

* * * *

The Ambitious Economic Program

In the economic field, particularly, the Economic and Social Council will devote itself to an extraordinarily wide scope of activities. It will deal with details such as the flow of investment, taxation, money and banking, production and prices, national income, restrictive business practices, patents, and business cycle analysis. As Assistant Secretary General Henri Laugier has said: "the plans are daring, ambitious, sometimes even revolutionary and beyond the limits of the original instructions." Major long-term aims include the promotion of economic expansion, the effectuation of full employment, the prevention of wide fluctuations in economic activity, the reconstruction of devastated areas, adjustment of international balance of payments problems, and increasing worldwide consumption.

It is planned to provide the United Nations with a full staff of first class economists, devoting their main attention to business cycle analysis. Their main goals will be:

(1) To collect, digest and present the essential data illustrating the changes which take place in economic activity.

(2) To analyze the economic situation as it develops with a view to showing where causes of a slackening of economic activity are likely to arise, or when a slackening has occurred, what the causes are; and to propose remedies.

For the immediate future, efforts will be made to get the nations of the world to avoid restrictive policies during the period of reconstruction. Emergency measures will be taken to help the flow of trade between neighboring countries who need each others' goods, now obstructed because of political reasons. Help will be given in the distribution of UNRRA goods, as in the case of Poland's recent gift of coal. In fact, it is intended to participate importantly and permanently in relief activities, recognizing the prospect for continuing shortages of food and clothing. In this field it is contemplated that a new UN agency will be created to take over when UNRRA is terminated.

A sub-commission is to be appointed forthwith to investigate at first hand the world's devastated areas; to determine just what tasks face each country, what it has accomplished thus far, and what it needs. The UN will recognize the over-all planning ideas embraced by the respective countries, separating them from what they may have been doing in the past. It will take into account not only what has already been done in reconstruction, but also the over-all planning prospects. Reconstruction must also take into account some major internal changes which have taken place in many of the countries; as:

(1) In agriculture; as in Poland, where there has been a breaking-up of the large landed estates.

(2) Nationalization of industry, as in Czechosolvakia (including even moving pictures there).

(3) The desire of some countries to enter into new industries, as the seeking of automobile export markets (unwarrantedly).

* * * *

A most radical program is contemplated regarding materials that are in short supply. These were handled by the wartime joint purchasing and allocation boards. These boards are continuing to function in food; while the handling of raw materials has been broken down into smaller individual committees. Now the Council will itself continue this technique, to provide world distribution on the basis of **need rather than price.** To promote **political** peace, the process will entail dispensation with free world markets. This assuredly seems to embrace centralized planning and to be directly inconsistent with the aims toward the free flow of trade to which the world is trying to commit itself in other directions. But Mr. Lubin insists that there is no such inconsistency, because the motivation of need-in-lieu-of-price is designed as a **temporary** tiding-over process. Whether the community can be made to understand such subtle explanation of this planning technique is another matter.

* * * *

In effectuating worldwide planning and centralized direction, the Council must be conscious of the national differences in economic systems and philosophies. **An underlying ever-present difficulty consists in the necessity of dealing with sovereign economic systems ranging from American free enterprise to Soviet collectivism, with various "shades of gray" lying in between.** This is the counterpart of political difficulties confronting effective action throughout the UN organization because of its inability to encroach on the sovereign protection of respectively differing national aims.

* * * *

Statistics for the Universe

Great achievements are likewise being planned in the presumably pacific field of international statistics. A permanent Statistical Commission of 12 eminent experts is contemplated, whose duties will include:

1. Development of national statistics and the improvement of their comparability.
2. Coordination of the statistical work of specialized agencies.
3. Development of the central statistical services of the Secretariat.
4. Advising the organs of the United Nations on general questions relating to the collection, interpretation and dissemination of statistical information.
5. Prompting the improvement of statistics and statistical methods generally.
6. Carrying on the important statistical studies and periodic reports of the defunct League of Nations.

* * *

Inquiry Into the Peacetime Uses of Atomic Energy

Isador H. Lubin, United States member of the Economic and Employment Commission, has come forth with a proposal, which has been duly adopted, for the full exploration of the industrial implications of atomic energy. This has been placed on the agenda, for action by this commission in the fall. As Dr. Lubin has remarked, the unlikelihood of prompt erection of atomic plants, affords ample time for UN action. The full text of Dr. Lubin's adopted proposal follows:

Isador Lubin

It is impossible to determine at this moment whether atomic energy will be available as a substitute for existing sources of power. There are authoritative scientists, however, who insist that we are on the eve of such a development.

The possible advent of atomic energy as a source of productive power has definite potentialities for the future pattern of world industrial and agricultural organization. That atomic energy may become a significant factor in our economy was acknowledged in the resolution of the Assembly of the United Nations creating a Commission for Control of Atomic Energy. The terms of reference of the Commission specifically provide for "extending between all nations the exchange of basic scientific information for peaceful ends."

If and when atomic energy becomes practically useful as a source of industrial and agricultural power, it will have radical repercussions on world economic stability and full employment. Its effects upon the existing coal and oil industries and on the organization of economics dependent upon coal mining and oil production will be incalculable.

Atomic energy may result in the development of industrial activity in far-flung parts of the world that are now solely agricultural.

If available for industrial power, atomic energy bids fair to make barren wastes economically productive. The elimination of the need to transport fuel for power purposes will make economically available tremendous natural resources in different areas of the world that today have little economic value. These possibilities bear on both the value of existing investments and on employment opportunities in presently developing mining, industrial, and agricultural areas.

Under our terms of reference the possible economic effects of the practicability of atomic energy for power purposes are a direct concern of this Commission. Accordingly I recommend that the Economic and Employment Commission place on its agenda for its second session the consideration of the establishment of a permanent standing Sub-Commission on the Economic Effects of Atomic Energy.

This Sub-Commission should keep the Economic and Employment Commission informed on scientific and economic developments on this field. It should currently assemble all information on the subjects as it becomes available, with particular emphasis on its possibilities as a source of industrial and agricultural power and its probable effects upon world economic stability and full employment.

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The Sub-Commission should under no circumstances duplicate the work of the Commission for the control of Atomic Energy created by the United Nations. Indeed, it should rely upon that Commission as one of its primary sources of information, using the data and findings of that Commission as they become available, as the basis of its analyses of the potential effects of atomic energy upon the stability of the world economy and maintaining full employment.

The Sub-Commission should report semi-annually to the Economic and Employment Commission of the Economic and Social Council.

* * * *

Spanish Committee Snarled in Voluminous "Evidence"

Whatever doubts had existed about the requirement of the subcommittee on Spain for a postponement of its reporting deadline beyond May 31, has been dispelled by the filing of the United States Government's 53-page report, and by tomorrow's presentation of a 480-page document by Prime Minister-in-Exile Giral. These are just two more reports to be digested and evaluated by the five-man committee consisting of Messrs. Hasluck, Velloso, Shuhsi, Bonnet, and Lange. They had already been swamped with telegrams, letters, and documents from private individuals and organizations of every kind and description. Of these, 41 telegrams and 40 letters have generally condemned the Franco regime; 42 telegrams and 34 letters have urged drastic action by the United States; there have been 137 petitions for the reprieve and release of Cristino Garcia; and a plethora of communications representing all shades of opinion ranging from pleas for immediate sanctions, to outside interference in the affairs of Spain.

Dr. Oscar Lange
His Charges Against Franco Spain Being Weighed.

The Committee has been accepting information from the Spanish underground movements, and in this connection has been examining documentary evidence on the persecution and execution of Spanish Republicans and other political opponents.

Apart from the time element, it assuredly is highly dubious whether the Council as a group, or the Big Powers individually, will ever be able to come to agreement on the question. For the nub of the controversy is bound up in the bare fact that Spain occupies a crucially strategic position in world politics. Located in the orbit of the new Russian aims in the Western Mediterranean, and at the same time at the Straits of Gibraltar and Britain's approaches to the Mediterranean, the strategic connotations can be appreciated. The cold fact is that, like other matters already and about to come before the Council, while ideology and morality are talked about, the real issue is political strategy and aims for security.

Particularly in view of the persistent efforts in some quarters to garble both the policy and the ideology ("fascist") of the American Government, it should be clearly realized that it is most strongly opposed to the Franco regime, but that it does not deem the evidence sufficient to warrant United Nations action under the terms of the Charter.

The United States memorandum to the Security Council's subcommittee refutes the Polish and French allegations concerning aggressive military preparations and troop movements; denies the professed alarms about atom bomb preparations; refutes the Polish charge that 2,000 prominent Gestapo agents have been taken into Franco's secret police, and charges that Dr. Lange, in submitting a secret document before the Security Council, by material omission garbled its significance regarding Spanish troop disposition on the French border.

* * * *

The Council's Helpless Entanglement in the Iranian Mess

As of today the Iranian situation constitutes a complete mess of undisguised confusion and embarrassment for the Security Council. With the single-day turnabout in successive reports from Iran, and with the Soviet's refusal to pay any attention whatever to its request for information, the Council is in complete self-confessed ignorance of Persian events. At several points in today's discussion even disagreement in geography was revealed: namely, as to whether the portions of Azerbaijan admitted to have been evacuated, constitute the entire province or only the western portion. Mr. Van Kleffens' pronouncement, "I feel that the Council is groping in the dark," was gross understatement that served to bring forth a general smile.

Sir Alex. Cadogan
Tries to get both the Council and Iran "Off Spot."

The basic cause of trouble is that competent reports are unavailable from both of the parties concerned; from the Soviet because it refuses all contact with the Council on the question, and from the Iranian government because it presumably is functioning under a considerable, although precisely unknown degree of duress. It seems that the further from Tehran an informant is, the less appeasing to the Soviet he is. This nasty situation was epitomised by the Council's overwhelming voting-down of the proposal to send the Iranian government a telegram asking the simple question as to whether the Soviet troops are in fact in or out of its country. As expressed by Messrs. Van Kleffens and Cadogan, such a direct and normal query is unthinkable; presumably because the Tehran government is not a sovereign power free to answer such an inquiry.

Another obvious, although diplomatically unadmitted motivation of the confusion is the distrust of the Soviet government's word. Despite Ambassador Ala's insistence to Dr. Lange today of his respect for the Soviet's promises, every action by him and by his government—and by the Council too—since March are predicated on their refusal to believe that the Russian government has actually fulfilled its solemnly professed commitments.

The result of this is that the Council is in the foolish position of refusing to believe the requested reply from the Iranian government, of placing Ambassador Ala on the stand here and then arguing as to whether he is to be believed, and of being uncertain how to evaluate newspaper accounts of the current events. This situation is ever more strongly substantiating the original and persistent proposals of the Australian delegation for the gleaning of overall information—by a commission of inquiry or otherwise.

Some of the important questions concerning which the Council still remains ignorant, are:

1. What part of Azerbaijan does the reported troop evacuation actually cover?
2. What, if any, is the general extent of Soviet non-military interference in Iran's internal affairs?
3. Have the Russians left soldiers behind in civilian clothes?
4. Why has the Soviet given no response whatever either to the American and British governments, or to the Council, as to why its troops were not withdrawn by March 2 in accordance with the Tri-Partite Treaty of 1942?

The obfuscating impact on the Council—because of duress or other confusing elements in Tehran—reached a peak in its receipts within a 24-hour period of the following successive communications.

First is reproduced Ambassador Ala's note to Secretary General Lie on the evening of May 20:

Sir,

In compliance with the resolutions of the Security Council of 4 April and 8 May, 1946 and with reference to the report submitted on 6 May, 1946 on behalf of the Government of Iran, I beg to state that there is not sufficient first-hand information available to my Government as to the true state of affairs throughout Azerbaijan to make the complete report requested by the Security Council.

Such information as is available to me up to 5 o'clock this afternoon is to the effect that as a consequence of the interferences previously complained of, the Iranian Government is still being prevented from exercising any effective authority in the Province of Azerbaijan and that Soviet interference in the internal affairs of Iran has not ceased. It has, therefore, not been possible to make such investigation as is required to establish that all of the Soviet troops have been withdrawn from the whole of Iran and, in particular, to investigate reports that Soviet soldiers have been left in Azerbaijan in civilian clothes and that military equipment has been placed at the disposal of those who challenge the sovereignty and territorial integrity of my country.

While a commission has been appointed and is now stated to be in the city of Tabriz to make inquiries about conditions throughout the Province of Azerbaijan, it is doubtful that an adequate investigation can be conducted or a satisfactory report made by the Government of Iran until this Government is in a position to exercise its full authority throughout the Province of Azerbaijan.

The deep concern of Iranians regarding the preservation of the independence and territorial integrity of Iran and the maintenance of international peace and security is a matter of common knowledge. The disputes which my Government had believed would end by reason of the assurances of the Soviet Union given to the Security Council cannot be said, in reality, to have been resolved in a manner consistent with the purposes and principles of the Charter of the United Nations. In the report of 6 May, 1946 I stated:

"While it is hoped that arrangements can be made which will remove the unfortunate results of the interference complained of, it is impossible to forecast at this time with certainty what the subsequent developments will be."

Unfortunately, the course of events since this statement was made has demonstrated that the threat to the integrity of Iran and to international peace has grown more serious.

I have not received from my Government authentic information with respect to the reported clashes between Iranian troops and the military forces in Azerbaijan organized during the period of Soviet occupation. If the reports of armed conflict in this strategically critical area are true, obviously the danger to international peace and security is both serious and imminent.

I have the honor to be, Sir,
Your obedient Servant,
HUSSEIN ALA,
Iranian Ambassador.

And here is the second contradictory document, transmitted from M. Ala to President Alexandre Parodi, which further befuddled the Council in trying to formulate some logical conclusions about the situation:

Sir,

Yesterday I reported on behalf of my Government such information as was available to me up to 5 o'clock in the afternoon of 20 May, 1946, with respect to the question of the evacuation of Soviet troops from the whole of Iran and Soviet interferences in the internal affairs of my country. I referred to the commission appointed to make inquiries about conditions in Azerbaijan and have now received further information based upon telegraphic dispatches sent by the members of the Commission in Azerbaijan to my Government in Teheran.

The information as transmitted to me at 4 o'clock this afternoon is, in translation, as follows:

In order to obtain information on the circumstances of evacuation of all parts of Azerbaijan, I dispatched a commission of investigation from Teheran and in the course of one week it investigated carefully the regions of Azerbaijan such as the following important centers:

Tabriz and its suburbs, Marand, Julfa, Khoy, Salmas, Maku, Rezaieh and Miyanduab.

The telegraphic reports are to the effect that no trace whatever of Soviet troops, equipment or means of transport was found, and that according to trustworthy, local people, who were questioned in all these places, Soviet troops evacuated Azerbaijan on 6 May.

GHAVAM-ES-SALTANEH.

I have the honor to be, Sir,
Your obedient Servant,
HUSSEIN ALA,
Iranian Ambassador.

"For What Are We Living"

(Continued from page 2817)

I think, also, of the Buffalo, N. Y., Jaycees, who in 1942 enlisted the aid of Jaycees all over America in doing something about building greater understanding among the young men in the world as rival free equals, each striving to out-do the other in doing those things that would make their country a better place to visit and in which to live. Out of this has grown the Jaycee International—young men from around the world, working together as one for constructive civic betterment that we might all be happier.

I think of the Jaycees in Canada, putting on an educational campaign, nation-wide, to help eradicate the scourge of social diseases from their borders.

I think of the Jaycees in Latin-America welcoming young men from the States as free and rival equals, and not as sons or legatees of a Yankee Imperialism, that sought only exploitation of their natural resources for exorbitant profits.

To those of you who have been through life's various and devious ways, I ask that you live over in the lives and projects of the Junior Chamber of Commerce fellows, as sponsors and counsellors, those Christian and democratic ideals of equality and freedom, which prompt men to do good that we might all be happier for having had a part in "painting the whole town red, to defeat those who would seek happiness at the expense of their fellow man, rather than with him."

Dillon, Read Co. Offers Columbus & So. O. Stk.

One of the largest public distributions of a utility stock issue in recent years is being made today with the offering by an investment banking group headed by Dillon, Read & Co., Inc., of 744,455 Columbus & Southern Electric Co. common shares, priced at $53.50 per share with a concession of $1.50 per share to members of National Association of Securities Dealers, Inc.

The shares, awarded to Dillon, Read & Co., Inc., and associates at competitive bidding on May 21 constitute more than 99% of the company's outstanding common stock. They were sold to the investment banking group by Continental Gas & Electric Corp. in a move by Continental to comply with certain provisions of the Public Utility Holding Company Act. Proceeds from the sale will be used by Continental to reduce its bank loans.

Columbus & Southern Ohio Electric Co., according to the prospectus, proposes to apply for listing of its common shares on the New York Stock Exchange. In addition to the common shares the company has outstanding 103,841 shares of cumulative preferred stock, $100 par value, 4¼% series, and $27,611,000 of funded debt. During the past 20 years the company has paid dividends in varying amounts on its common shares in every year except 1926. In the years 1943-1945 inclusive dividends were paid at the annual rate of $2.40 per share and in March, 1946, a quarterly dividend of 60 cents per share was paid. In December, 1945, the company paid an extraordinary dividend of $1 per share on the common shares reflecting a reduction in Federal income and excess profits taxes.

Securities Now in Registration

• INDICATES ADDITIONS SINCE PREVIOUS ISSUE

• Air Capital Manufacturers Inc., Wichita, Kan.
May 20 (letter of notification) 40,000 shares of cumulative convertible 6% preferred stock ($5 par) and 40,000 shares of 10¢ par common to be given share for share with sales of preferred. Offering price, $5 a share. **Underwriter**—The issuer. For added capital for acquiring additional equipment and floor space and retire bills payable.

• Albion Caster Co., Albion, Mich.
May 13 (letter of notification) 2,400 shares of $5 preference stock and 60,000 shares of common stock. Offering price $100 a share for preference and $1 a share for common. No underwriters. **Proceeds** — To purchase from Domestic Industries Inc., physical assets of its division known as Service Caster and Truck Division.

• Alder Gold, Inc., Bismarck, N. Dak.
May 13 (letter of notification) 295,000 common shares ($1 par) and 59,000 warrants. Price to public $1 a share for common. Price to investment dealers for warrants as investment, total of $2,950. No underwriter. **Proceeds**—For expansion, property payments and working capital.

Allied Investm't & Discount Corp., Philadelphia
May 14 (letter of notification) 8,000 shares of 5.4% cumulative preferred stock (par $25). Company is offering the stock beginning July 1, 1946 at $25 per share. Subscriptions will close Nov. 1, 1946. Proceeds will be used for incorporation expenses and as capital in operation of business. Not underwritten.

American Screw Co., Providence, R. I. (5/29)
March 29 filed 21,550 shares of 4½% cumulative convertible preferred stock (par $50) **Underwriters**—G. H. Walker & Co. **Offering**—Common stockholders of record May 9 have the right to subscribe to new preferred at rate of one share of preferred for each four shares of common held at $52 per share. Rights expire May 29. Unsubscribed shares will be purchased by underwriter. **Proceeds**—Proceeds, together with a term loan of $1,250,000 and current funds will be used to finance the purchase of a plant formerly belonging to the Defense Plant Corp. for $1,750,000, purchase of additional machinery and equipment and for other plant improvements. For details see issue of April 4.

American Water Works Co., Inc., N. Y.
March 30 filed 2,343,105 shares of common (par $5) plus an additional number determinable only after the results of competitive bidding are known. **Underwriters**—To be filed by amendment. Probable bidders include Dillon, Read & Co. Inc., White Weld & Co., and Shields & Co. (jointly), and W. C. Langley & Co. and The First Boston Corp. (Jointly). **Offering**—Price to public by amendment. **Purpose**—The common stock, together with $15,000,000 10-year 3% collateral trust bonds (to be sold privately) are to be issued to acquire certain assets of American Water Works & Electric, liquidate two subsidiaries, Community Water Service Co. and Ohio Cities Water Corp., and provide cash working capital. Common stock is to be offered initially for cash to common stockholders of parent and to public holders of preferred stocks of Community and Ohio in exchange for their shares. Stock not subscribed or issued under exchange offers are to be sold for cash to underwriters. For details see issue of April 4.

• Archer Development Corp., Louisville, Ky.
May 17 (letter of notification) 50,000 shares of convertible class A stock ($5 par). Offering price, $5.75 a share. **Underwriters**—Thornton & Co., New York, and Bennett, Spanier & Co., Inc., Chicago. For corporate purposes.

Arkansas-Missouri Power Corp. (5/29)
April 23 filed 40,000 shares common stock (par $5). Shares are being sold for the account of five stockholders. **Underwriters**—G. H. Walker & Co. and Edward D. Jones & Co. **Offering**—Price to public by amendment. **Business**—Public utility.

Aviation Maintenance Corp., Van Nuys, Calif. (4/25)
May 6 filed 493,750 shares of common stock (par $4). **Underwriters**—Livingstone & Co. **Offering**—Price to public $4 per share. **Proceeds**—For machinery, tools, furniture, fixtures, etc. and for working capital. **Business**—Sales service and storage of planes.

• Awful Fresh MacFarlane, Oakland, Calif. (6/1)
May 13 filed 12,000 shares of 6% cumulative preferred stock (par $25) and 30,400 shares of common stock (no par). Of the common stock 24,000 are reserved for conversion of the preferred. **Underwriter**—Stevenson, Leydecker & Co. **Offering**—Preferred and 64,000 shares of common are being offered for the account of T. G. Stanley, the preferred at $25 per share and the common at $8.75 per share. **Business**—Manufacturer of candy, retail candy stores.

Barium Steel Corp., S. E. Canton, O.
March 30 filed 350,000 shares of common stock (par $1). **Underwriters**—By amendment. **Offering**—Price to public by amendment. **Proceeds**—Payments to and advances to subsidiaries for working capital, for purchase of equipment, repayment of loans, development, etc. For details see issue of April 4.

Belcher Oil Co., Miami, Fla.
May 3 (letter of notification) 6,710 shares common stock (par $10). The shares are being sold by certain stockholders. The price to the public is $12 per share. **Underwriter**—Atwill & Co. will act as agent in connection with the offering.

Benguet Consolidated Mining Co., Manila, P. I.
March 15 filed 702,302 shares of capital stock value (par 1 peso, equivalent in U. S. currency to 50 cents per share). **Underwriters**—Allen & Co. The shares are part of a total of 852,302 shares purchased by Allen & Co. from five stockholders. Of the 852,302 shares, 150,000 were sold privately at the cost price to Allen & Co. Purchase price to Allen was $2.10 per share. **Offering**—Price $3.50 per share. For details see issue of March 21.

• Big Horn Basin Oil Co.
May 16 (letter of notification) 40,000 shares common stock ($10 par), of which 4,200 are to be publicly offered at $5 a share by and for the benefit of the four underwriters, viz.: Fred Morgan Shaw, Charles Millard Massey, Parker Thomas and Reed Thomas, four individuals.

Brockway (Pa.) Glass Co. Inc.
April 24 filed 10,000 shares 5% cumulative preferred stock (par $50). **Underwriting**—None. **Offering**—Price to public $50 per share. Company proposes to offer the securities to persons living in Brockway and surrounding communities. **Proceeds**—Company proposes to use proceeds, with proceeds of loan of $1,250,000 as follows: new building, $525,000; new and used equipment, $575,000; leased equipment, $250,000, and working capital, 400,000.

Brooklyn (N. Y.) Union Gas Co.
May 3 filed $34,000,000 general mortgage sinking and improvement fund bonds due June 1, 1976, and 100,000 shares of cumulative preferred stock ($100 par). **Underwriters**—To be filed by amendment. Probable bidders include Halsey, Stuart & Co., Inc. (bonds only); Harriman Ripley & Co., and Mellon Securities Corp. (jointly); The First Boston Corp.; F. S. Moseley & Co., and Otis & Co. (stock only). **Proceeds**—Company plans to refund its entire outstanding long-term debt, to reimburse the treasury for expenditures made for construction purposes, and to provide funds for the completion of a construction program now in progress and one contemplated to be commenced in the immediate future by the sale of $34,000,000 general mortgage bonds and 100,000 shares of preferred stock. In addition, a $1,000,000 bank loan will be obtained. The company will redeem $29,240,000 general mortgage sinking fund bonds, 3½% series, due Sept. 15, 1969, and $11,850,000 25-year 4% sinking fund debentures, due Sept. 15, 1969. In addition, $4,000,000 will be used to provide funds for the construction program now in progress and contemplated, each involving the installation of additional production, pumping, storage and distribution facilities.

Brooks Green Co., Boston
May 9 (letter of notification) 6,000 shares common ($5 par). Price to public $10 per share. Underwriter, Parker Harrison & Co.

Calif. Electric Pwr. Co., Riverside, Cal. (5/29)
May 10 filed $16,000,000 first mortgage bonds due June 1, 1976, and 169,636 shares common stock ($1 par). **Underwriters**—Names to be filed by amendment. Probable bidders include Dillon, Read & Co., Inc. (bonds); The First Boston Corp.; Halsey, Stuart & Co., Inc. (bonds); Kidder, Peabody & Co., and Stone & Webster Securities Corp. (stock). **Offering**—Securities will be offered for sale at competitive bidding. Price to public by amendment. **Proceeds**—Redemption of first mortgage bonds 3½% series; balance to general funds.

Celotex Corp., Chicago (5/24)
April 26 filed for 100,000 shares common stock. **Underwriters**—Paul H. Davis & Co. and Union Securities Corp. **Offering**—Price by amendment. **Proceeds**—To provide in part for expansion program, etc. For details see issue of May 2.

Central Indiana Gas Co., Munice, Ind.
April 25 filed $3,250,000 first mortgage bonds. Bonds will be sold at competitive bidding with the interest rate being named by the successful bidder. **Underwriters**—By amendment. Probable underwriters include Halsey, Stuart & Co. Inc.; First Boston Corp.; Stroud & Co. **Offering**—Price to public by amendment. **Proceeds**—Redemption of first mortgage 3¾% bonds; construction fund. For details see issue of May 2.

• Chal-Yon Corp., Boston, Mass.
May 16 (letter of notification) 500 shares of preferred stock. Price to public $100 a share. No underwriter. The treasurer of the corporation has from his personal holdings set aside 1,000 shares of common (no par) stock to be distributed two shares of common for each share of preferred purchased and paid for at par. Proceeds to be invested in the business.

Chefford Master Manufacturing Co., Inc., Fairfield, Ill. (5/27)
May 8 filed 40,000 5% cumulative convertible preferred shares (par 25) and 40,000 common shares (par $2). **Underwriter**—Cruttenden and Co. **Offering**—Price of preferred is $25 per share; price of common by amendment. **Proceeds**—$300,000 will be used to discharge bank loans, $60,963 to discharge machinery purchase notes and approximately $909,694 for additional working capital. **Business**—Automobile replacement parts, etc.

City Investing Co., New York (6/3)
April 19 filed $4,800,000 convertible sinking fund debentures due June 1, 1961. **Underwriting**—First Boston Corp. **Offering**—Company is offering to holders of common stock of record May 17, 1946, the right to subscribe for the debentures on the basis of $500 of debentures for each 100 shares of common stock. Rights expire June 3. Price par (flat). Unsubscribed debentures will be sold to underwriters to be offered the public. **Proceeds**—Proceeds will be added to working capital. For details see issue of April 25, p. 2262.

• Columbia Air Lines, Inc., Baltimore, Md.
May 14 (letter of notification). Issuer offering 28,000 shares and O. L. Bonifay 40,000 shares of issuer's $1 par common. Public offering price $2.50 a share. No underwriting. **Proceeds**—For working capital.

Compania Litografica De La Habana S. A. (Havana (Cuba) Lithographing Co.) (5/28)
March 18 filed 19,419 shares of 6% cumulative convertible preferred stock (par $25) and 197,000 shares of common (par 10c). The 19,419 shares of preferred and 162,000 shares of common are being purchased by the underwriters from certain stockholders. The remaining 35,000 shares of common are being purchased from the company. **Underwriters**—Hirsch & Co., New York. **Offering**—Price of preferred $25.50 per share. Price of common $5.50 per share. For details see issue of March 21.

Crampton Mfg. Co., Holland, Mich. (5/27-31)
May 3 filed for 240,000 shares common stock ($1 par). **Underwriters**—Baker, Simonds & Co. **Offering**—Price to public by amendment. **Proceeds**—Purchase of additional machinery and equipment and to increase working capital. **Business** — Commercial die-castings and hardware for plumbing fixtures, etc.

Daunt Corp., Brooklyn, N. Y.
May 13 (letter of notification) 9,000 shares of preferred stock (no par). Shares will be sold direct by the com-
(Continued on page 2820)

(Continued from page 2819)

pany at $10 per share. Proceeds for purchase of machinery and working capital. No underwriter.

Dayton Power & Light Co.

May 1 filed 1,530,000 shares common stock ($7 par). Underwriters—To be named by amendment. Probable bidders include Morgan Stanley & Co., and W. E. Hutton & Co. (jointly); Blyth & Co., Inc., and Lehman Brothers. Offering—The shares are owned by Columbia Gas & Electric Corp. and (per amendment filed May 12) will be offered to underwriters at competitive bidding. Stock will not be offered to Columbia stockholders.

● **Decker Manufacturing Co., Albion, Mich.**

May 17 (letter of notification) 5,000 shares ($1 par) common stock. Offering price, $2.50. Underwriters—Lytle & Co., Detroit, and C. G. McDonald & Co., Detroit. Proceeds—For machinery, equipment, and working capi.al.

● **Denman Tire & Rubber Co., Warren, Ohio (6/5)**

May 17 filed 50,000 shares of 5% cum. conv. preferred stock (par 10) and 95,000 shares ($1 par) common stock. Underwriters—Herrick, Waddell & Co., Inc. Offering—Company is offering the 50,000 preferred shares to the public. The 95,000 shares of common stock are issued and outstanding and are being sold by the present owners, Mrs. Berte H. McCandless and Mrs. Helen B. Webster. Price to public: preferred, $10 per share; com-May 17 filed 50,000 shares of 5% cum. conv. preferred mon, $8 per share. Purpose—Proceeds from the sale of the preferred stock, pending specific allocation, will be added to general funds of the company. Business—Manufacture and sale of passenger and truck tires.

Diamond T Motor Car Co., Chicago, Ill.

March 29 filed 60,000 shares of common stock (par $2). Shares are being sold by certain stockholders. Underwriters—Hallgarten & Co. Offering—Price based on market. For details see issue of April 4.

● **East Elk Basin Oil Co.**

May 16 (letter of notification) 80,000 shares of $10 par common, of which 8,600 shares will be offered to the public at $3.50 a share. Proceeds to individuals named as underwriters, viz.: Fred Morgan Shaw, Bridger, Mont.; Charles Millard Massey, Billings, Mont.; Parker Thomas, Casper, Wyo., and Reed Thomas, Lovell, Wyo.

● **Electric Ferries, Inc. of New York, N. Y.**

May 15 (letter of notification) 1,500 shares of 6% prior preference stock ($100 par). No underwriter. Offering price, $102.50. Proceeds for the purpose of purchasing preferred and/or common stock of Southern Transportation Co. (Del.), of which Electric Ferries, Inc., now owns in excess of 75% of the issued and outstanding common.

● **Electronic Traps, Inc., Rochester, N. Y. (6/1)**

May 20 (letter of notification) 40,000 shares of common stock (par $5). Price to public, $5 per share. Proceeds—To finance the manufacture of corporation products and to repay loan, the proceeds of which were used for manufacturing purposes. Issue not underwritten, but if company is unable to sell stock it may later secure broker's assistance.

Eureka Williams Corp., Detroit

April 17 filed 17,000 shares common stock (par $5). Shares being sold by officers and employees or their relatives. Offering—Shares may be sold from time to time upon the New York Stock Exchange or the Detroit Stock Exchange by the owners of such shares. For details see issue of April 18.

First Thought Mine Corp., Orient, Wash.

May 8 (letter of notification) 500,000 shares, par 10 cents. Price to public 20 cents per share. Underwriters—E. J. Gibson & Co. Preston & Raef and Ben Redfield.

Flying Freight Inc., New York (6/10)

May 6 filed 300,000 shares common stock (par $1). Underwriters—J. F. Reilly & Co., Inc. Offering—Price to public $3.50 per share. Proceeds—Proceeds will be used for the purchase of six land planes, ten flying boats, reconditioning of flying boats and working capital. Business—Company was incorporated on March 9, 1946, to operate as a charter air carrier.

Food Fair Stores, Inc., Philadelphia

April 29 filed 40,000 shares of common stock ($1 par), issuable upon exercise of options to purchase common stock. The options to purchase common stock entitle the holders to purchase between Sept. 5, 1946 and Sept. 4, 1950, shares of common stock at $19.50 per share. The options were granted on Sept. 5, 1945. Proceeds—In the event that all options are exercised, corporation will realize $780,000, which it intends to use for increasing inventory, acquiring and equipping additional supermarkets, warehouses, etc. Business—Food stores.

Franklin Simon & Co., Inc., N. Y. (6/3)

May 14 filed 50,000 shares of cumulative convertible preferred (par $50) and 70,000 shares of common (par $1). Of the total covered, the 50,000 shares of preferred and 60,000 shares of common will be offered to the public, and 10,000 shares of common will be offered at $20 per share to certain officers and employees. Underwriter—W. E. Hutton & Co. Offering—Prices to public by amendment. Proceeds—Redemption of 21,339 outstanding shares (excluding treasury shares) off 7% cumulative preferred stock at $115 per share and accrued dividends. For details see issue of May 16.

● **Fundamental Investors Inc., New York (6/10)**

May 22 filed 500,000 shares of common stock (par $2). Underwriters—Hugh W. Long & Co. Offering—To be sold to public at a maximum offering price of $19.725 a share. Proceeds—For investment in securities. Business—Open-end investment trust of the limited management type.

● **General Cable Corp., New York (6/5)**

May 17 filed 150,000 shares of 4% cumulative first preferred stock (par $100) and 150,000 shares of 4% cumulative convertible second preferred stock (par $50). Underwriters—Blyth & Co., Inc. Offering—Company is offering to holders of 150,000 outstanding shares of 7% cumulative preferred stock the privilege of exchanging their shares for 150,000 shares of the first preferred stock and 150,000 shares of the second preferred on the basis of one share each (plus a cash adjustment) for each share of 7% preferred. Shares of the first and second preferred not taken in exchange will be sold to Blyth & Co., Inc., and associates for resale to the public at a price to be supplied by amendment. Price is presently expected to be not less than $150 per unit (one share of first preferred and one share of second preferred).

General Finance Corp., Chicago, Ill. (6/3)

May 3 filed $1,250,000 15-year 4% subordinated debentures, Series B, and 60,000 shares 4% cumulative convertible preferred stock, Series C (par $50) and 180,000 shares of common (par $1) reserved for conversion of preferred. Underwriters — Paine, Webber, Jackson & Curtis. Offering—Price to public by amendment. Proceeds—To retire outstanding 6% cumulative preferred stock, Series B, $761,000; remainder approximately $3,294,000 will be added to general working funds. For details see issue of May 9.

● **General Securities Corp., Atlanta, Ga.**

May 16 (letter of notification) 19,984 shares of common stock. Offering price, $6 a share. Underwriter—General Finance Co., Atlanta, Ga. Proceeds—For corporate purposes.

● **General Shoe Corp., Nashville, Tenn. (6/10)**

May 21 filed 50,000 shares (no par) cumulative preference stock and 64,030 shares ($1 par) common stock. Underwriters—Smith, Barney & Co., New York. Offering—Preference stock will be offered to public but common stock initially will be offered for subscription to present common stockholders at rate of one share of common for each 10 shares held. Unsubscribed shares of common will be purchased by underwriters and offered to public. Prices by amendment. Proceeds—Proceeds from preference stock, together with other funds, will be used to redeem company's $4,800,000 15-year 3% sinking fund debentures, due Dec. 1, 1959, at 104½ (exclusive of accrued interest). Net proceeds from sale of common stock will be added to general funds to be used from time to time for such corporate purposes as directors may determine. Business—Manufactures shoes, miscellaneous leather products and shoe polishes. Operates 13 plants.

General Tire & Rubber Co., Akron, O. (6/1)

May 13 filed 25,000 shares of cumulative preferred stock (par $100) and 25,000 shares convertible second preferred stock (par $100). Dividend rates by amendment. Underwriters—Kidder, Peabody & Co.; Goldman, Sachs & Co., and Ball, Burge & Kraus. Offering—Price to public by amendment. Proceeds—Reduction of bank loans, reimbursement of the treasury for expenditures made in the acquisition of interests in related business and for additional working capital. For details see issue of May 16.

● **George Goodwin, Wilmington, Del.**

May 16 (letter of notification) 40 units at $500 each being offered to finance an expedition to acquire gold mining claims in Canada. No underwriting. Proceeds—Will be used for the above stated purpose.

● **Giannini (G. M.) & Co., Inc., New York**

May 15 (letter of notification) 2,000 shares of 6% preferred stock (par $100), convertible into common stock at the rate of 12 shares of common for each share of preferred at option of holder. Subject to retirement at $110 a share on 60 days' notice. Offering—Price $100 a share. Securities will be offered and sold by officers and directors without compensation to them. Proceeds—Primarily for working capital and reduction of bank loans.

Gold City Porcupine Mines, Ltd., Toronto, Ont.

Jan. 4 filed 600,000 shares of common stock (par $1) Canadian currency. Underwriters—No underwriters named. Offering—Company is offering common stock to public at 50 cents U. S. currency per share. If company accepts offers from dealers to purchase the stock, company will sell to such dealers, if any, at 32.5 cents U. S. currency per share for resale at 50 cents U. S. currency per share.

Great Circle Airways, Inc., New Orleans (5/28)

May 9 (letter of notification) 55,000 shares capital stock (par $1). Price to public $5. Underwriters—Kohlmeyer, Newburger & Co.; D'Antoni & Co., and T. J. Feibleman & Co. For equipment and working capital.

Gulf Atlantic Transport'n Co., Jacksonville, Fla.

Jan. 17 filed 270,000 shares of common stock (par $1). Underwriters—Allen & Co. have withdrawn as underwriters. Offering—Price to the public by amendment. Stock is being offered initially to present shareholders at a price to be filed by amendment. Holders of approximately 200,000 shares have agreed to waive their preemptive rights. Postponed indefinitely. For details see issue of Jan. 24.

Hanson-Van Winkle-Munning Co., Matawan, N. J. (5/27-28)

April 24 filed 1,250,000 4½% sinking fund debentures and 105,000 shares of common stock ($3.50 par). Of the common stock 39,400 shares are being sold by the corporation and 65,600 shares by certain stockholders. Underwriters—Maxwell, Marshall & Co. Offering—Debentures are being offered at 100 and the common stock at $10.625 per share. Proceeds — Approximately $600,000 will be used to retire first preferred stock at $40 per share, $600,000 for payment of bank indebtedness and $143,500 for the purchase of additional land and buildings. For details see issue of May 2.

Harrison Wholesale Co., Chicago, Ill.

April 30 filed 85,600 shares of common stock (par $1). Shares are being sold by two stockholders, Albert L. Arenberg, President, 73,000 shares, and Louis Sisskind, Vice-President and Secretary, 12,600 shares. Underwriters—Brailsford & Co. Offering—Price to public $9.625.

Hayes Manufacturing Corp., Gr. Rapids, Mich.

Feb. 27 filed 215,000 shares of common stock ($2 par). Shares are being sold by certain stockholders. Stock acquired by selling stockholders in exchange for 432,000 shares common stock (par $3) of American Engineering Co. Underwriters—To be named by amendment. Offering—Price to public by amendment. Stop order hearing by SEC. For details see issue of March 7.

Hoffman Radio Corp., Los Angeles (5/27-28)

March 30 filed 120,000 shares common stock (par $1). Underwriters—Cohu & Torrey. Offering—Price to public $6 per share. Proceeds—$97,125 to redeem preferred stock and approximately $400,000 to retire short-term bank borrowings; balance for working capital. For details see issue of April 4.

● **Household Service Inc., Utica, N. Y. (5/24)**

May 20 (letter of notification) $50,000 5% sinking fund 10-year serial debentures, series A, dated May 1, 1946; due May 1, 1956. Underwriter—Mohawk Valley Investing Co., Inc. Price to public, par and interest. Proceeds—Purchase of propane gas distribution system around Boonville, N. Y., costing about $24,000; payment of collateral trust notes, $12,100; remainder for general corporate purposes.

Houston (Texas) Oil Field Material Co., Inc. (6/1)

May 13 filed 100,000 shares of common (par $1). **Underwriters**—Dallas Rupe & Co.; Dittmar & Co.; Dewar, Robertson & Pancoast; Fridley & Hess; Creston H. Funk; Milton R. Underwood & Co.; Rauscher, Pierce & Co., Inc.; Pitman & Co., Inc.; Gordon Meeks & Co.; Dallas Union Trust Co.; Moroney, Beissner & Co., and Rotan, Mosle & Moreland. **Offering**—Price to public by amendment. **Proceeds**—Proceeds will be used to augment the working capital. For details see issue of May 16.

Hudson Motor Car Co., Detroit, Mich.

April 26 filed 226,973 shares of common stock (no par). **Underwriters**—W. E. Hutton & Co. **Offering**—Stock will be offered for subscription to common stockholders at the rate of one share for each seven shares of common held. Price by amendment. **Purpose**—To augment working capital. For details see issue of May 2.

Hydraulic Products Co., Chicago

May 9 (letter of notification) 120,000 shares 7% cumulative preferred (par $1) and 30,000 shares common ($1 par). Price to public of unit consisting of 4 preferred and one common, $10. No underwriting. For acquisitions, working capital, etc.

● **Industrial Electronic Corp., Brooklyn (5/28)**

May 15 (letter of notification) 99,000 shares of common stock (par 50¢). Offering price, $3 a share. **Underwriter**—Hoit, Rose & Troster, New York. Proceeds for acquiring additional machinery and equipment, retirement of loans, working capital, etc.

● **International Minerals & Chemical Corp., Chicago (6/10)**

May 21 filed 145,834 shares of common stock (par $5). **Underwriters**—White, Weld & Co. **Offering**—Company proposes to issue 131,769 shares initially to present common stockholders and holders of stock purchases warrants for subscription at the rate of one common share for each five shares held. Price by amendment. Underwriters will purchase unsubscribed shares plus an additional 65 shares. Underwriters may or may not, as they determine, make a public offering of unsubscribed shares. The remaining 14,000 shares of common stock will be offered to "certain officers and employees." **Proceeds**—Entire net proceeds, together with other funds, will be applied to the construction and equipment of an amino products chemical plant for production of mono-sodium glutamate, glutamic acid, betaine and other pharmaceuticals and food products at San Jose, Calif., at an estimated cost of approximately $2,250,000. Such funds also will be applied to the development of a mine and construction and equipment of a mill and flotation plant upon phosphate properties near Bartow, Fla., at an estimated cost of $2,680,000.

International Paper Co., New York

April 26 filed 400,000 shares of cumulative preferred stock and an indeterminate number of common shares (par $15). Dividend rate on new preferred will be filed by amendment. **Underwriting**—The securities are to be offered for exchange and no underwriting discounts or commissions are to be paid in connection with the offering. **Offering**—Company proposes to offer holders of its cumulative convertible 5% preferred stock (par $100) the right to exchange 400,000 of such shares for new preferred and common on the basis of one share of new preferred and an indicated fractional share of common for each share of 5% preferred. For details see issue of May 2.

● **Iowa Public Service Co., Sioux City, Ia. (6/10)**

May 21 filed $13,750,000 first mortgage bonds, due 1976; 42,500 shares ($100 par) cumulative preferred stock, and 137,333 shares ($15 par) common stock. **Underwriters**—Names by amendment. Probable bidders include Halsey, Stuart & Co. Inc. (bonds); First Boston Corp.; W. C. Langley & Co. (stock); A. C. Allyn & Co., and Blyth & Co., Inc. **Offering**—Bonds and preferred stock will be sold at competitive bidding and the common stock will be offered for subscription to present common stockholders at the rate of one new share for each three shares held. **Proceeds**—Net proceeds, together with a $1,750,000 bank loan, will be used to redeem $13,753,000 first mortgage bonds, 3¾% series, due 1969, at 104; $1,442,000 of debenture bonds, 5% series, due 1968, at 103; all 38,542 outstanding shares of first preferred stock at $105 per share, and all 12,478 outstanding shares of second preferred stock at $100 per share. Remaining proceeds will be used for improvements to the company's physical properties and for additional working capital.

Jersey Central Power & Light Co. (5/24)

April 24 filed $34,000,000 first mortgage bonds and 145,000 shares of cumulative preferred stock (par $100). Interest and dividend rates by amendment. **Underwriter**—First Boston Corp. **Offering**—Prices to public by amendment. **Proceeds**—To redeem and retire all of the presently outstanding bonds, notes and preferred stock.

● **King-Seeley Corp., Ann Arbor, Mich. (6/10)**

May 21 filed for an unspecified number of common shares (par $1). **Underwriters**—F. Eberstadt & Co., Inc., and Watling, Lerchen & Co. **Proceeds**—Net proceeds initially will be used in part to increase general corporate funds and partly to reduce bank loans with Manufacturers National Bank, Detroit, the Detroit Bank and Ann Arbor Bank. Balance, to the extent available, will be used to augment working capital needed in handling the present high rate of production and for a contemplated program for expansion and modernization. **Business**—Manufacturer of automobile instrument panels, etc.

New Issue Calendar

(Showing probable date of offering)

May 24, 1946

Celotex Corp.	Common
Household Service Inc.	Debentures
Jersey Central Pwr. & Lt. Co.	Bonds & Preferred
Plastics Materials Corp.	Common
Radford (J. M.) Grocery Co.	Preferred

May 25, 1946

Aviation Maintenance Corp.	Common

May 27, 1946

Chefford Master Mfg. Co.	Preferred and Common
Crampton Manufacturing Co.	Common
Hanson-Van Winkle-Munning Co.	Debs. & Com.
Hoffman Radio Corp.	Common
Midland Cooperative Wholesale	Preferred
Miller-Wohl Co.	Preferred and Common
Mountain States Tel. & Tel Co.	Debs. & Common
Ohio Public Service Co.	Bonds and Preferred
Paulsboro Mfg. Co.	Preferred and Common
Public Flyers, Inc.	Common
York County Gas Co.	Bonds

May 28, 1946

Havana Lithographing Co.	Preferred & Common
Great Circle Airways, Inc.	Capital Stock
Industrial Electronics Corp.	Common
Pittston Co.	Debentures
Spiegel Inc.	Common

May 29, 1946

American Screw Co.	Preferred
Arkansas-Missouri Power Corp.	Common
Calif. Electric Power Co.	Bonds and Common
United Cigar-Whelan Stores Corp.	Common

June 1, 1946

Awful Fresh MacFarlane	Preferred and Common
Electronics Traps Inc.	Common
General Tire & Rubber Co.	Pfd. & 2nd Conv. Pfd.
Houston Oil Field Material Co., Inc.	Common
Powdrell & Alexander, Inc.	Common
United Grocers Co.	Debentures
U. S. Airlines, Inc.	Common

June 3, 1946

City Investing Co.	Debentures
Franklin Simon & Co.	Preferred and Common
General Finance Corp.	Debs., Pfd. and Common
Liebert & Obert	Common
Michaels Brothers	Common
United Cigar-Whelan Stores Corp.	Preferred
United Investors Corp.	Certificates

June 4, 1946

National Bellas Hess, Inc.	Common

June 5, 1946

Denman Tire & Rubber Co.	Pfd. and Common
General Cable Corp.	1st Pfd. and 2nd Pfd.
Menasco Manufacturing Co.	Common
Philadelphia Electric Power Co.	Bonds
Socony-Vacuum Oil Co.	Debentures
Union Carbide & Carbon Co.	Capital Stock
Willys-Overland Motors Inc.	Pfd. and Common

June 10, 1946

Flying Freight Inc.	Common
Fundamental Investors Inc.	Common
General Shoe Corp.	Preferred
Int. Minerals & Chemical Corp.	Common
Iowa Public Service Co.	Bonds, Pref. and Com.
King-Seeley Corp.	Common
Mead Corp.	Bonds and Preferred
Missouri Power & Light Co.	Bonds and Preferred
Namm's Inc.	Common
National Gypsum Co.	Common
Nutrine Candy Co.	Common
Purex Corp.	Capital Stock
Sutherland Paper Co.	Common
Union Wire Rope Corp.	Capital Stock
Wisconsin Electric Power Co.	Bonds and Preferred
Wisconsin Power & Light Co.	Common

Langley Aircraft Corp., New York

May 10 (letter of notification) 50,000 shares of capital stock (par $1). Price to public, $2 per share. With each share of stock sold there will be issued and delivered a stock option warrant to purchase one additional share of stock at $4 per share at any time up to March 1, 1951. Company proposes to sell the securities to personal friends and acquaintances of officers and directors. Proceeds for corporate purposes.

Lattner Industries, Inc., Detroit

May 1 (letter of notification) 100,000 shares common (par $1). Price to public $1 per share. **Underwriter**—Chapin & Co. For operating capital-expansion purposes.

Liebert & Obert, Philadelphia, Pa. (6/3)

May 3 filed 120,000 shares common stock (par $1). Of total company is selling 40,000 shares and stockholders 80,000 shares. **Underwriters**—Newburger & Hano and Kobbe, Gearhart & Co., Inc. **Offering**—Price to public $6.50 per share. **Proceeds**—Net proceeds together with treasury funds will be used to purchase brewery plant and equipment now operated under lease for $325,000. For details see issue of May 9.

● **Mead Corp., Chillicothe, Ohio (6/10)**

May 21 filed $12,000,000 first mortgage bonds, due 1966; 70,000 shares ($100 par) cumulative preferred stock and 101,056 shares ($50 par) cumulative second preferred stock. **Underwriters** for the bonds, unexchanged shares of preferred and unsubscribed shares of second preferred are headed by Drexel and Co., and Harriman Ripley and Co., Inc. **Offering**—The bonds will be sold to the public. The preferred stock will be offered to holders of the company's $6 cumulative preferred stock, series A, and $5.50 cumulative preferred stock, series B, on a share for share exchange basis, plus a cash payment. The second preferred shares initially will be offered for subscription to common stockholders of record on June 11, 1946. **Proceeds**—Net proceeds will be used to retire $8,000,000 3⅛% bonds and all of presently outstanding preferred stock. Of the remaining proceeds, $3,600,000 will be used to reimburse company for expenditures in financing a new company called Macon (Ga.) Kraft Co. and the remainder will be used for enlargements and improvements to its present plants. **Business**—Manufactures white paper, coated and uncoated paper products.

● **Menasco Manufacturing Co., Los Angeles (6/5)**

May 17 filed 370,000 shares of common stock. **Underwriters**—Sutro & Co., and G. Brashears & Co. **Offering**—To be offered initially to shareholders in ratio of two new shares for each five shares held at $4 per share. Unsubscribed shares to be offered to public by underwriters. **Proceeds**—$935,000 to repay unsecured bank loans; $180,000 to pay first instalment on purchase of plant from RFC; balance, if any, to be added to working capital.

Michaels Brothers, Brooklyn (6/3)

April 30 filed 100,000 shares of common stock (par $1); also 60,000 additional shares of which 50,000 are reserved for issuance upon exercise of warrants, and 10,000 shares for issuance upon exercise of options granted to George Markelson and Irving Isaacs. **Underwriters**—Burr & Co., and Reynolds & Co. **Offering**—Price to public by amendment. **Proceeds**—To replace working capital exended to redeem class A and B first preferred stock; balance will be used to increase merchandise inventories, finance instalment sales, etc. For details see issue of May 2.

Middle States Petroleum Corp., New York

May 10 (letter of notification) 75,800 shares of class B (v.t.c.) stock (no par). Shares to be sold shall not aggregate $300,000 in amount. Stock will be offered at market on the New York Curb Exchange through brokers selected by the management. Proceeds will be used to retire debt and increase working capital.

Midland Cooperative Wholesale, Minneapolis (5/27)

May 8 filed 10,500 shares of series D non-cumulative 4% preferred stock (par $100). **Underwriters**—No underwriters. **Offering**—Price to public will range from $100 per unit in January, February and March, 1946, to $103 per units in October, November and December, 1946. **Proceeds**—To pay off first mortgage loans and for operating capital. For details see issue of May 9.

Miles Shoes Inc., New York

April 29 filed 23,444 shares of cumulative preferred (par $100) and 56,267 shares of common stock (par $1). The shares are to be sold by five stockholders following a recapitalization of the company in May. **Underwriters**—Wertheim & Co., and Lehman Brothers. **Offering**—Price to public will be filed by amendment.

Miller-Wohl Co., Inc., New York (5/27-28)

April 29 filed 40,000 shares 4½% cumulative convertible preferred (par $50) and 50,000 shares common stock (par 50¢). The common stock is outstanding and is being sold by four stockholders. **Underwriters**—Allen & Co. **Offering**—Price to public by amendment. **Proceeds**—Construct and equip additional stores; working capital. For details see issue of May 2.

● **Missouri Pr. & Lt. Co., Jefferson City, Mo. (5/10)**

May 22 filed 7,500,000 first mortgage bonds, due 1976, and $4,000,000 ($100 par) cumulative preferred stock. Bonds and stock to be sold through competitive bidding. **Underwriters** by amendment. Probable bidders include

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(Continued from page 2821)
Halsey, Stuart & Co. Inc. (bonds); The First Boston Corp.; Blyth & Co., Inc.; Coffin & Burr, Inc., and Kidder, Peabody & Co. **Proceeds**—Net proceeds from the sale of the bonds will be used to redeem in August $9,000,000 first mortgage bonds, 3¾% series, due 1966, at 104¼ and interest. Company also plans to borrow $4,000,000 from Bankers Trust Co., New York, to provide funds, together with treasury cash, for redemption on July 1 of its 46,702 shares of $6 preferred stock at $105 a share. Net proceeds from the sale of new preferred will be applied toward the payment of the mentioned promissory note. Any remaining funds will be used to reimburse treasury. **Business**—Sale of electric energy and natural gas. Also operates two water works systems, two manufactured ice plants and one hot-water heat system.

• Monticello Oil Corp., Dallas, Texas
May 15 (letter of notification) 400 shares ($100 par) common stock. Offering price, $100 a share. No underwriter. To pay for leases purchased and their exploration and development.

Moore Corporation, Joliet, Ill.
May 6 (letter of notification) $250,000 first mortgage 4¾% sinking fund bonds. Price to public 100% of principal amount. **Underwriters**—Illinois Securities Co.

Mountain States Tel. & Tel. Co., N. Y. (5/27)
April 26 filed $35,000,000 40-year debentures and 96,099 shares of common stock ($100 par). **Underwriters**—Bonds will be offered at competitive bidding. Probable bidders include Morgan Stanley & Co., Harris, Hall & Co. (Inc.) and Drexel & Co. (jointly), and Halsey, Stuart & Co. Inc. Offering of common stock not underwritten. **Offering**—The 96,099 shares of common stock will be offered for subscription at par to holders of record May 27, 1946, of the 480,497 shares of common, in the ratio of one share for each five shares then held. **Proceeds**—Proceeds from sale of debentures will be used to retire $30,000,000 3¼% debentures called for redemption June 1, 1946, at 105, and to reduce the amount of advances from American Telephone & Telegraph Co., parent. Company intends to use proceeds from sale of the stock to pay advances from parent. **Bids Invited**—Bids for purchase of the bonds will be received up to May 27 (11:30 a.m. EDST) at office of company, 195 Broadway, New York City. The interest rate to be specified in the bids. For details see issue of May 2.

Mutual Loan Co., Portland, Ohio
April 25 (letter of notification) 1,500 shares 5% cumulative series preferred ($100 par). **Offering**—Price to public $100 per share. Stock is being sold by officers of company, but stock not sold by them is to be offered by Wm. P. Harper & Sons & Co., Seattle, as agent.

Namm's Inc., Brooklyn, N. Y. (6/10)
May 3 filed 100,000 shares common stock (par $1). The statement also covers 45,000 shares of common issuable upon the exercise of warrants. **Underwriters**—Van Alstyne, Noel & Co. **Offering**—Price to public by amendment. **Proceeds**—Proceeds will be added to general corporate funds and used, as conditions permit, for purchase of additional inventory, etc. For details see issue of May 9.

• National Academy of Broadcasting Inc., Washington, D. C.
May 17 (letter of notification) 2,500 shares of class B common ($10 par). Offering price, $10 a share. No underwriting. **Proceeds**—To provide more adequate liquid capital, additional facilities of school.

• National Bellas Hess Inc., Kansas City, Mo.
May 22 voting trustees filed v. t. c. for 397,644 shares of common stock (par $1). Trustees are William M. Becker, New York; Samuel Cutler, Newark, N. J.; Arthur E. Dawson, Kansas City, Mo.; Ira R. Dickson, North Kansas City, and George Marks, Belle Harbor, L. I., N. Y.

National Bellas Hess, Inc., N. Kansas City, Mo. (6/4)
April 22 filed 397,644 shares common stock ($1 par). **Underwriters**—Emanuel, Deetjen & Co. **Offering**—Company is offering to holders of common stock of record May 20 the right to subscribe to the additional stock at $5 per share at rate of one share for each five shares of common held. Rights expire June 4. **Proceeds**—Will be added to working capital. For details see issue of April 25, p. 2264.

• National Gypsum Co., Buffalo, N. Y. (6/10)
May 21 filed 275,000 shares ($1 par) common stock. **Underwriters**—W. E. Hutton and Co., and Blyth & Co., Inc. **Offering**—Price by amendment. **Proceeds**—Net proceeds will be used to pay additional costs for construction of two new plants at Baltimore, Md., and Kimballton, Va.; to pay for additions to its rock wool plants and for additions and improvements to plants at Mobile, Ala.; Clarence Center, N. Y.; Kalamazoo, Mich.; Garwood, N. J., and New York City.

Nekoosa-Edwards Paper Co., Port Edwards, Wis.
May 3 (letter of notification) 3,144 shares common stock (par $25) being offered by John E. Alexander. Price to public $27 per share. **Underwriters** — Loewi & Co. and Schoellkopf, Hutton & Pomeroy, Inc.

New York Stocks, Inc., New York
May 1 filed 1,500,000 shares of special stock. **Offering**—At market. **Proceeds**—For investment.

• Nutrine Candy Co., Chicago (6/10)
May 21 filed 200,000 shares of common stock (par $1). **Underwriters**—Stifel, Nicolaus and Co., Inc. The stock is being sold by seven stockholders to underwriters at $7.50 per share. Selling stockholders include B. H. Goodman, President and Treasurer; Harry W. Goodman, Vice-President; Neal V. Diller, Executive Vice-President, and R. J. Iversen, Vice-President and Assistant Treasurer. Public offering price by amendment.

Ohio Public Service Co., Cleveland, O. (5/27)
March 30 filed $32,000,000 first mortgage bonds, due 1976; $5,500,000 serial notes and 156,300 shares of cumulative preferred stock (par $100). Interest rate on the bonds and notes and dividend rate on the preferred stock by amendment. **Underwriters**—To be filed by amendment. Probable bidders include Mellon Securities Corp.; Halsey, Stuart & Co., Inc. (bonds only); the First Boston Corp. **Proceeds**—Redemption and payment of bonds, notes and preferred stock. **Bids Invited**—Company is inviting sealed bids for the purchase of the above securities. Bids should be submitted at Room 1600, 70 Pine Street, New York 5, N. Y. before 11 a.m. (EDST) on May 27.

• Pacific Fishermen, Inc., Seattle, Wash.
May 14 (letter of notification), 1,000 shares of capital stock (par $300). No underwriter. **Offering**—Price $300 a unit (no offering has ever been made to the public). **Proceeds**—To buy and equip a store for dealing in types of merchandise required by local fishing industry. The venture is to be a cooperative.

• Pacific National Air Line, Inc., San Francisco
(Letter of notification) 200,000 shares of common nonassessable stock. Offering price, $1 a share. No underwriter. **Proceeds**—To purchase airplanes, pay for reconversion, and corporate purposes.

Paulsboro (N. J.) Manufacturing Co. (5/27)
March 29 filed 9,886 shares 6% cumulative preferred (par $100); 31,000 common stock purchase warrants and 31,000 shares of common, issuable upon the exercise of the warrants. **Underwriters**—Butcher & Sherrerd, Philadelphia. **Offering**—1,886 shares of 6% cumulative preferred are offered in exchange (one new share for 10 old shares) for shares of 4% preference stock ($10 par), together with all dividends accrued thereon. Exchange offer is conditioned on purchase of remaining 8,000 shares of 6% cumulative preferred and of the 31,000 common stock purchase warrants by underwriter. **Proceeds**—Purchase or construction of a plant and necessary machinery and equipment. For details see issue of April 4.

Pennsylvania-Dixie Cement Corp., N. Y.
April 25 filed 80,000 shares capital stock (par $7). **Underwriters**—None named. **Offering**—The 80,000 shares are reserved for issue upon the exercise of warrants which were issued to holders of common stock of General Cement Corp. in connection with a merger of that corporation into Pennsylvania-Dixie effective Dec. 21, 1945. The warrants are exercisable on and after June 1, 1946, and on and before May 31, 1949, at $20 per share. For details see issue of May 2.

Pennsylvania Electric Co., Johnstown, Pa.
March 21 filed $23,500,000 first mortgage bonds, due 1976, and 101,000 shares of cumulative preferred stock, series C, par $100. Securities will be sold at competitive bidding, and interest and dividend rates will be filed by amendment. **Underwriters**—By amendment. Probable bidders include Halsey, Stuart & Co., Inc. (bonds only); Smith, Barney & Co. (preferred only); Kuhn, Loeb & Co., and Lehman Brothers (jointly). **Offering**—Prices to public by amendment. For details see issue of March 28.

• Philadelphia (Pa.) Electric Power Co. (6/5)
May 17 filed $30,000,000 first mortgage bonds, series due 1975, guaranteed unconditionally as to payment of principal and interest by Susquehanna Power Co. Bonds will be sold through competitive bidding. Probable bidders include, Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co., Shields & Co. and White, Weld & Co. (jointly); Morgan Stanley & Co. **Purpose**—The sale of 1975 bonds is part of company's refinancing program, which also includes: (1) issue and sale of $12,000,000 10-year notes bearing interest at 1.68% per annum (guaranteed by Susquehanna) but not for resale to the public; (2) issue and sale to Philadelphia Electric Co., parent of both companies, a maximum of 120,000 shares of common stock ($25 par), and (3) issue by company of 242,000 shares of common stock in exchange for $6,050,000 of 6% demand note held by Philadelphia Electric Co., the exchange to be made upon redemption of company's presently outstanding 8% cumulative preferred stock about Aug. 15. **Proceeds**—Proceeds will be used: (1) to retire at 105½ on Aug. 1 company's first mortgage bonds 5½%, due 1972 (requiring $31,366,205), and (2) to redeem about Aug. 15 480,000 shares of 8% cumulative preferred stock (requiring $13,440,000).

Pittston Co., Hoboken, N. J. (5/28)
May 9 filed a $7,000,000 15-year 4% debentures due April 1, 1961, and $1,242,300 20-year 5½% cumulative income debentures due Jan. 1, 1964. **Underwriters**—Blair & Co., Inc. **Offering**—Price to public by amendment. **Proceeds**—Payment of promissory notes aggregating $8,000,000. For details see issue of May 16.

Plastics Materials Corp., Laconia, N. H. (5/24)
May 3 (letter of notification) 99,900 shares common, par $1. Price to public $3 per share. **Underwriter**—J. F. Reilly & Co., Inc. To purchase a wood flour mill, inventories, etc.

Powdrell & Alexander, Inc., Danielson, Conn. (6/1)
May 13 filed 82,316 shares of common stock (par $2.50). Shares are being sold by certain stockholders. **Underwriter**—Blyth & Co., Inc. **Offering**—Price to public by amendment.

Public Flyers, Inc., New York (5/27)
April 4 filed 200,000 shares of common stock (par $1). **Underwriters**—Bond & Goodwin, Inc. **Offering**—Price to public $3 per share. **Proceeds**—Payment of notes, purchase of flight equipment, additional hangar facilities, improvement of airport property and other related uses. For details see issue of April 11.

• Purex Corp., Ltd., South Gate, Calif. (6/10)
May 21 filed 165,000 shares ($1 par) capital stock. **Underwriters**—Blyth & Co., Inc. **Offering**—100,000 shares are being sold by 24 stockholders who presently own 314,900 shares, and 65,000 shares are being sold by company. Price, by amendment. **Proceeds**—Net proceeds to company, estimated at $985,894, will be used to pay off a $200,000 bank loan; pay for additions and improvements to present facilities and construction of new plants at Dallas, Texas, and Tacoma, Wash. Balance will be added to general funds. **Business**—Manufacture and distribution of sodium hypochlorite solutions, a toilet bowl cleaner and sanitizer, and a plumbing drain opener. Products are sold under the registered trademark of "Purex."

Radford (J. M.) Grocery Co., Abilene (5/24)
April 29 filed 15,000 shares cumulative preferred stock (par $50). **Underwriters**—Rauscher, Pierce & Co., Inc. **Offering**—Price to public by amendment. **Proceeds**—To finance in part acquisition of the stock of the predecessor company. **Business**—Wholesale grocery company.

• Reliable Oil Development Corp., Dover, Del.
May 15 (letter of notification) 90,000 shares ($1 par) common stock. **Offering**—Price $1 per share. No underwriter. Isaah S. A. Cooper, President of corporation, will supervise distribution and sale of securities. **Proceeds**—For prospecting and drilling or otherwise acquiring and selling petroleum, oils and gas on lease held in Brazoria, Texas.

Rockridge Gold Mines Ltd., Toronto, Can.
March 27 filed 300,000 shares of common stock ($1 par). **Underwriters**—Not underwritten. Company has granted an exclusive option dated Feb. 20, 1946, to Morgan U. Kemerer of Toronto to purchase 500,000 treasury shares at 30 cents per share and 500,000 treasury shares at 40 cents per share, payable in Canadian exchange. Mr. Kemerer has assigned to Mark Daniels, 371 Bay Street, Toronto, in consideration of $1, the former's right and option to purchase 300,000 of the 500,000 shares optioned to Mr. Kemerer at 30 cents per share. Mr. Daniels plans to market the shares optioned to him through the medium of a registered broker or brokers in the United States. **Offering**—Price to public is 40 cents per share, U. S. funds. **Proceeds**—Proceeds will be applied to development work, etc. For details see issue of April 4.

Salt Dome Oil Corp., Houston, Texas
March 28 filed certificates of interest for 800,000 certificates in overriding royalty in oil, gas and surplus. **Underwriters**—Cohu & Torrey, New York, and Yarnall & Co., Philadelphia. **Offering**—Company is offering the certificates of interest to stockholders on basis of one share interest represented thereby for each share of common stock held at 58 cents per share. **Proceeds**—Exploring and developing. For details see issue of April 4.

Segal Lock & Hardware Co., Inc., N. Y.
March 30 filed 738,950 shares of common (par $1). **Underwriters**—Floyd D. Cerf & Co. **Offering**—Holders of common stock, 7% preferred stock and $2.50 cumulative preferred stock are given right to subscribe to new common shares at rate of one share of common for each two shares of any such stock held. Price by amendment. **Proceeds**—Purchase of additional machinery and equipment for modernization of present facilities, etc. For details see issue of April 4.

• Silver Spring Center, Inc., Silver Spring, Md.
May 15 (letter of notification) 4,000 shares of $50 par) capital stock. **Offering**—Price $50 a share. No underwriter. **Proceeds**—To purchase land, erect a building to house restaurant, ballrooms, etc.

• Silverore Mines Inc., Wallace, Idaho
May 13 (letter of notification) 900,000 shares of common capital stock for benefit of company, 200,000 shares for benefit of Cecil Oliver Dunlop, Spokane; 90,000 shares for benefit of Elmer Edward Johnston, Spokane, and 10,000 shares for benefit of James Alfred Wayne, Wallace, Idaho. Offering price, 12½¢ a share. **Proceeds**—For prospecting and developing unpatented lode mining claims. **Underwriters** headed by Standard Securities Corp., Spokane.

• Socony-Vacuum Oil Co., Inc., New York (6/5)
May 17 filed $100,000,000 30-year, 2½% debentures, due June 1, 1976. **Underwriter**—Morgan Stanley & Co. **Offering**—Price to public by amendment. **Proceeds**—Proceeds together with treasury funds will be applied to the redemption of $50,000,000 25-year 3% debentures, due July 1, 1964, at 104 and int., and to prepayment about June 18 of $50,000,000 serial notes due 1950-55 at 100 and interest. **Business**—Production, transportation, refining and marketing of petroleum and its products.

● **Southern Aircraft Co., Garland, Texas**
May 15 (letter of notification) 30,000 shares of common stock (par $1). Offering to be made by and on behalf of Schneider, Bernet & Hickman of Dallas, Texas, and Charles B. White & Co., Houston, Texas, as underwriters. Price, $10 a share.

Spiegel, Inc., Chicago (5/28)
May 9 filed 117,000 shares of common stock (par $2) and options to purchase 111,800 shares of common. **Underwriters**—No underwriting. **Offering**—101,500 are issuable or have been issued under options. In addition company expects to grant options to purchase 15,500 shares of common stock to certain of its employees.

● **Stanley Mines, Inc., Denver, Colo.**
May 15 (letter of notification) 15,000 shares of capital stock ($10 par). Public offering price $10 a share. **Underwriter**—John B. Furstenberg. **Proceeds**—To remodel building, build cabins, install a mill for reduction of ores, and purchase machinery therefor.

Steep Rock Iron Mines Ltd., Ont., Can.
March 27 filed 500,000 shares of capital stock (par $1). **Underwriters**—Otis & Co. **Offering**—Price to public by amendment. **Proceeds**—Net proceeds will be added to the general funds and will be available for general corporate purposes. For details see issue of April 4.

● **Sutherland Paper Co., Kalamazoo, Mich. (6/10)**
May 21 filed 57,400 shares ($10 par) common stock. **Underwriters**—Harris, Hall & Co. (Inc.). **Offering**—stock initially will be offered for subscription to present common stockholders on basis of one new share for each five shares held. Subscription price by amendment. Unsubscribed shares will be offered to public through underwriters. **Proceeds**—Net proceeds will be used to repay outstanding term-loan notes amounting to $1,500,000. The balance, together with the balance of net proceeds from the notes, will be used to carry forward company's program of improvements and additions to existing plant facilities. **Business**—Manufacture of paperboard and its conversion into finished paperboard products.

● **Tip-Top Gold Mines, Inc., Denver, Colo.**
May 17 (letter of notification) notes in $10 denominations or even dollar amounts to be offered by the company to a total of $1,500. No underwriting. **Proceeds**—To pay taxes and other accounts.

Tucson (Ariz.) Gas, Electric Light & Power Co.
March 29 filed 147,000 shares common stock (no par). Stock constitutes all of the outstanding common stock of Tucson and is owned by Federal Light and Traction Co. **Underwriters**—By amendment. Probable bidders include Harriman Ripley & Co.; The First Boston Corp. and Blyth & Co., Inc. (jointly). **Offering**—Federal will offer the stock for sale at competitive bidding and price to public will be filed by amendment.

● **Union Carbide & Carbon Co., New York (6/5)**
May 17 filed 463,889 shares of capital stock (no par). **Underwriters**—None. **Offering**—Shares are being offered by the corporation to certain officers and employees of corporation and subsidiaries pursuant to the terms and provisions of a stock purchase plan, "to encourage a greater sense of proprietorship on the part of those who will be responsible for the continued growth of the corporation, etc." **Offering**—Price by amendment. **Proceeds**—Proceeds together with other general funds of corporation will be applied to the acquisition, construction and equipment of manufacturing and other facilities. **Business**—Business divided into five major groups as follows: alloys and metals; chemicals; electrodes, carbons and batteries; industrial gases and carbide; and plastics.

Union Wire Rope Corp., Kansas City (6/10)
Feb. 4 filed 42,000 shares capital stock (no par). **Underwriters**—P. W. Brooks & Co., Inc., New York. **Offering**—Stockholders of record May 24 will have the right to subscribe to the stock at $15.50 per share. Rights expire June 10.

United Cigar-Whelan Stores Corp., N. Y. (5/29)
May 10 filed 400,000 shares of common stock (par 30c). **Underwriters**—Allen & Co. **Offering**—Initial public offering price will be determined by a formula. **Proceeds**—To reimburse company for amount spent in acquisition of the Dade Pharmacies and Dade Cut-Rate Liquor Store, for redemption of shares of prior preferred stock, working capital. For details see issue of May 19.

United Cigar-Whelan Stores Corp., N. Y. (6/3)
May 14 filed 50,000 shares of convertible preferred stock. Cumulative dividend, $3.50 per annum (par $100). **Underwriters**—Allen & Co. **Offering**—Prior preferred stockholders will be given privilege of exchanging such shares for shares of new convertible preferred stock at rate of four shares of prior preferred for one share of convertible preferred with a cash adjustment. Convertible preferred not issued under the exchange offer will be sold to underwriters and offered to public at $100 per share. For details see issue of May 19.

United Grocers Co., Brooklyn (6/1)
April 25 (letter of notification) $300,000 5% debentures dated June 1, 1946; due June 1, 1956. **Offering**—To be offered by company to stockholders and customers; also exchanged for $75,000 6% bonds to be redeemed July 1, 1946. Price, par. **Proceeds**—Proceeds will be used as follows: payment of bonds, $75,000; construction of new building, $150,000; mechanizing warehouse equipment, $25,000; working capital, $50,000.

United Investors Corp., Denton, Texas (6/3)
May 14 filed $1,000,000 investment trust fund certificates, in units of $10 and up, in multiples of $10. **Offering**—At market. **Proceeds**—For investment. **Business**—A management investment company.

● **United Lead-Zinc Mines Co., Wallace, Idaho**
May 15 (letter of notification) 600,000 shares of common stock. Offering price, 50¢ a share. Underwriters are William Anderson, Glen F. Russell and Anna E. Rains, who were given options to purchase the 600,000 shares. Proceeds to be used for drilling and exploratory mining operations, and for equipment.

U. S. Airlines, Inc., St. Petersburg, Fla. (6/1)
April 22 filed 900,000 shares common stock (par $1) and 300,000 stock purchase warrants, of which 150,000 have been issued to Harry R. Playford, President, and 150,000 will be issued to underwriters. **Underwriters**—R. H. Johnson & Co. **Offering**—Price to public $3.25 per share. **Proceeds**—To pay principal and interest on bank loan, to finance purchase of additional aircraft, equipment, etc., and for working capital.

Valley View Mines, Inc., Spokane, Wash.
April 17 (letter of notification) 200,000 shares common stock. Price to public 62½¢ per share. **Underwriter**—Standard Securities Corp., Spokane, Wash.

Virginia Red Lake Mines, Ltd.
June 24 filed 220,000 shares of capital stock (par $1—Canadian). **Underwriters**—Willis E. Burnside & Co., New York. **Offering**—Offering price to public 28 cents United States funds. For details see issue of Aug. 2, 1945.

● **Vulcan Chemical Co., Inc., Birmingham, Ala.**
May 20 (letter of notification) 8,000 shares of class A common ($25 par). No public offering. Price to specified purchasers, including original incorporators, $25 a share. No underwriting. **Proceeds**—To pay bank loans.

● **West 57th Street Ownership Corp., New York, N. Y.**
May 17 (letter of notification) 435 shares of common stock ($100 par). Offering price, $100 a share. No underwriters. **Proceeds**—To pay for building at 467 West 57th Street, New York.

● **Western States Lumber Co., Los Angeles, Cal.**
May 15 (letter of notification) 1,000 shares ($10 par) common to be sold to John Buchanan, John Freeman and Wilford Gonyea without public offering on May 25. No underwriters. **Proceeds**—For working capital.

● **Willys-Overland Motors, Inc., Toledo, O. (6/5)**
May 17 filed 155,145 shares of cumulative preferred stock, series A (no par), convertible on or before Dec. 31, 1953), and 310,290 shares of common stock ($1 par). Dividend rate on preferred by amendment. **Underwriters**—Kuhn, Loeb & Co., and E. H. Rollins & Sons, Inc. **Offering**—Company is offering to stockholders rights to subscribe for the series A preferred at rate of one share for each 16 shares of common held at a price to be supplied by amendment. Certain stockholders have indicated they will not exercise their rights with respect to 46,773 shares of the series A preferred, which together with shares not subscribed for by other stockholders will be sold to underwriters for possible resale to the public at a price to be supplied by amendment. Company is also offering rights to its stockholders to subscribe for the 310,290 shares of common stock at the rate of one new share for each eight shares held. Similar rights with respect to the preferred and common stock are being offered to holders of outstanding options. **Proceeds**—Pending specific allocation, net proceeds will be added to the general funds of the corporation. **Business**—The manufacture and sale of automobiles and trucks.

● **Wisconsin Electric Power Co., Milwaukee, Wis. (6/10)**
May 22 filed $50,000,000 first mortgage bonds, due 1976, and 260,000 shares ($100 par) cumulative preferred stock. Bonds and preferred stock will be sold through competitive bidding. Probable bidders include The First Boston Corp.; Dillon, Read & Co.; Blyth & Co., Inc.; Halsey, Stuart & Co., Inc. (bonds); Wisconsin Co. (stock); Mellon Securities Corp. **Offering**—Company will offer common stockholders the right to subscribe for shares of new serial preferred not subscribed for or exchanged, on a share-for-share basis, for shares of its old serial preferred stock, 4¾% series.

The subscription offer to common stockholders will be at the rate of 1/10th of a share of new serial preferred for each share of common held. The right of subscription is subject to the consummation of the exchange offer and to the sale to underwriters of all shares of new serial preferred stock not subscribed for or required to effect exchange. **Proceeds**—Net proceeds from the bonds and a $5,000,000 bank loan will be used to redeem in July, $55,000,000 first mortgage bonds, 3½% series, due 1968, at 105¼. The new serial preferred is to be issued for the purpose of refinancing the old serial preferred at a lower dividend rate.

● **Wisconsin Pr. & Lt. Co., Madison, Wis. (6/10)**
May 21 filed 550,000 shares ($10 par) common stock to be sold at competitive bidding. **Underwriters**—By amendment. Probable bidders include Merrill Lynch, Pierce, Fenner & Beane; White, Weld & Co.; Glore, Forgan & Co., and The Wisconsin Co. **Proceeds**—Part of the shares are to be sold by Middle West Corp., top holding company of the System, and part by preference stockholders of North West Utilities Co., parent of Wisconsin, who elect to sell such shares of Wisconsin common which will be distributed to them upon the dissolution of North West Utilities Co.

Yank Yellowknife Gold Mines, Ltd., Tor., Ont.
Feb. 13 filed 600,000 shares of common stock (par $1). **Underwriters**—J. J. Carrick, Ltd., Toronto, Canada. **Offering**—Price to public 25 cents per share, United States funds. For details see issue of Feb. 21.

York (Pa.) County Gas Co. (5/27)
May 8 filed $1,700,000 first mortgage bonds, due 1976. Will be sold at competitive bidding. Interest rate by amendment. **Offering**—Price by amendment. **Proceeds**—Refunding. For details see issue of May 9.

Young Radiator Co., Racine, Wis.
Jan. 29 filed 100,000 shares of common stock (par $1); also registered 40,000 shares of common for issuance upon exercise of warrants. **Underwriters**—Van Alstyne, Noel & Co. **Offering**—Price to public $8.25 per share. Of 40,000 warrants to purchase common stock at $8.25 per share prior to Feb. 1, 1951, 20,000 were issue to stockholders on recapitalization and 20,000 are being sold to underwriters at 10 cents per warrant share. Offering postponed indefinitely. For details see issue of Feb. 7.

Prospective Security Offerings

(NOT YET IN REGISTRATION)

● **INDICATES ADDITIONS SINCE PREVIOUS ISSUE**

Air Services, Inc., New York
April 1 company was reported planning sale of 150,000 shares of common stock through B. G. Cantor & Co., New York, as underwriter. Price about $2 per share. Company's headquarters will be located within eight miles of New York City. Principal business will be student training and charter service.

American Bemberg Corp., New York
June 25 stockholders will vote on proposal that present 7% preferred stock be exchanged for new 4½% issue. Alternative plan would be the refunding of the issue through sale of other securities.

American Bosch Corp.
April 16 reported that Alien Property Custodian may shortly ask for bids on 535,000 shares (77.24%) of the stock of the corporation. Probable bidders include Glore, Forgan & Co. and Lehman Brothers (jointly), and Blyth & Co., Inc., and Merrill Lynch, Pierce, Fenner & Beane (jointly).

American Broadcasting Co., New York
April 25, E. J. Noble, Chairman, announced company is planning to offer a substantial amount of authorized but unissued common stock to the public and to owners of radio stations affiliated with the network, through an underwriting group headed by Dillon, Read & Co. Inc. Offer is dependent on approval of FCC.

American Gas & Power Co.
April 10 company (name to be changed to Minneapolis Gas Co.), under modified plan approved by SEC, reserves right to make public offering of not in excess of 874,078 shares of new common stock. Probable bidders include White, Weld & Co., W. C. Langley & Co., Otis & Co.

● **American Yarn & Processing Co., Mt. Holly, N.C.**
It is expected that an issue of $1,500,000 preferred stock, of an authorized issue of $4,000,000 approved by stockholders March 14, last, will be filed with the SEC at

(Continued on page 2824)

(Continued from page 2823)
an early date. Probable underwriters will include R. S. Dickson & Co. and Kidder, Peabody & Co.

Arkansas Power & Light Co., Little Rock, Ark.
March 30 reported company planned to issue 290,000 shares common stock (par $12.50) and $5,000,000 in promissory notes, for purpose of paying current promissory notes and finance expansion program. Probable bidders include Dillon, Read & Co. Inc.; The First Boston Corp., and Blyth & Co., Inc.

Artloom Corp., Philadelphia
July 16 stockholders will vote on increasing common stock by 300,000 shares, the new stock to be offered stockholders at $10 per share. Proceeds for expansion and working capital. Probable underwriters, Lehman Brothers.

Atlantic Refining Co., Philadelphia
May 7 stockholders approved proposal to increase the company's indebtedness from time to time by additional amounts not in excess of $50,000,000 in aggregate. The purpose of the plan, it was said, is to place the company in a position to fund bank loans, add to working capital and to provide funds for capital expenditures. Probable underwriters include Smith, Barney & Co.

Atlas Imperial Diesel Engine Co., Oakdale, Calif.
April 19 stockholders voted to split common stock 2 for 1 and create new preferred issue of 300,000 (par $10) of which 150,000 shares would be issued and sold to finance purchase of constituent company, improvements, etc. Blyth & Co., Inc., probable underwriters.

• **Bank of America National Trust & Savings Association, San Francisco**
May 21 it was announced that a nation-wide syndicate of investment bankers headed by Eastman, Dillon & Co.; The First Boston Corp., and Lehman Brothers completed negotiations with Transamerica Corp. for a public offering of 500,000 shares of common stock of Bank of America National Trust and Savings Association. The offering, it is stated, will take place the first week in June. The stock is currently quoted at 51⅛ bid and 53¼ asked.

Bangor & Aroostook RR., Bangor, Me.
April 16 stockholders authorized new mortgage. Company contemplates refinancing one-third of outstanding funded debt (Dec. 31, 1945, $12,665,000) through sale of equal amount of bonds under new mortgage, through competitive bidding. Probable bidders include Harriman, Ripley & Co., Inc.; Lee Higginson Corp., and Halsey, Stuart & Co. Inc.

Beatrice Creamery Co., Chicago
May 1 company stated early registration of 59,862 shares of cumulative convertible preferred stock (par $100) expected. The new issue, to be voted on by stockholders June 1, will be offered in exchange for $4.25 preferred. Glore, Forgan & Co. will be underwriters.

• **Bibb Manufacturing Co., Macon, Ga.**
June 1 stockholders will vote on changing capital stock from 200,000 shares (par $100) to 800,000 shares (par $25) four new shares to be exchanged for each old share; an additional 200,000 shares (par $25) will be created to be held for future needs of the company.

Bridgeport (Conn.) Brass Co.
April 23 stockholders voted to issue an additional 450,000 shares of common stock when and if new capital is needed. Probable underwriters, Hincks Bro. & Co.; Stone & Webster Securities Corp.; Hornblower & Weeks.

(The) Budd Co., Philadelphia
June 11 stockholders of Edward G. Budd Co., and Budd Manufacturing will vote on merging, the surviving company to be The Budd Co. Additional capital would be provided through sale of 537,000 shares of common stock to be initially offered to stockholders on a one for five basis. New company would also sell $30,000,000 of debentures to retire existing indebtedness. Probable underwriters are Blyth & Co., Inc., and Carl M. Loeb, Rhodes & Co.

• **California Oregon Power Co.**
May 21 Standard Gas & Electric Co. asked the SEC for permission to sell at competitive bidding the 312,000 common shares (no par) of California it owns. Probable bidders include Blyth & Co., Inc.; The First Boston Corp.; Harriman Ripley & Co.

• **Central & Southwest Corp.**
Pursuant to plan of Central & South West Utilities Co. and American Public Service Co. approved by the SEC a sufficient number of shares of Central & Southwest Corp., the new company, would be sold at competitive bidding to provide funds, not otherwise supplied, to retire outstanding preferred stocks of Central and American. Possible bidders: Glore, Forgan & Co.; Lehman Brothers-Lazard Freres & Co. (jointly); Smith, Barney & Co.-Harriman, Ripley & Co. (jointly); Blyth & Co., Inc.; Stone & Webster Securities Corp. and First Boston Corp. (jointly).

Chicago Milwaukee St. Paul & Pacific RR.
Issuance by the road of $58,900,000 lower-coupon first mortgage bonds, proceeds from the sale of which would be used to redeem first mortgage 4% bonds, 1994, is expected to be postponed until late this year. Earlier plans were for the retirement of the bonds July 1. Three investment banking groups were set up to enter competition for any new offering, viz.: Kuhn, Loeb & Co.; Mellon Securities Corp., and Halsey, Stuart & Co., Inc.

Columbia Gas & Electric Corp., New York
April 12 it was stated that in final step in recapitalization program, corporation is expected to sell approximately $100,000,000 debentures to pay off balance of senior securities and provide funds for property expansion. Probable bidders include: Glore, Forgan & Co.; W. E. Hutton & Co., and Halsey, Stuart & Co., Inc.

• **Columbia Gas & Electric Corp., New York**
May 16 United Corp. filed with the SEC a proposal to sell not more than 200,000 shares of common stock of Columbia. Sales would be made through brokers' transactions upon orders of the corporation at market price on the New York Exchange, the United reserving the right to select the brokers.

Consolidated Edison Co. of New York, Inc.
March 18 stockholders granted management's request to mortgage system's properties said to be forerunner to refund $304,240,000 callable debentures. Contemplated new bonds, to be sold at competitive bidding, would initially, it is said, involve $100,000,000. Morgan Stanley & Co. probable underwriters.

Consumers Power Co., Jackson, Mich.
March 14 filed with Michigan P. U. Commission application to sell at competitive bidding 876,568 common shares, after capital adjustment. Proceeds for extensions. Probable bidders include Morgan Stanley & Co.; Lehman Brothers; Harriman, Ripley & Co., and Mellon Securites Corp. (jointly).

Detroit Edison Co., Detroit, Mich.
March 19 committee of directors formed to consider refinancing of $65,000,000 3½s and 4s. Probable bidders include: Mellon Securities Corp., First Boston Corp., Dillon, Read & Co. Inc., Coffin & Burr, Halsey, Stuart & Co., Inc., and Spencer Trask & Co.

Empire District Electric Co., Joplin, Mo.
May 3 company filed application with the Arkansas P. S. Commission for authority to issue $2,000,000 2⅞% first mortgage bonds due in 1976. Proceeds would be used for additions and improvements to the company's properties in Missouri, Arkansas, Kansas and Oklahoma. Probable bidders include The First Boston Corp.; Halsey, Stuart & Co. Inc.; Shields & Co. and Lehman Brothers.

• **El Paso (Texas) Natural Gas Co.**
June 12 stockholders will vote on authorizing the financing of a proposed natural gas pipe line from the Lea County, N. M., field to close to Blythe, Calif. The meeting is contingent on the company attaining the necessary approval of the FPC, which is expected to an early date. If securities sold, probable underwriters will be White, Weld & Co., and Stone & Webster Securities Corp.

• **Fair (The), Chicago**
May 18 it was stated that company was planning to refinance its $1,239,330 4% mortgage notes, due 1959, on a long-term basis.

General Telephone Corp., New York
April 17 stockholders approved amendment to certificate of incorporation modifying restrictions against incurring debt for capital purposes without specific stockholders' approval. Stockholders also approved amendment to authorize 175,000 additional preferred shares. Probable bidders include Paine, Webber, Jackson & Curtis.

• **Glenmore Distilling Co.**
May 20 it is expected that financing to the extent of 125,000 common shares will be made at an early date with Glore, Forgan & Co., as underwriters.

Graef & Schmidt, Inc., New York
The Alien Property Custodian invites bids for the purchase, as a whole, of 100 shares of common stock (no par) constituting all the issued and outstanding common stock. Company presently is engaged in the manufacture and sale of a line of scissors and shears. All bids must be presented at the Office of Alien Property Custodian, 120 Broadway, New York 5, N. Y., on or before 12 noon (EDST), June 7, 1946.

• **Green's Ready Built Home, Inc., Rockford, Ill.**
May 15 it was reported that early registration of 350,000 shares of common stock (par $1) was expected. Company, it is stated, will also sell 150,000 warrants to underwriters at 1¢ per warrant. Price of stock to public is expected to be $3.50 per share. Underwriters, it is understood, will be R. H. Johnson & Co., New York, and Shillinglaw, Bolger & Co., Chicago.

Gulf States Utilities Co., Beaumont, Texas
May 16 company, subsidiary of Engineers Public Service Co. proposed a $27,300,000 refunding program to SEC to effect interest savings. Company proposes to sell at competitive bidding $27,000,000 new bonds with interest rate to be fixed by successful bidder and to borrow $2,000,000 on its 1¾% promissory note from Irving Trust Co. Proceeds would be used to redeem $27,300,000 first mortgage and refunding bonds, series D, 3½% due May 1, 1969. Probable bidders include Stone & Webster Securities Corp.; The First Boston Corp.; Halsey, Stuart & Co. Inc., Blyth & Co., Harriman, Ripley & Co.

Huyler's, New York City
May 5 reported that stockholders' meeting will be convened shortly for purpose of increasing authorized common from 600,000 to 700,000 shares; to authorize the sale of the 100,000 shares plus 41,530 now unissued (total 141,530) at not less than $10 per share. Proceeds would be used to redeem loan, preferred stock and for working capital.

Illinois Central RR.
May 3 it was announced that in connection with proposed bond refunding plan company proposes to sell $35,000,000 first and refunding mortgage bonds Series B. Proceeds would be used to retire outstanding refunding mortgage bonds to be called for payment Nov. 1 at 107½. Probable bidders: Kuhn, Loeb & Co. and Halsey, Stuart & Co. Inc.

Illinois Power Co., Decatur, Ill.
April 11 company filed plan with SEC to simplify capital structure. Plan contemplates the conversion of 5% cumulative preferred stock (par $50) into common stock on basis of two common shares for one preferred. Company states underwriting is available for this conversion program and will cover a 30-day commitment to purchase enough additional common to redeem any preferred not tendered for conversion. Company proposes issuance of 200,000 shares of new preferred (par $50) and such additional common shares to provide cash to pay dividend arrears certificates ($11,596,680). Probable bidders include Merrill Lynch, Pierce, Fenner & Beane; Otis & Co., and the First Boston Corp.

Indianapolis (Ind.) Power & Light Co.
April 24 it was reported that company probably will replace its $32,000,000 first 3¼s due May 1, 1970, with new lower-cost securities. Probable underwriters include Lehman Brothers; Blyth & Co., Inc., and Halsey, Stuart & Co. Inc.

Insuranshares Certificates, Inc.
May 2 company announced that 101,700 shares of capital stock (par $1) would be offered for subscription to stockholders of record May 27 at $5 per share. Rights expire June 17 3:00 p.m. Offering is contingent on registration statement (yet to be filed) becoming effective.

• **Jack & Heintz Precision Indus., Inc., Cleveland**
Company is reported planning some new financing at an early date, mostly common stock. Proceeds for working capital. Probable underwriter, Harriman Ripley & Co. Inc.

Kurman Electronic Corp.
Company, manufacturer of various electrical relays and clocks, is reported planning the sale of 90,000 shares of common stock through B. G. Cantor & Co. An additional 7,500 shares would be sold for account of N. S. Kurman, President. Price $3 per share.

Lowenstein (M.) & Sons, Inc., New York
May 14 it was reported that due to expansion and acquisition of grey mills company, has need of additional capital. If additional stock is required, Eastman, Dillon & Co. are expected to head the underwriting syndicate.

• **Macfadden Publications, Inc., New York**
May 20 it was reported that company had under consideration plans to refund the outstanding 6% debentures and the $1.50 participating preference stock.

• **Markt & Hammacher Co., New York**
May 23, Alien Property Custodian James E. Markham announced that he is offering at public sale minority stock and bond interests in this company, engaged in the export of hardware and farm implements with the aid of foreign and domestic affiliates. Securities being offered include 2,164 shares (21.99%) of the first preferred stock, 1,588 shares (34.90%) of the second preferred stock, 1,046 shares (29.90%) of the class A common stock, 2,000 shares (38.10%) of the class B common stock, $39,900 (14.60%) of 6% serial bonds and $93,100 (14.90%) of 6% income bonds. Bids will be received on the six lots individually and on the six lots as an entirety. Sale will be by public auction to be held at 12 noon (EDT), June 21, 1946, at the Office of Alien Property Custodian, 120 Broadway, New York 5, New York.

Michigan Gas & Electric Co., Three Rivers, Mich.
April 1 filed with SEC application to sell (a) $3,500,000 first mortgage bonds due April 1, 1976, (b) 14,000 preferred shares (par $100) and (c) $400,000 common stock (par $10). All issues would be sold through competitive bidding. Probable bidders include Blyth & Co., Inc., Kidder, Peabody & Co.; The First Boston Corp.; Harris Hall & Co. (Inc.); Merrill Lynch, Pierce, Fenner & Beane, and Ira Haupt & Co.

Michigan-Wisconsin Pipe Line Co.
May 3 it was reported that Michigan Consolidated Gas Co., through the purchase of $17,000,000 in common stock, would acquire full control of the Michigan-Wisconsin Pipe Line Co. Sale of the stock to Michigan Consolidated would be a part of the initial financing of the new company, which proposes to build a $71,000,000 pipe line to bring natural gas from Texas to Midwest States. Michigan-Wisconsin's proposal also contemplates issuance of $6,000,000 in 2% 5-year serial notes and of $34,000,000 in 3¼% 20-year first mortgage bonds to complete the "initial financing." The plan has yet to be presented to the SEC. Probable bidders of the

bonds include Dillon, Read & Co. Inc.; Glore, Forgan & Co.; White, Weld & Co.; Halsey, Stuart & Co. Inc., and Mellon Securities Corp.

Milwaukee Gas Light Co.

May 6 it was reported company is considering refunding its $3,000,000 4½% bonds due 1967 and the refunding or retiring of the $2,000,000 outstanding 7% preferred stock. Refunding step would strengthen company's capital structure as a forerunner to distribution of its stock by the American Light & Traction Co., parent, to enable latter to meet Utility Holding Company Act requirements. Probable bidders include Otis & Co., Glore, Forgan & Co. and Lehman Brothers (jointly); Halsey, Stuart & Co. Inc., and Dillon, Read & Co. Inc.

Montgomery Ward & Co., Chicago

Sewell L. Avery, Chairman, following the annual stockholders' meeting, indicated that rights may shortly be offered to shareholders to raise funds to finance an expanded volume of business. Probable underwriters if stock is offered include Glore, Forgan & Co., and Shields & Co.

● **Montreal, City of**

May 16, J. O. Asselin, Chairman of Montreal's Executive Committee, conferred with investment bankers with respect to proposed sale in the United States of a new bond issue designed to provide funds for retirement of city's outstanding two-payment obligations. The tentative schedule, which is subject to approval of the municipal calls for bids on $20,610,000 bonds in June; $22,460,000 in August; $20,095,000 in December, and $22,474,000 in February of 1947. As an alternative the City may sell half the issue in June and the other half soon thereafter. Refunding in Canada of $121,816,000 Canadian and other payment bonds is to accompany the financing. The City will determine the coupon rate on the bonds, which are to mature 1947 to 1975. Investment banking groups planning to enter the competition include one led by Halsey, Stuart & Co. Inc.; one by Glore, Forgan & Co.; one jointly by Harriman Ripley & Co., Inc., and Dominion Securities Corp.; and one jointly by Shields & Co., and Blyth & Co., Inc.

● **Mountain States Power Co., Albany, Ore.**

May 20 it was reported that Standard Gas & Electric is planning to sell at competitive bidding at an early date its holdings of 140,614 shares of common stock. Probable bidders include Blyth & Co., Inc.; The First Boston Corp.; Harriman Ripley & Co.

● **National City Lines, Inc., Chicago**

May 15 it was intimated that company may have financing plans in connection with steps being taken in acquiring additional lines. Probable underwriters include Reynolds & Co.

● **National Cellulose Corp.**

May 22 expected filing at early date of 200,000 shares of common stock, to be offered at $6 per share. Floyd D. Cerf & Co. will be underwriters.

New England Gas & Electric Association, Cambridge, Mass.

March 27 filed amended recapitalization plan with SEC providing for sale at competitive bidding of (a) $22,500,000 20-year sinking fund collateral trust bonds, plus (b) sufficient shares of new common stock out of the original issue of 2,300,000 shares to supply $11,500,000. Proceeds will be used to retire at par and interest outstanding debentures. Bidders may include Halsey, Stuart & Co., Inc (for bonds only), Bear, Stearns & Co. (for stock only), First Boston Corp., White, Weld & Co.-Kidder, Peabody & Co. (Joint).

New York Dock Co., N. Y.

April 24 reported negotiations will be resumed within month for refunding of $10,000,000 first mortgage 4s, due 1951. New issue will probably run 25 years. Probable underwriters, Hayden, Stone & Co., and Halsey, Stuart & Co., Inc.

Northern Indiana Public Service Co.

April 17 reported that company has under consideration the refunding of its $45,000,000 series C 3⅛s with issue of about same size carrying lower coupon rate. Probable bidders, Halsey, Stuart & Co. Inc., and Harriman, Ripley & Co.

Northern Pacific Ry., St. Paul, Minn.

It was reported April 10 that company has under consideration the refunding of $55,000,000 collateral trust 4½% bonds due 1975 and the issuance of a new series of collateral trust bonds. Prospective bidders, Morgan Stanley & Co., Halsey, Stuart & Co. Inc., and Kidder, Peabody & Co.

Ohio Edison Co., Toledo, Ohio

March 21 filed with Ohio P. U. Commission application to sell through competitive bidding 204,153 shares of common stock. Proceeds for expansion, etc. Hearing on application before SEC will be held June 5. Probable bidders include First Boston Corp.; Glore, Forgan & Co.; White, Weld & Co.-Shields & Co. (jointly); Morgan Stanley & Co., and Stone & Webster Securities Corp.

Oklahoma Gas & Electric Co., Oklahoma City

Company contemplates at same time Standard Gas & Electric Co. sells its holding of common stock (in accordance with SEC regulations) to sell approximately 140,000 shares of new common stock, proceeds of which will be used to reimburse treasury and retire bank loan used in redeeming the 7% preferred stock. Probable bidders will include Merrill Lynch, Pierce, Fenner & Beane; The First Boston Corp., and White, Weld & Co.

● **Peabody Coal Co., Chicago**

June 24 stockholders will vote on approving recapitalization plan involving the authorization of a series of prior preferred 4½% stock (par $20). If approved, holders of present 6% preferred (on which there were dividend arrearages of $30 per share May 1) will be asked to exchange one share for 6½ shares new prior preferred. Each prior preferred share would carry with it a warrant to subscribe for ⅕ of a share of class B stock at varying prices over a number of years.

Pennsylvania Edison Co., Altoona, Pa.

March 28 company applied to the SEC for permission to issue (a) $23,500,000 first mortgage bonds series of 1976, and (b) 101,000 shares of series C cumulative preferred stock, with a dividend rate not to exceed 4%. Both issues are to be sold through competitive bidding. Probable bidders include Mellon Securities Corp., Smith, Barney & Co., Kidder, Peabody & Co., and Merrill Lynch, Pierce, Fenner & Beane.

Pennsylvania Gas & Electric Corp., York, Pa.

May 7 corporation applied to the SEC for permission to sell all of the common stock of the Petersburg & Hopewell Gas Co. (a subsidiary) consisting of 55,000 shares (par $10) to Scott, Horner & Mason, Inc., of Lynchburg, Va., for $600,000, plus closing adjustments.

Pere Marquette Ry.

April 24, W. H. Wenneman stated that refinancing of company's $59,749,000 first mortgage 3⅜s will be undertaken following consummation of merger of road with Chesapeake & Ohio Ry. Probable underwriters include Halsey, Stuart & Co., Inc., and Blyth & Co., Inc.

● **Philco Corp., Philadelphia**

May 17 stockholders voted to increase capital stock from 2,000,000 shares of common to a total of 3,370,057 shares, consisting of 250,000 preferred shares (par $100), 2,500,000 common shares (par $3) and 620,057 class B stock (par $3). Purpose is to secure permanent capital as may be required for future expansion. Smith, Barney & Co. probable underwriter if sale of securities takes place.

Radio-Keith-Orpheum Corp., New York

May 4 L. Boyd Hatch, Executive Vice-President of Atlas Corp., stated that company may shortly dispose of all or part of its holding of R-K-O common stock; which amounted to 1,329,020 shares (43%) Dec. 31, 1945, with a total market value as of that date of $21,762,702. Sale may be made by June 30 or some time in the fall. Probable underwriters if stock is sold, Dillon, Read & Co. Inc.

Reynolds International Pen Co., Chicago

An early offering of 200,000 shares of common stock at about $10 per share is expected, with Allen & Co. as principal underwriters.

● **Rome (N. Y.) Cable Corp.**

June 5 stockholders will vote on approving a recapitalization plan to provide funds for erection of a new manufacturing plant at Rome, N. Y. The plan involves issuance and sale of 63,276 shares of a new convertible preferred stock (par $30) and an increase in the authorized common stock from 200,000 shares to 600,000 shares. Probable underwriter, Mohawk Valley Investing Co.

St. Louis (Mo.) Public Service Co.

April 19 the company petitioned the Missouri Public Service Commission to simplify its financial structure, including reduction in interest and sinking fund changes. Company proposes to retire current funded debt ($11,640,683) and to issue up to $10,000,000 new bonds, but limited originally to $6,000,000. Probable bidders include White, Weld & Co.; Blyth & Co., Inc., and First Boston Corp.

Seaboard Corp., Harrisburg, Pa.

April 30 John Stapf, President, announced that proposals and plans for the refinancing of corporation and affiliated interests will be received until June 1, 1946, by the company. Operations consist mainly of owning and managing 22 water utilities located in several states. Interested firms are invited to communicate with the general office, N. Sixth St., Harrisburg, Pa.

Seaboard Fruit Co., Inc., New York

It is understood that company will file a letter of notification in the near future covering an issue of convertible Class A stock and common stock to be offered in units of one share of each, the aggregate to be in the neighborhood of $295,000. It is expected that Hill, Thompson & Co., will be underwriters. Company, which is in business for about nine years, is engaged in the exporting of fruit, meats, vegetables, etc., to Latin American countries.

● **Seven-Up Texas Corp., Houston, Texas**

May 21 sale was announced of controlling interest in the company to a group composed of Stifel Nicolaus & Co., St. Louis; Dittmar & Co., San Antonio, and Rauscher, Pierce & Co., Houston. New owners, it is said, plan considerable expansion of the company, including installation of new machinery, etc., necessitating new capital.

Southern Co., New York

The Southern Co. (to be successor to Commonwealth & Southern Corp.) proposes to sell for cash (when Commonwealth's recapitalization plan becomes effective) sufficient common stock to realize $10,000,000, to be invested in Southern Co.'s subsidiaries and new construction.

Southern Electric System, Inc.

May 10 pursuant to substitute plan for retirement of preferred stocks of Electric Power & Light Corp., filed with SEC common stockholders of Electric Power & Light Corp., would be given rights to subscribe to United Gas Corp. common stock and stock of the new holding company Southern Electric System, Inc. The latter company would be formed to hold the stocks of Arkansas Power & Light Co., Louisiana Power & Light Co., Mississippi Power & Light Co., and New Orleans Public Service Inc.

Sunray Oil Corp.

May 1 proposed merger of Sunray and Transwestern Oil Co. announced, subject to stockholders' approval. Public distribution of securities of Sunray is proposed with Eastman, Dillon & Co. principal underwriters.

Textron, Inc.

April 30 it was stated that a plan was under way to finance a new company to acquire the assets of Nashua Manufacturing Co., 95% of the common stock of which is owned by Textron. Probable underwriter, Blair & Co.

● **Twin Coach Co.**

May 22 it was reported that early filing of an issue of debentures was expected. Reynolds & Co. may be underwriter.

Union Electric Co. of Missouri

It is rumored that company contemplates refunding its outstanding $90,000,000 3⅜s of 1971 with lower cost obligations. Possible bidders would include Dillon, Read & Co. Inc., and Halsey, Stuart & Co., Inc.

Union Pacific RR.

May 9 it was reported officials are considering the question of meeting the $100,000,000 first mortgage railroad and land grant 4's due July 1, 1947. However it is felt maturity date is too far away to determine now whether issue will be paid off in cash or will be refunded. If company decides to refund through new issue probable bidders will be Kuhn, Loeb & Co., and Halsey, Stuart & Co. Inc.

United Drug, Inc.

May 4 it was stated that public offering of between 600,000 and 1,000,000 shares of additional capital stock now being negotiated with underwriters. The actual size of the offering will depend on progress of financing discussions and prevailing business conditions. Stockholders voted May 14 to reduce the par value of the capital stock from $5 to $2.50 a share, and to increase the authorized capital stock from 1,400,560 shares to 5,000,000 shares. Stockholders also approved a two-for-one split of the present capital stock. A proposal to change the name of the company to United-Rexall Drug, Inc., was also voted. Probable underwriter, Smith, Barney & Co.

United Printers & Publishers Inc., Joliet, Ill.

April 10 stockholders voted to increase authorized common stock (par $1) from 400,000 shares to 1,000,000 shares. Company contemplates sale of 165,656 additional shares, proceeds of which will be used to redeem at $35 a share outstanding 100,000 $2 preference stock. Probable underwriter A. C. Allyn & Co.

United States Lines Co., Hoboken, N. J.

June 4 stockholders will vote on creating a new issue of 4½% cumulative preferred stock junior to the present 7% preferred stock. It is proposed to offer the new preferred in exchange for the 7% preferred stock share for share. Unexchanged 7% preferred will be called for redemption. It is not the present intention to issue any new preferred except in exchange for the 7% preferred.

United States Radiator Corp., Detroit

April 24 annual meeting adjourned to May 15 when new plan of recapitalization and refinancing should be ready for submission to stockholders. Previous plan rejected by stockholders March 1 last. Probable underwriters, White, Weld & Co.

● **United States Realty-Sheraton, Inc.**

In connection with the reorganization of the U. S. Realty & Improvement Co. and merger with Sheraton Corp., 42,390 shares of the reorganized company's common will be sold to an investment group headed by Lehman Brothers.

Vacuum Concrete Inc., New York

May 3 stockholders approved increase in authorized capital from 310,000 shares (par $1) to 350,000 shares (par $1). Additional stock will be used to obtain working capital and for purchase of assets of Vacuum Concrete Corp., parent, which it is planned to liquidate. Probable underwriter, Hanson & Hanson.

● **Van Norman Co., Springfield, Mass.**

May 15 stockholders voted to increase common stock from 240,000 shares to 400,000 shares (par $2.50). Directors plan to sell 120,000 additional shares, without prior offering, to stockholders, proceeds to reimburse treasury for expenses incurred in acquisition of Morse Twist Drill & Machine Co., reduce bank loans, etc. Probable underwriters include Paine, Webber, Jackson & Curtis.

● **Texas Co.**

May 16 it was reported that the directors are giving consideration to a plan of refinancing presently outstanding securities which would require the issuance of

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approximately $100,000,000 of debentures. Details of the new debenture issue, including interest rate and maturity are expected to be decided upon at an early date. Proceeds from the sale of the new issue will be applied to retirement of the company's presently outstanding $40,000,000 3% debentures due 1959 and $60,000,000 3% debentures which mature in 1965. Dillon, Read & Co. Inc., is expected to head the underwriting syndicate.

Wabash Railway

May 1 it was reported that company may possibly refund its $47,000,000 first mortgage 3¼s of 1971 with a lower coupon issue. Possible bidders include Halsey, Stuart & Co., Inc., and Kuhn, Loeb & Co.

• Western Maryland Ry.

May 22 reported company working on plans to refinance $44,901,000 first mortgage 4s. Probable bidders include Kuhn, Loeb & Co., and Halsey, Stuart & Co. Inc.

Western Pacific RR.

April 11 ICC conditionally authorized company to issue $10,000,000 first mortgage bonds, series B, due Jan. 1, 1981, proceeds to be used to refund a like amount of first mortgage 4% bonds due Jan. 1, 1974, and held by RFC. Interest rate to be specified in bids. Probable bidders include Blyth & Co., Inc.; Bear, Stearns & Co.; Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Beane; Shields & Co., and Glore, Forgan & Co.

• Wisconsin Public Service Co., Milwaukee, Wis.

May 20 it was reported that Standard Gas & Electric Co. expected to sell at competitive bidding some time in June its holdings of 1,099,970 shares of common stock. Probable bidders include The Wisconsin Co.; The First Boston Corp.; Harriman Ripley & Co.

Yonkers (N. Y.) Electric Light & Power Co.

Jan. 21 company and parent Consolidated Edison Co. of New York, Inc. applied to New York P. S. Commission for authority to issue $9,000,000 30-year debs., int. rate not to exceed 2¾%, to be guaranteed by parent. Issue to be sold through competitive bidding. Possible bidders include Halsey, Stuart & Co., Inc.; Morgan Stanley & Co.; Lehman Bros., Harriman Ripley & Co. and Union Securities Corp. (Joint); Blyth & Co., Inc.; Shields & Co. and White, Weld & Co. (Joint); W. C. Langley & Co.; Merrill, Lynch, Pierce, Fenner & Beane and Kidder, Peabody & Co. (jointly).

What About Prices?

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bonds as they intend to sell, and partly to their determination to wait for lower prices. This may especially be true in the field of building. There is a limit to what people will pay for a new house.

Truth About Building

The National Housing Agency has just released a careful study on home building. They find that a house which would have cost $5,000 to build six years ago would cost $8,250 to build today. Houses under $6,000 have gone up 65% and houses over $6,000 have gone up 57%. In certain sections of the Pacific Coast it is claimed that building has gone up 100%. These increases are certainly out of line with the advances in other living costs which amount to only about 30%.

Effect of Labor Unions

Over a long period, prices are determined by supply and demand. Even labor unions cannot do much to affect the long trend of prices. Improvements in the standard of living are due to increased production and new inventions rather than to labor unions. Over a short term, however, labor unions can greatly affect prices by raising wages, shortening hours and especially by slowing down "the number of bricks laid per hour." This is true today and will be in 1947 when labor unions may be in even a stronger bargaining position.

Most of those whom I interview belong to the second school of thought; they do not expect the buyers' strike but rather slowly rising prices for some years to come. Most businessmen are now short of labor; over 2,000,000 more persons are employed today than a year ago. In some industries there exists a real shortage of labor. On the other hand, many lines of industry are running into a very competitive market. Many more concerns will be making every product than before the war. This should tend to keep down profits and make the price rise orderly.

My Personal Opinion

Food: Excepting a few products, such as fruit, dairy products, etc., there should be no increase in food prices after the Europeans get a good crop. Labor is returning to the farm, improved farm machinery will be on the market and—barring unseasonable weather conditions—there may soon be a surplus of crops and even lower prices.

Clothing and other consumer goods: Clothing prices will be higher. The industry is heavily unionized and the OPA has been unfair to clothing manufacturers. There also is a shortage in other lines. With the exception of clothing, I expect only a moderate rise in prices of consumer goods in general unless Congress raises minimum wages above 50 cents per hour. There, however, should be a small, but gradual, increase in the prices of consumers goods for some time to come.

Housing: The cost of building will continue to increase until there is either a buyers' strike or the unions permit reasonable building codes and the use of modern methods such as paint spraying, etc. At the moment, the building trade unions have the American people by the throat. Some day they will regret their present foolish actions.

Amos Treat & Co. Offers Fleetw'd-Airflow Stock

An underwriting group headed by Amos Treat & Co. on May 21 offered 91,767 shares of 50¢ par value common stock of Fleetwood-Airflow, Inc., a Pennsylvania corporation. The stock is priced at $3 per share. Of the total offering, 75,267 shares are being sold by the company, and the remaining 16,500 shares are being offered on behalf of two stockholders.

The proceeds to be received by the company from this sale will be used for general corporate purposes and for the purchase and installation of equipment to enable the company to produce certain completed parts now partially fabricated by it and completed by sub-contractors.

After giving effect to this financing, the outstanding capitalization will consist of 279,000 shares of common stock.

Fleetwood-Airflow, Inc. was incorporated in May 1942 to acquire machinery and equipment for the production of ordnance materials and generally to aid in the war effort. The company presently is engaged in the manufacture and sale of Fleetwood refrigerated display cases and Fleetwood Reach-In refrigerators, Airflow pre-coolers, and the patented Airflow Electric beverage dispensing and cooling equipment. It is also the exclusive national distributor of "Plyotube," a recently developed flexible plastic tubing.

Long-Range Water Projects Approved

The House Rivers and Harbors Committee on May 10 approved legislation which would authorize water development projects, such as navigation, irrigation, hydroelectric power and flood control works, to an initial amount of $600,000,000, Associated Press Washington advices stated. If the bill is passed, the money would be divided over a period of years in line with a program which will ultimately cost possibly more than a billion dollars and which Army engineers seek to put into effect in development of the water resources of the United States.

Record Attendance Assured for Field Day Of New York Bond Club

(Continued from page 2791)

pre-war Field Day in 1941. The Hamilton Candee trophy will go to the individual with low net score. The 1941 winner of this cup was Howard P. Richardson. The Robert E. Christie, Jr., trophy, given for handicap match play against par, was last won by John M. Fisher.

There will be on contest this year for the Morgan cup, which is customarily given to the winning team in inter-city competition in which the Bond Clubs of other cities participate. The Bond Club of New York is the present holder, having won out against the Hartford and Philadelphia clubs in 1941. It is expected that competition for this cup will be resumed in future years.

Mr. Marks announced that both upper and lower courses of the Sleepy Hollow Country Club would be open for play at 8 a.m. Friday and that both courses would also be open for matches on Thursday afternoon. In addition to prizes for low gross and low net in three handicap classes, a prize will be awarded for the player turning in the most birdies.

In a special appeal to softball players, Robert L. Hatcher, Jr., Chase National Bank, chairman of this committee, promised that Mexican scouts would be on hand to bid for any special talent displayed on the diamond. A softball game has been scheduled for 2:45 p.m. Al Schacht, the "clown prince" of baseball will referee.

A one-day doubles tournament on an automatic handicap basis has been arranged for Wall Street's tennis players by Clifton A. Hipkins, Braun, Bosworth & Co., Chairman of the Tennis Committee.

Recognizing the popularity of horseshoe pitching since it became the favorite White House sport, the Bond Club has added this game to the athletic program. Robert H. Craft, Guaranty Trust Co., Chairman of this committee, has arranged two competitions for teams of two from the same firm and teams of any two individual club members.

For bond men too wearied by the recent activity in underwriting to engage in strenuous athletics, William G. Laemmel, Chemical Bank & Trust Co., Chairman of Outdoor Entertainment, has promised free rides on a bicycle treadmill on the Sleepy Hollow Midway.

A wide variety of prizes will be awarded to winners in all events.

One of the traditional features of the Field Day, the Bond Club Stock Exchange, will operate throughout the day. Lively trading in automobile shares is in prospect with the lucky traders participating in a distribution of assets at the end of the day. A fashion show and beauty contest, with models representing various Wall Street houses, will be staged at the conclusion of an outdoor dinner Friday evening.

Our Reporter's Report

Neither the investment bankers nor prosepective borrowers appear to have been more than momentarily perturbed by the recent let-down in Treasury bonds and high-grade corporates which take their cue from the money market. Partial recovery has since been in order.

It is evidently the conviction in such circles that the long-range outlook for money rates is such that yields will not vary greatly from current levels. At any rate corporate borrowers have resumed their activity and the bankers show little or no hesitation in undertaking the marketing of securities which they have to offer.

Oil companies have stepped to the fore with plans for refinancing and the raising of new money in the industry category. And with Standard Oil Co. (N. J.) new 2⅜s, brought out last week, ruling at a point premium, other companies are expected to be in the market as time goes on.

Two more tremendous oil undertakings are known to be in preparation with Socony-Vacuum Oil Co. having placed $100,000,000 of new 30-year 2½s in registration with the Securities and Exchange Commission to be marketed next month.

Meanwhile Texas Co. has announced that it is coming into the market with a refinancing operation involving $100,000,000 at least, with indications that it may seek additional new money in amounts which will substantially raise the total of the prospective issue.

Utility Stocks

Pubilc utility holding companies which are being forced to divest large portions of their systems under the "death sentence" clause of the Holding Company Act, are not encountering much difficulty in disposing of the securities involved.

On the contrary investment bankers show keen interest in such issues for redistribution to the public. For example one such undertaking, expected to reach market today if results of Tuesday's bidding were cleared by SEC involved 744,455 shares of common stock of Columbus & Southern Ohio Electric Co.

Sold by the Continental Gas & Electric Corp., that issue brought out bids by two groups, the successful syndicate paying the company $51.19 and its competitor offering a price of $49.38, a bit more of a spread than might have been expected. The price to the public on reoffering is set at $53.50.

Next Week Busy

The high-tide of new emissions appears destined to carry over into the next week judging by the roster of issues up for sale through competitive bidding.

On Monday the Ohio Public Service Co. will open bids on $32,000,000 of new first mortgage bonds, $6,000,000 of serial notes and 156,300 shares of preferred. The same day Mountain States Telephone & Telegraph will open bids on $35,000,000 of 40-year 2½s.

Response to the latter offering will be watched with interest in view of its recognized quality and the longer-than-usual maturity which has been fixed.

Meanwhile a number of smaller issues now in registration are possibilities, including several sizable stock undertakings.

Cleaning Up

The sparkling response to the Standard Oil Co. (N. J.) offering has provided a much needed tonic for the general market which has been responsive judging by reports of clearing shelves in the case of a number of recent issues.

Several are still around in sizable quantities, including the Panhandle Eastern Pipe Line serial debentures and Scranton-Spring Brook Water Supply 2⅞s.

But by and large dealers report a better inquiry around, though it is disproportionately from out-of-town institutions in many cases. The large eastern insurance companies and other institutions still keep their aloofness for new issues which do not suit their ideas.

Another Rail Issue Looms

Another railroad refinancing, for the account of Western Maryland Railway appears to be shaping up and should develop in detail in the not distant future.

In connection with its application to the Interstate Commerce Commission for authority to sell $2,000,000 of certificates, the road disclosed it was working in plans to refund $44,901,000 of first mortgage 4% bonds now outstanding.

The company stated that this undertaking would likely require much of its available cash, asserting this was the reason it was seeking to finance the purchase of new equipment through notes.

FBI Director Gets Raise

The salary of the Director of the Federal Bureau of Investigation, J. Edgar Hoover, was unanimously voted increased by the House on May 3 from $10,000 to $14,000 a year, the increase to remain in effect as long as Mr. Hoover occupies the post, special advices to the New York "Times" from Washington stated. It is anticipated that the Senate will approve the House action. The move was proposed in the form of an amendment to the Justice Department Appropriation Bill, by Representative John W. McCormack (D.-Mass.), who said of Mr. Hoover that "no person has been more diligent in the protection of the Constitution and our institutions." Republicans joined with Democrats in applauding the amendment.

How Foreign Investors Should Be Treated

(Continued from page 2787)

ecutives and technicians to the greatest possible extent, train local employees and workers and, above all, apply decent standards of remuneration and conditions of work and living, taking into account the prevailing levels in similar branches of activity in the country.

Investment in less developed countries frequently offers prospects of larger returns than investment in more advanced countries. The fundamental rules of business, however, always require caution, responsibility and foresight. Many of the disappointments that occur are due to ignorance of local conditions, laws, customs and national traits. Misunderstandings and failures will be avoided by careful market surveys, cost estimates and well thought out agreements before the investment is made.

The governments of capital-exporting countries must make it possible through the various channels of multilateral trade for debtor countries to service the investments they have received. Their nationals should be prepared to leave their capital abroad for long periods and to make reasonable arrangements for accommodation in periods of crisis.

By conducting their diplomatic relations in a manner which dispels any fear of political or economic imperialism, the governments of capital-exporting countries can contribute to the avoidance of restrictive policies against their nationals in capital-importing countries. To protect the person and the interests of nationals abroad is a recognized function of the state, but this responsibility should not be fulfilled in a manner which engenders distrust in countries where the nationals have interests. In no case should a state protect its nationals abroad whose conduct does not conform to internationally acceptable standards. On the other hand capital-importing countries should not invoke the technicality of local incorporation to deprive foreign investors of the right to protection by their own governments.

Stock of Minneapolis Honeywell Placed

The Minneapolis - Honeywell Regulator Co. exchange offer of 85,700 shares of 3.20% Convertible Preference Stock, series A (par $100), to holders of its 4% and 4¼% series B, C and D preferred stocks has resulted in exchanges of 83.825 shares. The dividend of 3.20% for the new Minneapolis-Honeywell stock is believed to establish a new low rate for a preferred issue.

The exchange offer which was underwritten by Union Securities Corp. and associates expired at noon on May 18, 1946. The small amount of unexchanged shares, purchased from the company by the several underwriters, have been sold to a limited number of purchasers without a general public offering.

Founded in 1885, Minneapolis-Honeywell pioneered in the field of automatic temperature regulation through the electric thermostat. Through engineering and research and timely acquisitions the company has become a leader in the production of temperature control instruments, recording and indicating devices.

HELP WANTED

Substantial Investment House desires the services of a

STATISTICIAN

and

SECURITY ANALYST

preferably with Public Utility and Rail experience. Write, giving complete record of experience, former connections, etc. Replies will be held confidential.

Dept. 40
P. O. Box 226, Church St. Sta.
New York 8, N. Y.

Business Man's Bookshelf

Security and Industry Survey—64 page booklet covering 34 industries—includes review and analysis of the current position and outlook for both business and the securities markets; selections of pre-planned portfolios for the investment of different amounts and for varying objectives; factual appraisals of 34 leading industries with selections of individual issues for specific purposes; sections on U. S. Government securities including a timely article on the "Outlook for Interest Rates"; railroad, utility and corporate bonds, preferred stocks, and a listing of consistent dividend-paying common stocks—mailed without obligation—write to Dept. "T"—Merrill Lynch, Pierce, Fenner & Beane, 70 Pine Street, New York 5, N. Y.

W. E. Hutton Co. Offers Trailmobile Pfd. Stock

W. E. Hutton & Co., heading a group of underwriters, is offering today to the public 60,000 shares of a new issue of 4¼% cumulative convertible preferred stock ($50 par) of the Trailmobile Co. The stock is priced at $51 a share, plus accrued dividends from May 1, 1946. Each share of preferred is convertible into common stock at $27.50 per common share for one year, and at $30 per share thereafter.

Proceeds from this sale will be used to the extent required for the redemption, at $52.50 a share, of all of such shares of the $2.25 cumulative convertible preferred stock as shall not have been converted into common stock on or before June 29, 1946. The balance will be used in the acquisition of additional facilities and for working capital. It is contemplated, according to the prospectus, that approximately $800,000 will be spent for additions to the present chassis assembly building and for a new body shop and boiler house at the Cincinnati plant.

Trailmobile reported net income for the three months ended March 31, 1946, of $363,915, compared with $124,110 for the corresponding period last year. Upon completion of this financing, outstanding capitalization of the company will consist of real estate mortgages in the amount of $544,796, 60,000 shares of 4¼% cumulative convertible preferred stock, and a maximum of 424,880 shares of common stock, $5 par (assuming conversion of all the presently outstanding $2.25 cumulative convertible preferred stock).

Blyth & Co. Offering Caterpillar Debs.

An underwriting group headed by Blyth & Co., Inc., is offering to the public today $20,000,000 Caterpillar Tractor Co. 10-year 2% debentures at 100¾ and accrued interest. Associated underwriters are Dean Witter & Co., Stone & Webster Securities Corp. and Harris, Hall & Co. (Inc.).

The company proposed to apply the proceeds from the sale of the debentures, together with other funds, to the expansion of its plant at Peoria, Ill., involving new buildings and new machinery and equipment. Cost of this expansion program is estimated at approximately $30,000,000. The company has already purchased the land upon which the new buildings are to be constructed.

The company reported net sales of $230,599,818 and net profit of $6,511,895 for the year ended Dec. 31, 1945. Unaudited net profit for the first quarter of 1946 was $1,051,992 against $2,108,835 for the corresponding period in 1945, this comparison reflecting the effects of a strike at the Peoria plant from Jan. 29 to Feb. 23, 1946.

DIVIDEND NOTICES

AMERICAN CYANAMID COMPANY

PREFERENCE DIVIDEND

The Board of Directors of American Cyanamid Company on May 21, 1946, declared a quarterly dividend of 1¼% ($.125) per share on the outstanding shares of the 5% Cumulative Preference Stock of the Company, payable July 1, 1946 to the holders of such stock of record at the close of business June 4, 1946.

COMMON DIVIDEND

The Board of Directors of American Cyanamid Company on May 21, 1946, declared a quarterly dividend of twenty-five cents (25¢) per share on the outstanding shares of the Common Stock of the Company, payable July 1, 1946 to the holders of such stock of record at the close of business June 4, 1946.

W. P. STURTEVANT, *Secretary.*

a.c.f.

AMERICAN CAR AND FOUNDRY COMPANY

30 CHURCH STREET
NEW YORK 8, N. Y.

There has been declared, out of the earnings of the fiscal year ended April 30, 1946, a dividend of one and three-quarters per cent (1¾%) on the preferred capital stock of this Company, payable July 1, 1946 to the holders of record of said stock at the close of business June 21, 1946.

Transfer books will not be closed. Checks will be mailed by Guaranty Trust Company of New York.

CHARLES J. HARDY, *Chairman*
HOWARD C. WICK, *Secretary*

May 16, 1946

THE ALABAMA GREAT SOUTHERN RAILROAD COMPANY

New York, N. Y., May 21, 1946.

A dividend of $3.50 per share on the Preferred Stock of The Alabama Great Southern Railroad Company has been declared payable June 27, 1946, to stockholders of record at the close of business May 27, 1946.

A dividend of $3.50 per share on the Ordinary Stock has been declared payable June 27, 1946 to stockholders of record at the close of business May 27, 1946.

J. J. MAHER, *Secretary.*

American Power & Light Company

Two Rector Street, New York, N. Y.

PREFERRED STOCK DIVIDENDS

A dividend of $1.50 per share on the Preferred Stock ($6) and a dividend of $1.25 per share on the $5 Preferred Stock of American Power & Light Company were declared on May 22, 1946, for payment July 1, 1946, to stockholders of record at the close of business June 5, 1946.

D. W. JACK, *Secretary and Treasurer.*

DIVIDEND NOTICES

Bayuk Cigars Inc.

A dividend of fifty cents (50c) per share on the Common Stock of this Corporation was declared payable June 15, 1946, to stockholders of record May 31, 1946.

Checks will be mailed.

John A. Snyder
TREASURER

Philadelphia, Pa.
May 17, 1946

PHILLIES
America's No. 1 cigar

ELECTRIC BOAT COMPANY

33 PINE STREET, NEW YORK, N. Y.

The Board of Directors has this day declared a dividend of twenty-five cents per share and a special dividend of twenty-five cents per share on the Capital Stock of the Company, payable June 10, 1946, to stockholders of record at the close of business May 28, 1946.

Checks will be mailed by Bankers Trust Co., 16 Wall St., New York 15, N. Y., Transfer Agent.

H. G. SMITH, Treasurer.

May 16, 1946.

Electric Power & Light Corporation

Dividends on
$6 Preferred Stock & $7 Preferred Stock

The Board of Directors of Electric Power & Light Corporation at a meeting held on May 22, 1946, declared a dividend of $1.50 per share on the $6 Preferred Stock and a dividend of $1.75 per share on the $7 Preferred Stock of the Corporation for payment July 1, 1946, to stockholders of record at the close of business June 11, 1946.

H. F. SANDERS, *Treasurer.*

A. HOLLANDER & SON, INC.

COMMON DIVIDEND

HOLLANDER FURS

A dividend of 25¢ per share on the Common Stock has been declared payable June 10, 1946, to stockholders of record at the close of business on June 3, 1946. Checks will be mailed.

Newark, N. J. Albert J. Feldman
May 20, 1946 *Secretary*

DIVIDEND NOTICES

INTERNATIONAL HARVESTER COMPANY

The Directors of International Harvester Company declared a quarterly dividend of sixty-five cents (65c) per share on the common stock payable July 15, 1946, to all holders of record at the close of business on June 17, 1946.

SANFORD B. WHITE
Secretary

INTERNATIONAL SALT COMPANY

475 Fifth Avenue, New York 17, N. Y.

A dividend of FIFTY CENTS a share has been declared on the capital stock of this Company, payable July 1, 1946, to stockholders of record at the close of business on June 14, 1946. The stock transfer books of the Company will not be closed.

HERVEY J. OSBORN, *Secretary.*

JOHNS-MANVILLE JM PRODUCTS

Johns-Manville Corporation

DIVIDEND

The Board of Directors declared a dividend of 75¢ per share on the Common Stock payable June 8, 1946, to holders of record May 27, 1946.

ROGER HACKNEY, *Treasurer*

KENNECOTT COPPER CORPORATION

120 Broadway, New York 5, N. Y.

May 17, 1946.

A cash distribution of twenty-five cents (25c) a share and a special cash distribution of twenty-five cents (25c) a share have today been declared by Kennecott Copper Corporation, payable on June 29, 1946 to stockholders of record at the close of business on May 31, 1946.

A. S. CHEROUNY, *Secretary.*

LEHIGH VALLEY COAL CORPORATION

May 16, 1946.

The Board of Directors of this Corporation has today declared a dividend of $3 per share on its $3 Non-Cumulative First Preferred Stock, 50c per share on its 50c Non-Cumulative Second Preferred Stock, and $3 per share on its Preferred Stock ($50 par value); all payable June 12, 1946, to stockholders of record at the close of business on June 4, 1946.

W. J. BURTON,
Vice Pres. and Secretary

OFFICE OF NORTHERN STATES POWER COMPANY (WISCONSIN)

The board of directors of Northern States Power Company (Wisconsin), at a meeting held on May 14, 1946, declared a dividend of one and one-quarter percent (1¼%) on the Preferred Stock of the Company, payable by check June 1, 1946, to stockholders of record as of the close of business May 20, 1946, for the quarter ending May 31, 1946.

N. H. BUCKSTAFF, Treasurer.

The Board of Directors of

PITTSBURGH CONSOLIDATION COAL COMPANY

(Incorporated in Pennsylvania)

at a meeting held today, declared a quarterly dividend of 35 cents per share on the Common Stock of the Company, payable on June 12, 1946, to shareholders of record at the close of business on May 29, 1946. Checks will be mailed.

CHARLES E. BEACHLEY,
Secretary-Treasurer

May 20, 1946

SOUTHERN PACIFIC COMPANY

DIVIDEND NO. 114

A QUARTERLY DIVIDEND of One Dollar ($1.00) per share on the Common Stock of this Company has been declared payable at the Treasurer's Office, No. 165 Broadway, New York 6, N. Y., on Monday, June 17, 1946, to stockholders of record at three o'clock P. M., on Monday, May 27, 1946. The stock transfer books will not be closed for the payment of this dividend.

J. A. SIMPSON, Treasurer.
New York, N. Y., May 16, 1946.

DIVIDEND NOTICES

20th CENTURY FOX

TWENTIETH CENTURY-FOX FILM CORPORATION

May 21, 1946

A quarterly cash dividend of $1.12½ per share on the outstanding Prior Preferred Stock of this Corporation has been declared payable June 15, 1946 to stockholders of record at the close of business on June 7, 1946.

A quarterly cash dividend of $.37½ per share on the outstanding Convertible Preferred Stock of this Corporation has been declared payable June 28, 1946 to stockholders of record at the close of business on June 7, 1946.

A quarterly cash dividend of $.75 per share on the outstanding Common Stock of this Corporation has been declared payable June 28, 1946 to stockholders of record at the close of business on June 7, 1946.

DONALD A. HENDERSON,
Treasurer.

TEXAS GULF SULPHUR COMPANY

The Board of Directors has declared a dividend of 50 cents per share and an additional dividend of 25 cents per share on the Company's capital stock, payable June 15, 1946, to stockholders of record at the close of business May 27, 1946.

H. F. J. KNOBLOCH, *Treasurer.*

TC TENNESSEE CORPORATION

TENNESSEE CORPORATION

A dividend of 25¢ per share has been declared, payable June 28, 1946, to stockholders of record at the close of business June 12, 1946.

61 Broadway J. B. McGEE,
New York 6, N. Y. *Treasurer.*
May 14, 1946.

UGI

A dividend of 65 cents per share on the Capital Stock, par value $13.50 per share, has been declared, payable June 29, 1946, to stockholders of record May 31, 1946.

THE UNITED GAS IMPROVEMENT CO.

JOHNS HOPKINS, Treasurer
April 30, 1946 Philadelphia, Pa.

UNITED GAS CORPORATION

Common Stock Dividend

The Board of Directors of United Gas Corporation, at a meeting held May 22, 1946, declared a dividend of 20c a share on the Common Stock, $10 par value, of the Corporation for payment July 1, 1946 to stockholders of record at the close of business June 11, 1946. The Directors announced that the dividend just declared was made payable July 1st so that future dividends, if declared, could be paid January 1st, April 1st, July 1st and October 1st of each year, rather than the dates on which dividends previously have been paid.

J. H. MIRACLE, *Secretary.*

THE YALE & TOWNE MFG. CO.

On May 21, 1946, a dividend No. 227 of fifteen cents (15c) per share was declared by the Board of Directors out of past earnings, payable July 1, 1946, to stockholders of record at the close of business June 7, 1946.

F. DUNNING, Secretary.

LIQUIDATION NOTICE

The Meriden National Bank, located at Meriden, Connecticut is closing its affairs. All creditors of the association are therefore hereby notified to present claims for payment.

Dated May 13, 1946.

FRANK O'BRION, Cashier.

Industrial Chaos Following Coal Strike To Be Discussed at Chicago May 27-29

Industrial chaos which is following in the wake of the nation-wide coal strike will be one of the important subjects of discussion at the 31st annual international convention of the National Association of Purchasing Agents, to be held in the Stevens Hotel at Chicago on May 27, 28 and 29. This announcement is made by Charles L. Sheldon of Watertown, Mass., purchasing agent for the Hood Rubber Company and President of the N.A.P.A., who declared the slow down in production on the industrial front will make harder the lot of purchasing agents, who are already scouring an under-supplied market.

"The coal strike," he said "is the latest of many difficulties thrown in the path of orderly procurement and reconversion. Others include over-rigid price controls that have made many materials and supplies artificially scarce, natural scarcities as a result of the war, and the long pent-up desire for goods which suddenly has been released on all sides as a result of the end of the war and of reconversion."

On Tuesday afternoon, May 28, M. L. Patton, President of the Cabin Creek Consolidated Sales Co., Chicago, will lead a forum session on "The Future Outlook for Coal." The forum has been arranged by the association's national committee on coal, of which W. H. Gehring, member of the purchasing department of E. I. du Pont de Nemours and Company, Inc., Wilmington, Del., is Chairman. Economists, Government officials, Army representatives and prominent businessmen will address the convention. Roy F. Stiles, purchasing agent of the Stewart-Warner Corp., Chicago, is general convention chairman.

Drake Again Heads Conference Board

Col. J. F. Drake, President of the Gulf Oil Corporation, was re-elected Chairman of the National Industrial Conference Board on May 16 at the 30th Annual Meeting of The Conference Board at Waldorf-Astoria Hotel. Dr. Virgil Jordan, who has been President of The Conference Board since 1932, was re-elected President. Neal Dow Becker, President of the Intertype Corp., was re-elected Chairman of the Trustees.

The following Vice Chairmen of The Conference Board were re-elected: Neal Dow Becker; Edgar Monsanto Queeny, Chairman of the Board, Monsanto Chemical Company; Harry E. Ward, Chairman of the Board, Irving Trust Company; and Arthur M. Collens, President, Phoenix Mutual Life Insurance Co., was elected to succeed Langbourne M. Williams, Jr. Rolland J. Hamilton, Secretary and Treasurer, American Radiator and Standard Sanitary Corp., was re-elected Treasurer. Clyde L. Rogers, Administrative Assistant to the President, was elected Secretary.

Trustees elected for three-year terms are: Dr. W. Randolph Burgess, Vice Chairman, National City Bank of New York C. L. Campbell, President, The Connecticut Light & Power Co.; Irenee du Pont, E. I. du Pont de Nemours & Co., Inc.; H. J. Heinz, II, President, H. J. Heinz Co.; James S. Kemper, Chairman, Lumbermens Mutual Casualty Co.; Fred I. Kent, President, Council of New York University; Edward F. McGrady, Vice President, Radio Corporation of America; Eugene Meyer, Editor and Publisher, "The Washington Post"; Ralph T. Tapscott, President, Consolidated Edison Co. of New York, Inc.; C. M. White, President, Republic Steel Corp.

Cola G. Parker, President, Kimberly-Clark Corp., was elected Trustee for one year to fill a vacancy in the class of Trustees whose terms expire in 1947.

Husbands Resigns From RFC

Sam H. Husbands has tendered his resignation to the board of directors after more than 14 years of continuous service with the RFC, Charles B. Henderson, Chairman of the Board, announced on May 9. Mr. Husbands will become Executive Vice-President of Transamerica Corporation with headquarters at San Francisco, Calif., and will assume the duties of that office about June 15. Mr. Husbands first went with the RFC as an Examiner in 1932 and was made Chief of that Division in 1936. He was a director of the corporation from 1939 to January 1946. In addition to his duties as a member of the Board of Directors of the RFC, Mr. Husbands held the office of President of the Federal National Mortgage Association and Defense Plant Corporation; he was a member of the Board of the RFC Mortgage Company, Defense Supplies Corporation, among others.

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Relief Packages For Germany

Under legislation signed by President Truman on May 16 any person in the United States may send relief supplies to Germany, Austria and Japan, such shipments having been previously prohibited under the Trading with the Enemy Act. Lieut. General Lucius D. Clay, commanding general of the Office for Government of Germany, recently urged that private citizens be authorized to ship packages of food to the conquered country to supplement the short rations obtainable, a Washington report from the Associated Press stated.