Wolcott Hails Decontrol Board
Reported that members will retain present positions and Board will function through commissioners.

WASHINGTON—Asked for comment on the nomination of Roy L. Thompson, Daniel W. Bell and George H. Mead as members of the Decontrol Board set up by the recent price control act, Representative Jesse Wolcott of Michigan, a Republican member of the House Banking and Currency Committee and a leader in the formulation of price legislation, stated:

"These are very good appointments. All three men are high-type, sensible and broad-minded. Congressional reaction will certainly be favorable..." Wolcott continued.

Wolcott went on to the "Chronicle":

"I think it is good for business, for the opinion of which certainly is not. It does not end..." (Continued on page 624)

INDEX
For detailed index of contents see page 667.

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In 2 Sections—Section 1

Number 164 Number 4512
New York, N. Y., Thursday, August 1, 1946
Price 60 Cents a Copy

The COMMERCIAL and
FINANCIAL CHRONICLE
ESTABLISHED 1839
BUS. ADM. LIBRARY

By IVAN WRIGHT


Dr. Wright traces movement of financial leadership in modern times and attributes London's ascendancy to adoption of free markets and sound currency. He adds that present conditions point to loss of financial leadership by London, because of Britain's adverse international balance and instability of sterling. New York is not in a position to take its place, largely because of absence of free markets and restrictions on capital financing. Praises Governor Dewey's project to develop a World Trade Center in New York City as a means toward financial leadership in international finance.

London has held the leadership in world banking and finance for so long—more than three centuries—that a change must have some very fundamental sound economic advantages. London succeeded Holland in this international financial leadership and Holland succeeded Spain. There is no one reason or many reasons for these successes in financial leadership. The reasons are legion—and any catalogue of them must necessarily be incomplete. The money and investment markets are delicate institutions and they naturally gravitate to the places of greatest safety, convenience and opportunity. Spain did not hold the position of world banker very long. The obvious reasons seem to have been poor management, extravagance, and the making of money during the chief business instead of making money the useful tool of production and trade. No such complaints can be made against the Dutch but the English look from the Dutch...

Italy's Economic Outlook

By ANTONIO GIORDANO

Italian economist holds his country's prosperity can be restored if her domestic and international activities are freed from government interference. Assets monetary reorganization is prerequisite to restoration of foreign trade.

Budgetary situation is complicated by governmental subsidizing of key industries as unemployment preventive. Census great need for imports of raw materials and goods for industrialization. Terms in slope of organizational sound asset.

MILAN, ITALY—If individual initiative can be exploited free of interference by government, Italy's foreign trade will be enriched and her whole economic situation get on the right road. Only by this means can Italy unburden its debt of foreign money... (Continued on page 665)
Observations

By A. WILFRED MAY

The real hopelessness for a constructive peace—Paris creating freeways for World War Three, as with the Italian Treaty—Another U.S. "gravy train" for Russia—Worldwide stimulation to nationalism—Our rift with Moscow on the Atom now more potent than ever.

Approached from reality, the Paris peace conference could not be opening without more hopelessness for real achievement. Surely the progress of John Foster-Dulles, our man in Berlin, to UN, that the Paris party is opening on the basis of compromises "which were painfully negotiated by the Big Four and which will satisfy the Big Four in the last stage and will work much injustice, will perpetuate much uncertainty and unrest, and will touch only the fringes of problems," does not differ from the innermost thoughts of the various participating representatives.

Vital Issues Facing American Business Today

By LEON HENDERSON

Chief Economist, Research Institute of America

Formerly Administrator, Office of Price Administration

Stressing need of leadership to meet new issues, former "New Deal" official talks of fear complex pervading business. Says price control is now a dead pigeon and price spiraling is in danger. He has pointed out, in maintaining American free enterprise against collective economy of other lands and calls for wise fiscal and monetary management for full employment. Derides regimentation and bureaucracy and fear of radical ideas.

I have a big topic for a short period. I'm going to discuss some of the vital issues facing industry today, I would put first the issue of leadership.

The war has brought about a thing that after having been in 22 countries by the time it was finished, now, one of the big issues is whether the policy of courage and Darling that is the companion of young men will in the period ahead not only sustain its present strength, but will multiply itself. We have had a discussion recently in Washington as to why the war effort's enormous mobilization of resources had not brought forward a leader, an outstanding leader, comparable to any of the great leaders of the last war. We quickly got into explanation, but the old thing was that most of us felt that somewhere along the line we had not met the test and requirements; that looking ahead to the larger responsibilities, tying with it the larger financial responsibilities, there was necessity for a leader to give these forces which would give play and return to the American people for guidance and leadership.

One of the things that has impressed me about our business, as I've seen it in many, many capacities, is that the American people are not afraid and an excess of a feeling of need for security. That's a strong thing in this country of ours. It's a strength, too; whereas, the people should fear to be tagged as radical when the great business institutions of this country, most of them, are the elongation of radical thinking in some area. I would say that we should have no fear of being radical. Then there is the fear and distrust of planning, whereas there is a great sphere of action in planning and in planning than in business.

Again, there is the fear of government, which, to my mind, is one of the central issues, not only of our business institutions, but of our international thinking. Another thing that is real and distaste is about politics. It's considered dirty business. As a matter of fact, practically every position of your busy personal and business life is bound to be affected by political policies.

I see another big issue ahead as one of attaining and maintaining a balance in the forces that bring about full employment. A disquieting thought is that there has been no change in the machinery which produce business cycles. If anything, some of the strongest driving forces that lead to imbalance have been given a generation of new dislocating, disturbing kind of force. And so, one of the central issues of our business is how to obtain a reasonable (Continued on page 637)

Vital Issues Facing American Business Today by Leon Henderson

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More Statistical Miasma
By AM. B. SAKOLSKI

Dr. Sakolski calls attention to false implications in statement of Commerce Department showing average rise of 25% in prices of basic commodities during two weeks of insanity of OPA. Points out prices on June 30 were fiction since they excluded the "black market" and no allowance was made for removal of subsidies. Recalls previous pronouncement of Bureau of Labor prices were meaningless, and indicates difficulties and shortcomings of this statistical data.

The stench of the Commerce Department's reported statistical analysis of the automobile industry's ability to increase workers' wages up to 25%, without affecting profits has hardly died away when, to and behold, another document of the same doubtful and spurious character is issued under Administration's official auspices. The Department, on July 22, released through the White House a new "handout," smacking strongly of official propaganda. It reports that, on the basis of the Bureau of Labor Statistics' daily prices of 28 basic commodities, prices have risen 25% and 37% of retail costs from OPA. This is an apparently impressive statement, which, if true, would have had any doubting Thomas refer to the seriousness of threatening inflation.

This "official" information is based, in the main, on the President's recent message to Congress in which he states: "The behavior of prices and rents in the last four months has given the country a frightening foretaste of what would happen to the cost of living without price and rent control. Even though many factors were operating to restrain prices during the period, prices nevertheless have risen steadily and continuously. The Bureau of Labor Statistics index of twenty-eight basic commodities in the primary markets has shown an increase of 24.8% in the twenty-six days since June 28, 1946, as against an increase of only 13.1% in the corresponding period in 1939 and forty-two days between the signing of the OPA law on May 17, 1943, and June 28, 1946. Of this increase, about only 25% could be attributed to the removal of controls.

Administrative Procedure


Administrative Procedure

Editorially, we have for a long time conducted a campaign investigating against the trichotomy of power exercised by administrative bodies under which one and the same people were acting as investigators, prosecutors and judge in the same proceedings. Demonstrating that this conduct, contrary to our American system of jurisprudence, we alerted the securities industry and asked for legislative relief.

This relief has come in the form of the "Administrative Procedure Act" recently passed by the Congress, which goes into effect on the implementation plan, part of it on September 11, 1946. Full text of the measure is given in this issue, on page 385.

(Continued on page 625)
A Business Man Looks At
The National Economy

By ROBERT R. WASON*

President, Manning, Maxwell & Moore, Inc.
Phoenix National Associates

Early executive, asserting new OPA is a “political stepchild,” dis-
owned by both parties, holds there “will be better than an even-
chance” of winning fight against inflation if law’s administration
is liberal and if immediate steps are taken to balance budget.
Holds American housewife is best price regulator and that no single
government authority can be superior to it. Attacks labor union
control of government and calls for equality of labor and manage-
ment before the law. Sees higher prices with OPA.

Today, as a commonplace businessman, I would like to look with
you at the American economy.

Fifteen months ago, war ended in Europe.
Two months ago it ended in Asia.
It has not yet
ended in Washington.

In peacetime, your govern-
ment refusen to restore your economic lib-
erties which
were
given
away in war-
time.
Munro-
lini, Hitler, and Hirokito con-
vinced the President, Nationally that
individual liberty is inseparable from economic liberty.
Today, we
the
return of the lib-
erties we have lost.

In American government makes no jobs.
It only levies tribute on those who do make jobs.
The only
way in which a job can be made
is for someone to invest his sav-
ings to provide the tools with
which men work.

[A business man looks at the national economy. The text discusses the impact of the war on the economy, the role of the government in restoring economic liberties, and the challenges faced in maintaining the return of these liberties.]

Chemical Bank & Trust
Appoints Edgar Sloan

Frank K. Houston, Chairman of the Chemical Bank & Trust Com-
pany announces the appointment of Edgar T. Sloan as Assistant
President.
Mr. Sloan is a graduate of Yale University and the Harvard Busi-
ess School and prior to the war was an Assistant Cashier of the
First National Bank of Chicago.
He has recently been re-
sumed from the Army where he held the rank of Major and served
with the War Department Price Adjustment Board in Washington, D. C.

Amott, Baker Adds Three

Charles F. Trinks, Jr., Harry James Lundy and W. Sanford
White are associated with Amott, Baker & Co., 100 Broadway, New
York City.

"Would You Suggest Something Cheap That Only Goes Up?"

Price Uncertainties Hamper
Business Planning

[From August “Business Bulletin” of the LaSalle Extension
University, a Correspondence Institution, Chicago, Illinois]

Factory output continues to increase. Production above the slow
first half of year. Volume of business still near the peak. Price
and cost factors disturbing. Crop outlook good and near-record
harvests expected.

Steady rise in the rate of industrial production in spite of dis-
trubing price uncertainties has been the outstanding characteris-
tic of the business situation during the last two months.
Output is still considerably below the high level of a year ago but it is far
above the previous level and also
above the average for the year
1941. More goods are being pro-
duced than in any previous peace-
time year. Unless major disturb-
ances or interruptions occur, out-
put during the last half of the year will be much greater than
the poor showing made during the
first half.

Price Raises Are Rapid

After a period of relative sta-
bility in the general price level
during the two preceding years, the prices of many commodities
began to rise rapidly about three
months ago. Price readjustments made in connection with the set-
tlement of strikes in major indus-
tries were soon reflected in the
prices of other commodities than
those directly involved. The trend
was speeded up when the price
controls were removed at the end
of June and the advance during
the first part of last month was one of the most rapid ever re-
ported.

The index of wholesale com-
modities prepared by the U. S. Bu-
reau of Labor Statistics rose from
113 to 120 in two weeks. This in-
dex usually moves very slowly as it
includes about 600 different items many of which ordinary con-
sumers scarcely notice.

Many individual commodities are
higher than they were at that
time. The peak price for cattle,
for example, was a little over $20
per hundred pounds, but during the first part of last month some
cattle sold above $25 per hundred
pounds. Other livestock and live-
stock products have risen close to
(Ceiled on page 627)
President Dubious of New OPA Act

In message to Congress says measure is no guarantee for avoiding inflation, but admits it is improvement over vetoed bill. Hits placing divided responsibility in price control administration but does not object to decontrol board. Warns price control is only one means of combating inflation and hints at nonsuspension policy. Says he’ll call special session of Congress if Act proves ineffective.

Following his signing of the new OPA Exoneration Act, President S. Truman released the statement he sent to Congress in which he reiterated his objections to the previous bill which he vetoed, and also expressed doubts as to the efficacy of the present measure. The text of his message follows:

To the Congress of the United States:

I have today signed H. J. Res. 278, which exempts from price control laws and extending them for another term. This is a measure which has actually been established generally stable in these last few critical months of the transition to a free economy. This bill falls far short of what I desire, however, that it is the best bill the Congress will now pass. It is clear, moreover, that it is a better bill than the one I was forced (Continued on page 620).

Full Text of New OPA Bill

New Act will rent ceiling and renew price controls on all commodities except meats, dairy products, and certain other food items. Three man Decontrol Board set up with power to extend decontrol on food products after Aug. 20, Members of Decontrol Board to be appointed by President. On July 25, President Harry S. Truman signed (as he stated) "reluctantly" the OPA extension passed by the House of Con- gress to replace the measure the President had vetoed. After signing the bill (text appears below), the President sent to Congress a special message (see above) in which he stated that if the new measure proved unsatisfactory he would call a special session of Congress to revise it. In his message, also, the Presi- dent urged the formulation of a "rigorous tax policy as one of the alternatives" to the ravages of inflation. He also advocated stern monetary and fiscal measures to counteract inflationary tendencies, though without making any definite proposals.

The Changes in the Law

The principal changes made in the present law, as contrasted with the vetoed bill are: (1) the elimination of the Taff amendment which would provide for tacos as the base period for consideration of producers and distributors markups; (3) the absolute prohibition of permanent removal from control of meat, dairy and farm products, and (3) the setting up of a three-man "Decontrol Board," which is to determine whether the exempted food products are to be restored to price control after Aug. 20, and which is at the discretion to have this order decontrolling on all products, whether or not, after study, it decides these controls - no longer necessary. It may also re- store controls. The President has nominated to this "Decontrol Board," Roy L. Howard, President of the New Orleans Federal Bank; W. Bell, former Under-Secretary of the Treasury; and a Washington banker, and George H. Mead, Chairman of Mead Pulp & Paper Co., former member of the War Labor Board, who was at one time Chairman of the Industrial Advi- sory Board under the ill-fated National Industrial Administration. On July 29, the Senate confirmed the appointment of all three members. The compensation to members of the Decontrol Board is to be fixed at $10,000 per year. Pending the organi- zation of the Board, the OPA has (Continued on page 660)

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Wallace and Small Report on Expanding Trade

Commerce Dept. head and Civilian Production Administrator announces employment, individual income and industrial output moved steadily upward in June.

During June the nation's economy continued to expand. Employment, individual income, and industrial output all moved steadily upward in June.

OPA Actions Under New Law


Paul A. Porter, following the approval by the President of the Control Extension Act, Price Administrator Paul A. Porter stated that under the Act all ceilings go back to where they were on June 30. Except where the new law specifically makes other provisions, these restored ceilings will serve as the basis for any adjustments made as a result of the new act or because of any adjustments in prices in process on June 30.

All industries and businesses, buyers and sellers, covered by OPA price schedules, will have orders on June 30, Mr. Porter stated further, are now automatically subject to these same regulations as if the new act had become law on June 30.

Grocery Manufacturers

Pledge Support of OPA

Paul S. Willis, President of Grocery Manufacturers Association, tells Members that before they set goal of full production at fair prices, but warns that new price controls may result in scarcity.

Members of Grocery Manufacturers of America, Inc., who produce about 95% of the nation's packaged food and grocery product, have pledged support of the new price controls. The pledge follows a report from Mr. Willis that the nation's housewives told him that they would do all possible efforts to produce a sufficient supply of essential goods at reasonable prices. The pledges were contained in a statement of the President of the organization, issued on July 27.
Government Loans to Business

By HENRY T. BODMAN*
Director, Reconstruction Finance Corporation

RFC official outlines development of government loans to business before and during War, and concludes aim was to supplement and not to replace private banking. Maintains ample credit is a matter of public interest and government as a lender is justified under present economy. While stating banks are doing "a remarkable job," he points out there are still shortfalls particularly in small enterprises and in housing development. Denies purpose of RFC is to compete with private banking.

The subject of government in business any field is bound to provoke controversy because it involves many of the broadest, most fundamental and troublesome social and economic issues now facing the country. Certain of these questions are raised and clarified by the operation of the RFC, particularly in connection with its loans to business enterprises. In discussing them in this setting we shall be in a field familiar to all of us, and in one which provides a practical approach for slaying the monster.

My discussion will be without reference to the particular personalities, or to the present or any other administration—in short, with no political coloring. This is an address by Mr. Bodman at Annual Convention of Michigan Association, Mackinac Island, Mich, June 27, 1946.

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*Address by Mr. Bodman at Annual Convention of Michigan Association, Mackinac Island, Mich, June 27, 1946.

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Challenges to the Economic Future

BY ALFRED SCHINDLER

Under Secretary of Commerce

Commerce Department official lists as stumbling blocks to postwar prosperity (1) runaway prices, (2) industrial conflict; and (3) economic isolationism. Says profiteering is bad for business and will ultimately reduce production and destroy good-will. Reiterates his plan of avoiding industrial conflicts by voluntary establishment of impartial labor-management boards, with final authority to fix wages and labor conditions. Holds we must extend sound foreign credit to avoid economic isolationism, and advocates aiding foreign industrialization.

The world has emerged from a terrible war greatly impoverished, it is poorer in manpower by the number of the slain, poorer in natural resources by the amount that has been spent and destroyed, poorer that almost the entire world's productive plant and manpower has been strained beyond the limit in producing to keep the war going.

As the arsenal of democracy, as the cornucopia out of which flowed an ever greater stream of capital, the war has suffered only the wear of the war and little of the tear. While the rest of the world was laid ragged, the war's end found us with an expanded and improved capacity for production, with a more ample and better trained labor supply, with a large volume of accumulated domestic demand begging to be satisfied, with a greatly increased flow of income to consumers to sustain this great demand and with large accumulated savings, which could serve as a stop-gap over short periods of difficulty and, lastly, with a huge foreign demand for our goods.

In effect, at the end of the war American business had in the palm of its hands the greatest economic opportunity and responsibility ever offered any country.

"An address by Mr. Schindler before the annual meeting of the Industry Association of New York, New York City," July 23, 1946.

Member Firms of N. Y. Stock Exchange Discuss Pro's and Con's of "Permissive Incorporation"

Board of Governors of the Exchange will decide on Sept. 12 whether or not to put the question up to the membership for a vote. Both sides confident they have a majority with them but the Stock Exchange itself feels opinion is about evenly divided. Proponents say they will try again if they fail this time. Antagonists, seeing danger in incorporation, say, "It shouldn't happen!" It is the tax angle that appears to be dominant, the thinking of a large number of firms on the question. "Chronicle" welcomes communications from members of the Exchange on the question.

The question of the permissive incorporation of their firms is the subject of lively discussion among the members of the New York Stock Exchange at the present time. The Board of Governors of the Exchange will decide on Sept. 12 whether or not to put the matter up to the members for a vote and, if it rules affirmatively, balloting will probably commence right away. For the proposition to pass, 66% of the members must approve.

The men who see only pitfalls in incorporation, however, admit the appeal which the possible prospect of enlarged business has for the floor trader but they challenge the possibility of any such increase in business from this source. For instance, they say, if a firm which does an over-the-counter business should get a seat on the Exchange, it would tend to exploit the Exchange for leads to new over-the-counter business. (Continued on page 646)

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WILLIAM ROSENWALD
Chairman of the Board

FREDERICK A. TEIT
Vice President & Treasurer

JULY 30, 1946

EMERG G. DIPPEL
President

ALFRED SCHINDLER
Under Secretary of Commerce
Secret Clauses in Loan Agreement?

BY PAUL EINZIG

London Correspondent tells of suspicions in Great Britain of secret clauses in the Anglo-American loan agreement, based on (1) lack of acceptance of the settlement of blocked sterling balances; (2) uncertainty regarding requirement loan proceeds be spent in U. S.; and (3) absence of statement on right to withdraw 250 million of dollars of obligations of U. S. to Anglo-Canadian wheat deal also quoted as ground for suspicion.

Ever since the Loan Agreement was concluded in December, there has been a certain amount of suspicion in British political circles. In addition to the pious assumption that there are no secret clauses which benefit the British Government or Parliament, there is fear that the American interpretation of terms of various provisions are partly responsible for this suspicion.

Several of the British Conservatives, and also some of the Labour Members, agree that the American interpretation must be in accordance with some "gentlemen's agreement" which morally and politically commits the British Government, even in the absence of a legal commitment. Mr. Vison's statement on May 29 concerning the terms on which blocked sterling balances are to be settled has increased this suspicion. In effect, Mr. Vison repeated statements of Mr. Dalton, British Chancellor of the Exchequer, that there is no commitment on this point beyond the terms of the agreement, many Members Parliament are convinced that Mr. Vison did not have sufficient information as to what the British Government's hands were tied in respect of the transfer of blocked balances, but his statement carried weight.

Meanwhile suspicion was increased in another direction. In an article published in the London "Financial Chronicle," Mr. Paul Barrow, who until recently acted as Secretary of the Treasury's British reservoir to the Treasury, Mr. Coyle, without denying that the British Government was under those terms, noted the British Government's hands were tied in respect of the transfer of blocked balances, but his statement carried weight.

The First Boston Corporation

and

Mellon Securities Corporation

announce that a merger of the two Corporations has been completed. The underwriting, distributing and trading securities business of both corporations will be continued under the name of

The First Boston Corporation

MELLON SECURITIES CORPORATION—the FIRST BOSTON CORPORATION

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BUFFALO HARTFORD PROVIDENCE BURLINGTON SPRINGFIELD WASHINGTON

August 1, 1946.

Phillips, McMillen & Streater at Obstmth

G. L. Obstmth & Co., 40 Wall Street, New York City, announces the appointment of Howard E. Phillips as director of the firm and the firm's wholesale and trading departments. Mr. Phillips formerly was Vice-President and New York Manager of George R. Cooley & Co. and has been with the firm in Wall Street for 25 years. Before the way for several years he conducted his own business here.

D. J. McMillen and Arthur T. Streater also have joined the firm's trading department. Mr. Streater having just returned from four years' service overseas as a Major in the Army. Before the war he was associated with DeBrett & Co. and Jenkins, Gwyrne & Co. Mr. McMillen was previously manager of the trading department at Hittner & Co.

Coxon & Cross With Hallgarlen & Co.

Hallgarlen & Co., 44 Wall Street, members of the New York Stock Exchange, announces that Thomas T. Coxon will assume his duties as a general partner, starting today, and Calvin Cross, formerly with Mellon Securities Corp., will become associated with the firm.

Apponyi and Morris With Bogardus, Frost & Banning

Cincinnati (The Financial Chronicle)

CHICAGO—Carl E. Apponyi and Wells Morris, Jr., partners in the law firm of Apponyi, Bogardus, Frost & Banning, 621 South Spring Street, members of the American Bar Association, and the American Bar Exchange, Mr. Apponyi was in Frankfort with Mr. Morris in Vienna with Mr. Kohn & Co. in charge of the statistical department.

SCHEMELY DISTILLERS CORPORATION

Optimism

By MARK MERIT

Not long ago we wrote a piece about Schenley's Retirement and Benefits Plan, which was intended to convey the impression that this company stands alone among American industrialists in providing a comprehensive measure of security for its employees. We did so, quite sincerely, if a bit naively, and it was revealed to us by the inquiries we have received, that the perception Retirement and Benefit Plan, in brief, is aimed at providing an adequate retirement income to supplement the employee's federal old age benefits, in addition to life insurance and related hospitalization, medical care, surgical and accident and sickness benefits. The company pays the entire cost of the retirement income program, while the company and employee share the cost of the additional benefits under the plan—with Schenley assuming major shares.

Approximately 8,000 employees of affiliated Schenley companies are covered by about $2,400,000 worth of life insurance under the Plan, for an average of $436 per worker. About 90% of the vast majority are covered by permanent life insurance of an unusual type. Unlike the regular group form of group coverage under which protection ceases in the event an employee retires, the Plan assures that the Schenley's retiree's service he may obtain his full salary, plus or minus, to receive an individual form of group insurance under which coverage ceases in the event an employee retires, the Plan assures that the Schenley's retiree's service he may obtain his full salary, plus or minus.

It is gratifying to us, as it must be to other American companies having such a program, that Schenley, through various early instigated programs to provide workers with a security plan, has been able to completely abandon the relationship between employees and employers, beyond, indeed, a stream of optimist in a rather tranquil and dislocated postwar world.

The "Above Average" market rating given last week to the New York Majestic bond by one of our leading Statistical Services drew our attention to the securities.

We found that the bonds carry with them stock representing 95% of the value of the property. At the present price of $40, a value of $5,105,535, is set for the property. This is an interesting comparison, as the original bond issue of $9,400,000 offered in 1931 was issued for a price of 97.75, or $9,194,119. The present price is only 43.875% of the original price.

Current financing consists of a $4,073,000 institutional first mort-

age and a bond issue of $7,500,000.

Apparent the current price of the bonds is low because of small yield and low comparable interest payments on 4% market rates. This seems to be carried by O. P. A. pegging of low rental payments, when dealings in the mortgage market are small.

There, no O. P. A. there is no doubt that the apartments in this house would command considerably higher rents than are now obtained. Even a 10% increase of present low would mean 1% additional on the bonds. Rents are generally raised on an average of $557 per annum room.

The property consists of a 30-story apartment house, occupying the entire block front of Central Park West from 71st Street to 72nd Street, totaling 330 feet on Central Park West and 177 feet on 71st Street and 224 feet on 72nd Street. The property faces directly on Central Park West, and is the ownership of the members of the East 72nd Street. Trees, lawns, ponds and winding bridle paths extending over an area of 750,000 square feet.

Immediately at the building is a four-story brick, 11-story building and the eighth Avenue bus lines.

The property is divided into three sections and contains over 200 apartments, with 1,004 rental rooms, and 130 luxury rooms. The性质 of the property is such that it can cater to both families of large apartments.

The apartments range from one to three bedrooms. There are many duplex and ter-

cace apartments. A special type construction permits glass en-

closed sun porches in the corner apartments.

Considering the inflation hedge offered by the equity features of these bonds, a hope for in-

creased rents, they seem to offer a reasonable investment at cur-

rent market prices.

Stock Exchange Notice
On Argentine Bonds
Bond owners are notified July 30 by the New York Stock Exchange that the immediate effective, transactions in Province de Mendoza (Argentina Republic) 6% External Loan and Sinking Fund certificates, due December 15, 1956, shall be in violation of the 1/3 rule, and Commissions are not to be charged. Under Rule 483, no notice having been re-

ceived for a period of 12 months, 1946, of the out-

come of any such transaction, an amount thereof plus accrued interest to the redemption date shall be delivered to the beneft of dealing at the opening of the trading season on Sept. 3, 1946.

Dr. Edwards Elected
V.P. of Inv. Co.

The election of Dr. William F. Edwards as vice president of Manhattan Bank, London, by New York Stock, Inc., and his admission as a general partner of Man-

hattan Bank & Trust Co. Security Dealers Assn., affiliated inves-
tment research corporation, was announced by W. T. Chalmers, President, and is known for his services on the Equitable Life Assur-

ance of the United States.

Wall St. Soft Ball League Scores

The New York City Exchange softball team took the lead last night in the three-game series for the championship of the Wall Street Softball League by defeating the Richmond Firm, 6 to 4 in the opening contest of the se-

eries.

The Cub Exchange played al-

ight ball behind the 5-zip pitching of John Sheid of New York, as. Among the twelve hits collect-

ed by the Cub team were the writing of Wally Gardner and Tommy

Johnston.

The Cub Exchange team which ended the regular season with the first place in the E. V. Y. League, was considered to be strong enough to win the "Shorts" Division title with 8 victories and 2 defeats. The division pennant and the "Earnie of the Week" title went to Mr. Edwards, for his championing of the baseball team, the entertainment for the baseball games, and his continuous encouragement of the baseball team.

Budd Co. Debentures
Placed Privately

Carl M. Loeb, Robbins & Co., announced July 31 the private sale of $300,000 Bud. Co. 15-year 3% sinking fund debentures, due July 1, 1963. The issues sold to the public for $450 per

Stock.

Cohn-Torrey Wire to O'Brian-Mitchell & Co.

Cohn-Torrey-Wall Street, New York City, members New York Stock, Inc., announced the formation of a direct private wire connecting their New York office with O'Brian-Mitchell & Co. Liberty Bank Building, Buf-

falo, N. Y.

OFFERINGS WANTED
Hotel Bonds with Stock or Stock Alone
Beacon Hotel 2-4, 1958
Savoy Plaza 3, 1958
Governor Clinton Hotel 2, 1952
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Eastern Ambassador Hotel Units

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Tel. Barclay 7-4880

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150 Montgomery St., San Francisco
Tel. SF 51-62

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OTHER CLASSIFIED ADS
SEE INSIDE BACK COVER

The Outlook for Railroad Equities

By HAROLD F. FESSNER

National Securities and Research Corp., Investment Committee

Investment analysts hold railroad earnings in second half of 1946 will exceed the poor earnings of first six months, but will be below those of 1945. However, 1946 share earnings of some lines will be higher due to 1945 heavy amortization charges. Con-

cludes that, with consideration for selection, railroad equities generally may be said to be under-priced.

In view of the extremely poor service of most of the railroads in the first half of 1946, it is only reasonable to estimate that the earnings for 1946 will 'not be appreciably below those of 1945. It is our opinion, however, that the worst earnings of 1945 have been re-

corded in the first six months. Moreover, we believe that earnings in the second half of the year will be at a highly satisfactory rate.

We have attempted to evaluate the effect of these accelerated

ESTIMATED 1946 EARNINGS OF LEADING RAILROADS

<table>
<thead>
<tr>
<th>Company</th>
<th>Est. Earnings</th>
<th>Actual Earnings</th>
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<tbody>
<tr>
<td>Amtrak</td>
<td>$2,075,000</td>
<td></td>
</tr>
<tr>
<td>B &amp; O</td>
<td>$2,756,000</td>
<td></td>
</tr>
<tr>
<td>Kansas &amp; Southern</td>
<td>450,448</td>
<td></td>
</tr>
<tr>
<td>Canadian Pacific R. Co.</td>
<td>1,641,694</td>
<td>1,647,409</td>
</tr>
<tr>
<td>Chicago &amp; North Western</td>
<td>13,672</td>
<td>13,672</td>
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<tr>
<td>40,000</td>
<td>42,000</td>
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CIO-UAW Would Drop Pay-Rise Move
To preserve purchasing power of dollar. Move by Reuther to speed up auto output.

Abandonment at present of any thought of new wage increases in favor of an all-out effort to preserve the present purchasing power of the dollar is reported on the part of the Congress of Industrial Organizations in general and the United Automobile Workers in particular, it was indicated from

Walter P. Reuther
Philip Murray

Detroit on July 27 by Walter W. Ruch, in special advice to the News & Opinion .of the National Advisory Council. This was the latest of a series of moves by the UAW that has been made since last week.

It may be stated on high authority that the UAW has decided, in concert with the CIO, that to make a fresh wage demand at this time might be damaging to the revolutionary spiral in motion. At the same time, the leaders of the UAW feel that the increase of 18½ cents an hour which was won last winter through the strike against the General Motors Corporation has been wiped out by wage-price increases.

According to these sources, the executive board of the CIO at a meeting in Washington last week voted unanimously to abandon the trend of labor unions in this country to seek wage increases in order to consolidate the gains won last winter.

"We want to be sure that there are still 100 cents in the dollar," said the sources. "This matter will be on the agenda for the meeting of the International executive board of the UAW, beginning August 5 and it is expected that the board will endorse the established policy of the largest union in the world."

Inasmuch as Philip Murray, President of the CIO, and Walter P. Reuther, President of the UAW, have had such a meeting of minds the statement of the CIO, it was believed that automobile labor would adopt an attitude of watchful waiting for the next few months to determine whether the new rate of national price and rent controls could hold down the lid on the cost of living.

On the same date as the above advice (July 25) another dispatch to the New York "Times" from Detroit made known that an invitation had been sent by Mr. Reuther, UAW-CIO President, to the heads of all the automobile industry to join leaders of the United Automobile Workers, CIO, in a conference on, how to increase automobile production. Aug. 2 was suggested as the time, said the dispatch, which further stated: Mr. Reuther said that all the union's regional directors and its four top international officers were ready to attend the conference.

"Together we can tackle and lick the problem of getting the industry into maximum production," he asserted in his letter of invitation.

He expressed himself as deeply concerned that automobile output would only go 40 to 60% of the 1938 rate. He disputed the assertions in some quarters of the industry that the lag was caused by strikes in supplies.

"A survey of the UAW-CIO," he said, "indicates that the few strikes caused merely a trip of the auto plants and auto suppliers' plants could now pull out of the slough for the current low levels of auto production.

"We believe the practical way to get the industry into full production is to get the hands of the industry together with the heads of the union so that jointly they can analyze the situation, in depth, in detail.

"When we get the facts, when we know what the obstacles are, we can get to the shrubbery and get out of the way.

"I am confident that the UAW-CIO is just as eager as management to get the industry into maximum production. No one can doubt that failure of the auto industry to maintain full production now having and will continue to have a heavy impact on the nation's power--

Plan Hearing on Union's Petition for Sale of Bargaining Rights in Wall Street Firm

United Financial Employees—which claims it is definitely not affiliated with either CIO or AFL as some people may think but is independent—seeking exclusive bargaining rights for employees of Harris, Upham & Co. Contracts raising wages 25% to be sought this summer also with five other firms on "Street." A hearing will be held by the Board of Trade next Tuesday on the petition of the United Financial Employees for a certificate as exclusive bargaining agent for the employees of the Wall Street firm. It can be set for an election among the employees of the firm to confirm the union's contention that it does not represent a majority of them.

In this case it is not clear that it is definitely not affiliated with either the CIO or AFL. How some people may think but is independent—seeking exclusive bargaining rights for employees of Harris, Upham & Co. Contracts raising wages 25% to be sought this summer also with five other firms on "Street." A hearing will be held by the Board of Trade next Tuesday on the petition of the United Financial Employees for a certificate as exclusive bargaining agent for the employees of the Wall Street firm. It can be set for an election among the employees of the firm to confirm the union's contention that it does not represent a majority of them. Thus it intends to Ford it to agreements, drawn on a multiple basis with the larger firms first and all the important firms eventually in the Wall Street district. It has no plan to organize these houses coinciding with its efforts to obtain another contract with the New York Stock Exchange and affiliated institutions. In these negotiations, the union is seeking a 25% increase in wages.

In addition to Harris, Upham & Co., the firms for the employees of which the union proposes to seek bargaining rights this summer are:

- United Financial Employees
- Edward J. Burton & Co.
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C. L. Schmidt & Co.

Banks and Bank Shares—Annual comparative study of 28 banks of major importance throughout the country, showing changes in asset composition, book values, etc.—Bynder & Co., Inc., 14 Wall Street, New York.

City of Philadelphia Bonds—Valuation and appraisal—Stoel & Co., Inc., 223 S. Broad Street, Philadelphia.

Consolidated Gas Utilities Corp.

Carter H. Corbrey & Co.
Member, National Association

THE MULER CO.

Consolidated Gas Utilities Corp.
The Chicago Corp.
The-Muter-Co.


Forgetfully Investment Letter—Comment on several rail and power situations—Hunts & Co., 40 Beaver Street, New York 4, N. Y.

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Chicago Board Exchange
Chicago Board of Trade

Central Public Utility
Write for C.

A discussion of this company.

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CHICAGO 4, ILLINOIS

Maine Public Service "A"—Detailed memorandum—First Security Company of Chicago, 134 South La Salle Street, Chicago 3, III.

Also available is a memorandum on Standard Milling Co.

Shenley Distillers Corporation—Brochure of articles they have been running in "Harper's Magazine," to write to Mark Merit, in care of Shenley Distillers Corporation, 525 Fifth Avenue, New York, N.Y.


Syracuse Transit Corporation—Stock circulars and outlook—J. V. Mangano, 613 Broad Street, New York 4, N. Y.

Midland Utilities—Circular—Doye, O'Conor & Co., Inc., 135 South La Salle Street, Chicago 3, III.

Also available are circulars on Midland Realizations and Chicago South Shore & South Bend.

Miller Manufacturing Co.—Study of company and wholly owned affiliates—for dealers only—Comstock & Co., 231 South La Salle Street, Chicago 4, Ill.

Also available is a detailed analysis of Hydraulic Press Mfg. Co.

Aspinwall Corporation—Circular—New York, N. Y.

Manning Paper Co.—Detailed study of situation—Silis, Minton & Co., 208 South La Salle Street, Chicago 4, III.

National By-Products Inc.—Analysis—Brailford & Co., 208 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 opportunities for good operating results from developments—Fred W. Patman & Co., Inc., 223 S. La Salle Street, Chicago 3, III.

National Terminals Corporation—Late memorandum for dealers only—Adama & Co., 208 South La Salle Street, Chicago 3, Ill.


Also available are analyses on Sterling Metals, Radas, Feltak.

Panama Coca Cola—Circular on Interesting possibilities—Hight, Rouse & Trozer, 74 Trinity Place, New York 6, N. Y.


Rockwell Manufacturing Co.—Analysis—Steiner, Rouse & Co., 200 South La Salle Street, Chicago 3, Ill.

Also available is a memorandum on Standard Milling Co.

Schein Distillers Corporation—Brochure of articles they have been running in "Harper's Magazine," to write to Mark Merit, in care of Schein Distillers Corporation, 525 Fifth Avenue, New York, N.Y.


Syracuse Transit Corporation—Stock circulars and outlook—J. V. Mangano, 613 Broad Street, New York 4, N. Y.

NSTA Notes

NSTA ADVERTISING YEARBOOK NOTES

With great pleasure, your Advertising Committee reports that we are overjoyed over the appearance of the book. All of you who have contributed for the back cover of our picture Year Book and this represents the largest premium space offered this year; also, may we remind you that this firm has duplicated last year's contract. Many thanks to you all.

Our publisher, Mr. Herbert D. Selbert, did not anticipate the film shortage when this gigantic task of publishing the pictures of our membership was undertaken. However, in this film-shortage, much progress has been made and his photographers have reported very favorable returns from Detroit through Ray Bernardi, from Chicago through Paul Hummel and through Jean Summerlin, to all officers. With the deadline fast approaching, we hope all the officers and chairmen of both N.T.A. and the local affiliates will do their best to get their pictures and to use their own initiative to assist the publishers of the "Chronicle" by having members that have not already done so forward their pictures to Herbert D. Selbert, 25 Park Place, New York 8, N. Y., a new program of snapshot of themselves with their name and firm connection on the reverse side. In other words, let us not delay but help voluntarily.

We are pleased to report up to July 29th, the following affiliates have shown increased advertising over last week:

Los Angeles
San Francisco
Chicago
New Orleans
Boston
Detroit
Cleveland
Philadelphia
Houston

KIM your picture Year Book for reference in the future.


NISTA NOMINATING COMMITTEE

The following have been appointed to the Nominating Committee of the National Security Traders Association:

Mead Sees Danger In Business Concentration

New York Senator, asserting that big concerns now hold inside track in picking up peacetime operations of smaller competitors, urges passage of bill to create a Federal Small Business Finance Corporation.

Senator James F. Mead (D.-N.Y.), appearing before the Senate Banking and Currency Committee having under consideration Senate Bill 358, which would create a Federal Small Business Finance Corporation to help small concerns obtain internal capital, spoke strongly in favor of the measure and cited the trend toward reestablishment in American economic life of small concerns as a threat in our present economic scheme.

"Peace," he addressed Secretary of the Treasury Henry M. Morgenthau, Jr., "has come out of the Small Business Committee a document which I believe to be the most significant of the Concentration and World War II, which has brought us face to face with the dire possibilities involved in the trend away from smaller business in our economic scheme. This report, I understand, offers in effect a way out of the difficulty by putting into the picture, in terms of facts and statistical information, that is demonstrative of that which has been taking place in this country over the last few years in the concentration of economic control, now aug¬
ments even more the importance of continuing of the war through which we have just unnecessarily emerged."

"We are now swamped in a rising tide of concentration which will drive newly-formed small corporations into the arms of the larger enterprises for the purpose of cutting down to their level the competition which the smaller businesses represent."

It is important upon us that, due to their favorable position, larger corporations were enabled during the war to hold back civilian production by the smaller industries until such time as the big concerns entered the field. New deals were made and contracts were standing ready to pick up peacetime operations of their smaller competitors. Similarly, the existing trend in track in many ways, especially with respect to certain surplus properties created by the war, the trend of the Small Business Committee, as the statistical evidence presented in its many pages, confirms our fears. The problem is more acute than ever in our history."

"We must, in my opinion, have formally asserted, "would terminate the

CONTINUOUS INTEREST IN: THE SECURITIES OF:

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<tr>
<td>Minneapolis</td>
<td>New England Co.</td>
<td>J. A. Seiber &amp; Wetherwater Co.</td>
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<tr>
<td>Los Angeles</td>
<td>Haynes &amp; Co. Ltd.</td>
<td>J. A. Seiber &amp; Wetherwater Co.</td>
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</table>

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is now associated with us.

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May 16, 1946

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Chicago, Illinois

L. S. Madsen deWitters Co., C. E. deWitters Co., 120 Broadway, New York 5, N. Y.

Special to The Commercial Chronicle

New York, Los Angeles, California

Frederick R. Callender has become associated with Lester & Co., 211 South Street, members of the Los Angeles Stock Exchange. In the past he was with A. Hodge & Co. and Davies & Co.

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1417 Chestnut Street, Philadelphia 2

Philadelphia Inquirer

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Valuation and Appraisal

CITY OF PHILADELPHIA BONDS

 Compilation of

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Thursday, August 1, 1946

PENNSYLVANIA BREVITY

P. T. C. Stegrop Fare Refused

Last week the Pennsylvania Public Utility Commission refused Philadelphia Transportation Co.'s petition for an immediate tempo¬ rary fare increase. Any final decision by the Com¬ mission will rule on the company's application for a permanent fare increase.

S. Graff Miller, counsel for the petitioners, stated that the request for a fare increase was inappropriate. The petitioners, he said, had failed to include any proof that a fare increase would be needed.

The commission agreed to hold a public hearing before granting a permanent increase.

Philadelphia Railways Co.

W. G. George and Thomas Flutter, presidents of Phila¬ delphia Railways Co., have issued a belated report of 1945 oper¬ ations. It states: "Total operating revenues of the street railway and feeder and shuttle bus op¬ erations for the year 1945 amounted to $217,790,848, and were $339,902, or 1.1% greater than in 1944. Street railway passenger revenue was $20,415, of which $16,205.67 is expected to return to the feeder and shuttle bus routes was $1,061,176. The balance, amounting to $104,655, represented the changes in advertising in cars, black car operations and other miscellaneous operating rev¬ enues for the year." A total of $132,000 additional FCC type cars were received and placed in service during the period the cash and general in¬ crease was retained.

Pennroad Corp.

Among portfolio changes in the first half year, Pennroad Corp. sold the acquisition of 156,577 shares of its own stock at an average price of $19 per share. Other principal purchases included 41,656 shares Taca Air¬ ways, 37,580 shares Eversharp, Inc., 25,009 shares Tenesse Gas & Oil Co., 1,800 shares Interchemical Corp.

Wellington Fund

The six months report of Wellington Fund shows that the Wellington Fund has been "sitting away" investment profits by gradually reducing stocks and other securities selected for appreciation.

The Wellington Fund has been investing in a new unit trust fund which has been held by the fund.

Available Publications

Valuation and Appraisal

EQUIPMENT CERTIFICATE

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Economics in One Lesson


Intermittently for a good many years past the present reviewer has been under the temptation to undertake a twentieth century adaptation of "Sophisms Econoimiques," or a modernized version of "de quoi voilà et de quoi ne voil pas." Now he can rest, "text content." Henry Hazlitt has done the job—and, needless to add, done far more effectively than this reviewer could.

There is still room for further application of the method of Frederic Bastiat, but only a master of gentle irony, of subtle humor and of clever conversation could add to the work of Mr. Hazlitt. And it is by no means certain that these additional arguments, as delightfully as they flowed from the pen of Bastiat a century ago, would add to the effectiveness of an effort to combat the economic "excesses" so common today. They would enhance the enjoyment of those who need nothing convincing, but well might stand in the way of a full hearing by those who need enlightenment.

But, however that may be, Mr. Hazlitt has said simply, interestingly, and convincingly what so many Americans (and others for that matter) need so much to read or hear—and believes the book is in the best sense of term basic economic made easy.

The author is convinced that to understand economics it is necessary to consider not merely the immediate but the longer-term effects of any act of policy, and to trace the consequences of that act or policy not merely for one group but for all groups of the population. He believes that failure to recognize the fallacies of much supposed economic, and thus policy, can cause serious harm. What today passes for economics or sound economic statement flows from failure to do just that.

Mr. Hazlitt proceeds to take up notions of the day, one by one, and subject to them the tests thus suggested. He lists popular programs, and inquires not only what their immediate but what their ultimate effects are likely to be not only upon the groups for which these schemes are hatched but upon all the others which must be affected by the influence of them. He begins with a broken window and proceeds by way of logical progression.

There is a little essay on the blessings of destruction; a brief discussion about dissolving troops and barracks; and a short discourse on the futility of full employment. Spread-the-work notions, public ownership, government price fixing, the mirage of inflation and "parity" prices come in for careful analysis. The author wants who is protected by tariffs, and if the unions really raise wages. There is good sense in his analysis of the function of profits, and the workings of the price system.

In the current topics treated in this most delightful and enlightening way—current topics about which endless popular misunderstanding exists through the world today. It is in the manner of presenting truth that the author excels. The doctrines are the doctrines of sensible people everywhere. It is the presentation that seems to project them home to the great rank and file.

It is the hope of this reviewer that it will succeed. If so, the world will be eternally indebted to Mr. Hazlitt. His contribution would in that event be as great as that of the masters who long ago formulated the truths so long hidden from the victims of the perennial demagoguery.

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THE COMMERCIAL & FINANCIAL CHRONICLE
Public Utility Securities

New England Gas & Electric

On July 17th Federal Judge Ford approved the recapitalization plan (previously approved by the SEC) of New England Gas & Electric. The SEC directed that it intends to advertise early in August for competitive bids for $2,500,000 30-year Collateral Trust bonds, and up to $1,500,000 new common shares. On the completion of the plan the common dividend of six 16% preferred stock will be reduced about one-half and its preferred stock will be eliminated. (Total common stock will amount to some 2,000,000,000 shares.)

The company will issue some 15% of the balance of the $3,000,000 shares, or the remaining 44% would be allocated to holders of the $100 dividend preferred stock and any unused portion would be offered to the public. N.Y.P.A. NY Utilities Company and Associated Utilities Corp., which together held 23,744 shares preferred stock would offer at competitive bidding the common stock which they receive under the plan. The settlement with the subsidiaries of General Public Utilities Association (System) reflects a compromise of a long-standing claim and counter-claims resulting from the interest in the system acquired by Hopson. The present financing will terminate any litigation with the system, although the management of NGSEA has been independent for some time.

The current financing will substantially complete the system's integration program. Most of the subsidiaries are headquartered in Massachusetts.

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Rockford Securities Dealers Fete Illinois Dealers Assoc. Officers

ROCKFORD, ILL.—The Rockford Securities Dealers Association hosted the officers of the Illinois Securities Dealers Association for their annual golf outing at Mauh-Nah-Tee-See Country Club.

There were golf and card games for the visitors. Following a dinner in the evening, the board of directors held their regular monthly meeting at which new legislation affecting the securities business was discussed.

Officers of the State Association attending the outing were: Oscar V. Van Camp, President; Enyart, Van Camp & Co., Inc.; William H. Fliente, William H. Fliente & Co., Aurora, Vice-President; C. B. Reischl, Sills, Glinton & Co., Secretary; and Edgar A. Peck, W. C. Gibson & Co., Treasurer.


Group chairmen attending were Henry Grohe, David A. Noyes & Co.; Owen V. Van Camp; Harry S. MacFarlane, Alfred O'Garra & Co.; Frank Torgerson, Link, German & Co.; and Edward L. Kent, Knotz & Co.


Paul E. Conradi is president of the local group, Mr. Sandeen is Vice-President and Mr. Easton is Secretary.

John C. Ralston, Jr., of Ralston Securities Co., was in charge of arrangements for the outing, with Albert Surpise and Richard Olson of King & Co., in charge of games and prizes.
Kennedy Elected V.P. Of Mpls. First Nat'l

MINNEAPOLIS, MINN. — W. Hubert Kennedy, Minneapolis business man and investment counselor, was elected a Vice President of First National Bank of Minneapolis, Minn., by the institution's Board of Directors, on July 26th. Mr. Kennedy will take up his new duties in the bank's trust department August 1, continuing until then in his present capacity as Vice President and Treasurer of First F. Lowry Co., Minneapolis investment counsel. In announcing Mr. Kennedy's election, Henry M. Alwood, President, pointed to the frequency with which the bank is called upon to represent the interests of estates or trusts in the operation of various kinds of business enterprises, and indicated Mr. Kennedy's business and investment experience will supplement the bank's facilities in this field. After service in World War I as a major of field artillery, Mr. Kennedy was associated for many years with Wells-Dickey Company, Minneapolis investment firm, serving as its Vice President and Treasurer from 1921 to 1938. Thereafter he headed the Cedar Lake Ice and Fuel Company as President and director until last year when that business was sold, after which he joined Justus F. Lowe Company. He was graduated from the University of Minnesota in 1912, and has resided in Minneapolis 18 years.

Alfred V. Smith Partner In Brady & Garvin

Alfred V. Smith has become a partner in Brady & Garvin, 115 Broadway, New York City, members of the New York Stock Exchange. Mr. Smith in the past did business as an individual, and was a partner in Frank C. Masterton & Co.

SUNRAY OIL CORPORATION

$20,000,000 Twenty Year 2 1/8% Debentures

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Interest payable January 1 and July 1

Price $10.375 Per Share

Copy of the Prospectus may be obtained only from each of the underwriters or may legally offer these Securities on compliance with the securities laws of the respective states.

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July 30, 1946.

This announcement appears for purpose of record only. These Securities have been placed privately through the underwriters, and have not been and are not now being offered to the public.

$10,000,000

SUNRAY OIL CORPORATION

1 3/8% NOTE

Payable in installments 1947 to 1956

Eastman, Dillon & Co.

July 30, 1946.
Canadian Securities

By WILLIAM MCKAY

"Industrial activity in Canada during the past year has held reasonably steady, in general, and the non-metallic mineral products lines have continued to be the most active. Substantial gains have been made in the output of pulp and paper, and the production of steel continues to be a dominant factor in the economy. The outlook for the future is promising, with a number of new projects under development."

The most striking gains have been in the steel industry and in the non-metallic mineral products lines. Substantial gains have been made in the output of pulp and paper, and the production of steel continues to be a dominant factor in the economy. The outlook for the future is promising, with a number of new projects under development.

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(Continued from page 612)

Challenges to the Economic Future

(Continued from page 612)

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CANADIAN STOCKS

A. E. AMES & CO. INCORPORATED

92 WALL STREET

NEW YORK, N. Y.

(Continued from page 612)

Challenges to the Economic Future

(Continued from page 612)

TAYLOR, DEALE & COMPANY

64 Wall Street, New York 5, N. Y.

11 Westhill 3-174

(Continued from page 612)

Challenges to the Economic Future

(Continued from page 612)

Wood, Gundy & Co.

Incorporated

14 Wall Street, New York 5

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Challenges to the Economic Future

(Continued from page 612)

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Challenges to the Economic Future

(Continued from page 612)
The Commercial & Financial Chronicle

Number 164 Number 4512

The Commercial and Financial Chronicle is charged with furthering the development of the industrial and financial interests of these United States. It is entirely an advisory agency and a service to its subscribers, not in the public interest.

Proposed Stabilization Boards

In our role as an advisory and service agency, we see the need for industrial controls and labor controls as a means of calming the current industrial and labor market. A proposed stabilization board would be continuously maintained, and would concern itself primarily with management and labor disputes arising in industries that are so important in the life of the country and on which the stability of the world as a whole is dependent. We believe that the establishment of a board to settle locally or individually through authoritative and cooperative bargaining and negotiation.

I propose that adequate funds be made available for the maintenance of such a board, that it should be furnished through equal contributions from management and labor, and that such contributions be sufficient at all times to warrant the appointment of an impartial chairman an adequate staff which can keep up with current events and the whole and all its component parts. We believe that the maintenance boards would be necessary to prevent individual disputes.

Economic Isolationism

The third stumbling block have involved. "Economic Isolationism" has been popular, in the attitude taken in some countries, by the government of a certain nation, to be kept from borrowing money. We believe that the maintenance of a board to settle locally or individually through authoritative and cooperative bargaining and negotiation.

The fact and facts would merely be a method of placing the impartial economic control. Each country may have one, but each company case or issue not one. We believe the maintenance boards should be free from those technical and legal considerations which have prevailed in the submission of evidence in ordinary court of law. Now this is the basis of a new and more modern method of the enforcement of a bond of decent and self-liquidation, the government of a country's industry as a whole and the position of the country as a part of the total economy.

I further stated that these stabilization boards should not be hampere as by delaying legal procedures, and that each board should be free from those technical and legal considerations which have prevailed in the submission of evidence in ordinary court of law. Now this is the basis of a new and more modern method of the enforcement of a bond of decent and self-liquidation, the government of a country's industry as a whole and the position of the country as a part of the total economy.

The announced proposal that I made that was the decision of the board of directors of the company, and that each party post a bond that would be forfeited if it were not paid in due course. This bond would be returned if the board of directors of the company post a bond that would be forfeited if it were not paid in due course. This bond would be returned if the company were not satisfied that the board of directors of the company did not believe that the maintenance of such boards would begin to work on the legal issues.

The question is but that the maintenance of such foreign trade demands. We have the experience, the capacity, we have the technology, the new, the rarer materials, we have the brains, and the new invention and technology to do the job.

The importance of the job, the need for some public protection against work stoppages is increasing, as we are now in full swing of industrial peace or suffer later. Several industries have already expressed interest in the plan. We do in the Department of Commerce, would like to see some industries put it into practice.

But no plan for industrial peace will work at this time or at any time until it is made clear, that the cost of keeping the market running is worth running. If we are to keep the market running, we must have price and profit. If we do not have these, we are not going to have peace for labor, management, and the consumer we must have full, and we must have this at the beginning.

Let us resolve our differences peacefully, let us not go to war, but let us have peace for labor, management, and the consumer. We must have full, and we must have this at the beginning.

No group can long keep its own little circle safe if it gives nothing to the world. Business, after all, is just men working to a common purpose.

The most important asset of any country is man constantly at work, with each other and the world, and in the service of real value. We believe that the maintenance of such boards would begin to work on the legal issues.

Economic Isolationism

The third stumbling block have involved. "Economic Isolationism" has been popular, in the attitude taken in some countries, by the government of a certain nation, to be kept from borrowing money. We believe that the maintenance of a board to settle locally or individually through authoritative and cooperative bargaining and negotiation.

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Floyd D. Gerf Offers

Segal Lock Common

A nation-wide group of investment bankers headed by Floyd D. Gerf, Co., of Chicago, made a public offering July 21 of a new $60,000,000 common shares of Segal Lock & Hardware Co., Inc. priced at $4.50 per share.

Of the $60,000,000 shares included in the financing, $41,411 has already been subscribed by present stockholders on behalf of one share for each two held. The remaining 172,671 shares represented the franchise to the public for subscription. The common stock is traded on the New York Curb Exchanges.

Proceeds from the financing are to be used for returing the outstanding preferred issues, for expansion of the company's plant facilities, for the introduction of a new number of items in its expansion program and for possible acquisitions.

Segal Lock owns over 99% of the common of Segal Safety Razor Corp. as well as the Norwalk Lock Co., founded in 1836 and believed to be the oldest hardware manufacturer in the country. The former is one of the leading units in the safety razor industry and ranks sixth in national distribution. It com-emplores, introducing a new-type of single-edge razor blade sometime within about nine months.

Norwalk Lock Co. is also planning a number of new products, among them a new type of explosive for war use in mines and sash. Its products are now sold through more than 30,000 retail outlets. It is one of the largest manufacturers of industrial building hardware and first in the sale of jelly-proof locks and keys.

The company is also making preparations for an anticipated large volume of foreign trade. During the war it was heavily engaged in war production and now has a plant capacity at its plant in Brooklyn and Norwalk, Conn. units at a million dollars 5% greater than before the war.

Net earnings for the year ended Dec. 31, 1945, after all charges and taxes, were $250,469 as against $192,234 for 1944. Earnings amounted to 78,351, and increased tenfold to 19,351, for 1945 amounted to $21,091, of which $22,591 was cash. Current liabilities amounted to $433,783, the common stock was held by funds, bank or other loans.

$30,000,000

The Budd Company

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The Budd Company

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August 1, 1945
“Our Reporter on Governments”

BY JOHN T. CHIPPENDALE, JR.

The government bond market is still unsettled and nervously, particularly the restricted issues, not because of the presence of liquidation, but because of the uncertainties that always accompany the talk of a new issue, and that are particularly marked in the case of the new restricted bond will sell at 101 1/2, while others are of the opinion that the level of 102 1/2 is the lowest to be expected under present conditions. Why should reports of a new long-term bond have so much effect on the government securities market? It is evident that what one feels most is something that is not thoroughly known or understood.

This seems to apply to the government securities market, because there is nothing tangible in the situation that would indicate whether there will be another issue of restricted bonds or not. It has just been reported that the Treasury has 67 per cent of the new stock in its own hands, and some believe this may be as far as it will go for some time.

UNCERTAINTY RULES

It is evident that confusion and uncertainty do not make possible long-term forecasts. Accordingly, if the market can be upset by rumors and hearsay, it is not likely that it will have a definite trend in either direction. It should be remembered that the monetary authorities are very much concerned with the government securities markets, and in their efforts to manage it within certain limits, the element of doubt is a very important factor.

Recent statements of the Federal Reserve Board indicate that they are not in favor of new issues to non-bank investors unless more power over member bank bond purchases are given to them. Yet at the present time there are reports that the Treasury near the end of 1946 may be in the market for new muni's, which would be used to retire issues held by the commercial banks.

This would decrease member-banks' holdings of government securities, which are long-term investments, and deposits of the commercial banks must be down, yet Government Trust Funds are sellers of securities, largely bank eligible, which does not decrease bank deposits or the holdings of government securities. The reason for the sale of government obligations by the trust funds seems to be largely for market control.

NOW WHAT?

The trend toward longer maturities by the commercial banks following the retirement of the 3s on March 15 is well known. In addition, a generally upward move in bank eligible issues, offerings are available from the trust funds, which will be disposed of only in a strong market. Now comes the question of what these same deposit institutions will do, since they have lost sizable amounts of the 3s and 3 3/4's on June 15. The last upturn in the longer bank eligible was due largely to purchases by the large banks, and many of the trust fund obligations now for sale are not suitable for the other institutions because of the large premium involved. It is indicated that the member banks must still retain earnings and in order to do so they are being attracted to the longest interest. 

The prospects of another upward move in bank eligible issues, there is no question of being able to meet deposit withdrawals because these institutions have sufficient short-term obligations to take care of such needs.

Aside from the 3% group there remain now only the 2 3/4's due 1956/58, and the 2 1/4's due Sept. 15, 1947/72, in which purchases can and are being made. On the other hand, in about a month and one-half the 2 1/4's due 1956/58, will be eligible for purchase by the commercial banks.

ANOTHER BANK ELIGIBLE NEARS

By the middle of September, the securities that can be purchased by the deposit banks will be substantially augmented (unleashed by the 15% ceiling which has not looked for these institutions) and will be able to acquire another bond within the 10-year range.

The commercial banks cannot get the long-term bonds in the new issues, and the latest sale figures show that the large bank eligible, that is, above 15% 1/2, by itself have sold above 255,000,000 of obligation, and the largest amount of these holdings is by the country banks. The institutions in the Central Reserve Cities of New York and Chicago have such amounts of the 2 1/4 due 1956/58, that they are not worth mentioning. This leaves plenty of room for expansion in the 

POTENTIAL SWITCH

The next higher coupon obligation that can be retired by the Treasury will be the 1 1/4% notes due Dec. 15. This security is outstanding in the amount of $2,281,000,000, and the latest available figures indicate that the commercial banks own about $2,344,000,000.

Again these institutions will be the largest users of this redemption of these notes, and in order to protect their income it is indicated that the deposit banks are considering a switch from the near-term 1 1/2's and 2's to 1956/58, for picking up the 1 1/4's due 1956/58, when they are available to these institutions. While there would be an extension of maturities, it would not be as far out as if they were taking on the longest bank eligible issue.

POTENTIAL SWITCH

The second higher coupon obligation that can be retired by the Treasury will be the 1 3/4% notes due Dec. 15. This security is outstanding in the amount of $2,281,000,000, and the latest available figures indicate that the commercial banks own about $2,344,000,000. Again these institutions will be the largest users of this redemption of these notes, and in order to protect their income it is indicated that the deposit banks are considering a switch from the near-term 1 3/4's and 2's to 1956/58, for picking up the 1 3/4's due 1956/58, sometime after the middle of next month.

JUST GOOSING

With reference to the much discussed new long-term issue of ineligible bonds, there are many doubts as to the coupon rate, maturity and type of security. It is believed in some quarters that the new bonds may be in registered form and non-negotiable except for presentation to the Treasury for redemption. Some hold the opinion that the much talked of issue may extend for a longer period to call and maturity dates than the outstanding issues. It is also reported that the proposed new issue may be offered only in exchange for new funds in the hands of savings banks and insurance companies and not for the reinvestment of moneys that have been obtained from the sale of bank eligible issues.

The old gosling game is on again in government bond circles, without the slightest official encouragement, may be the new issue. This is not dissimilar to what has happened in the past, and most of the predictions at that time were based on the fact that what actually happened when the offering finally came along.

The latest opinions that the Victory Loan issues would be of much longer maturity than the outstanding 2 1/2's and 2 3/4's, the Treasury offered obligations that were only six months longer than the Seventh War Loan issues. It should also be remembered that if there is an issue of long-term restricted of late 1947, it will be mainly on the basis of savings banks and insurance companies considerably involved largely on business conditions and the trend of commodity prices.

SELLING LONG-TERMS

Although the sizable liquidation of dealers' loans is attributed to the recent reclassification, it is indicated that there has been a substantial reduction in holdings of long-term issues. Despite the fact that the market at times has been on the professional side, it is reported that dealers were able to lighten long-term positions at good prices, through sales to institutions.

NEW ISSUE

99,500 Shares

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Price: $3.00 per Share

LEWIS & STOEHR, Inc.

80 BROAD STREET, NEW YORK 4, N. Y.

Eastman Dillon Offers Sunray Oil Securities

An investment banking group headed by Eastman, Dillon & Co. made judgmental of $2,000,000 in $2,000,000 20-year 5% debentures of Sunray Oil Co., Inc., under Registration S5155, but to be publicly offered for sale at 101 1/4 and accrued interest, to be sold on an underwriting basis at the common stock at $10 per share.

Net proceeds from the sale of the debentures, together with $1,100,000 to be re-invested, will be used in the development of Sunray Oil Co., Inc., and the proceeds of an outstanding $12,000,000 5% sinking fund debentures, held by the underwriters, to be redeemed or purchased for retirement of 255,000 shares of 4 1/2% cumulative preferred stock, series A, at $100 per share.

The agreement of merger, providing for the merger of Transwestern Oil Co. into Sunray, was approved and adopted by the stockholders of both companies at the annual meeting held on July 1 this year. Upon the agreement of merger, which was filed with the SEC on Aug. 2, 1946, the outstanding 750,000 shares of Transwestern Oil Co. will be converted into 255,000 shares of the 4 1/2% cumulative preferred stock, series A, of Sunray Oil Co., Inc., which will be preferred for each share of common stock of Transwestern; 255,000 shares of such preferred stock are being offered for purchase or for retirement by the corporation with a portion of the proceeds obtained from the sale of the common stock.

Giving effect to this financing and the merger, outstanding capitalization of the corporation will be reduced from $20,300,000 to $13,600,000. This will be represented by the new debentures; a $10,000,000 serial bond loan; 270,000 shares of 4 1/2% cumulative preferred stock, series A, and 4,600,000 shares of common stock.

Sunray Oil Corp. is engaged in the business of exploring, acquiring, developing, owning, producing and marketing crude oil and natural gas in the states of California, Kansas, Louisiana, New Mexico, Oklahoma and Texas.

Congressman Wolkoff Hails Decontrol Board

Rearden & Company Adds M. Wolpoff to Staff

ST. LOUIS, MO.—Miss Mathilde Wolkoff, president of the Chicago branch of Rearden & Company, investment securities dealers in the Midwest, has been named Secretary of the Company, which she joined in 1935. She formerly was a registered representative of the Missouri and Texas.
More Statistical Miasma

(Continued from page 697)

of subsidies. These, it must be remembered, were
figures. The impact of the in-
crease was not generally felt by consumers. Retailers had
the most part held to their OPA
prices, as the OPA required
figures last.

In the first place, the data are highly questionable because of the fictitious element in the OPA, which
was intended to cover such items as fuel, food, and
actual and factual indication of a general price level
change.

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was intended to cover such items as fuel, food, and
actual and factual indication of a general price level
change.

(1) The fact that merchants re-
frain from reporting prices above
the OPA price control level;
(2) the use of an average rather
than actual prices in the index;
(3) the use of indexes in the
price, merchandise and the im-
mediate area in which they are
and
(4) higher living costs resulting
from migration.

This enumeration of defects is by no means exhaustive. Price indexes will always remain defect-
ive as long as published prices are the basis of index
which exchanges are consumed
and
in the same knowledge of price
investigators subirite.

Yet, it must be admitted, that
without some system of statistical
measurement along these lines
we would be without the crude
instruments to correct economic
and political actions and all scien-
tific attempts to trace trends and
developments. There is no practically cease or become more gueswork
and intuition. But should it lead us to the need of precaution
and proper appraisal of the
judgment in handling and interpreting sta-
tistical data: Bias, prejudice, or
politey expedients should have
no part in it. Let us use statistics, fundamental and sound and properly
compiled, but let us also always
keep in mind their limitations and
imperfections.

In this connection, it should be noted that one of the foremost
advocates of the use of statistics
in economic investigations, who also has been a learned exponent
of the use of the index
Dr. Wesley C. Mitchell concludes his
monograph, "The Making and Use
of Index Numbers," published
by the Bureau of Labor Statistics in
1916, by stating:

"While index numbers are a convenient concentrated ex-
tract of price variations, they are far from being a competent rep-
resentation of the real changes that
they summarize. Most consumers of statistics lack the time to go
back of the finished products to
the data from which they are
made. But the increase of knowl-
edge concerning the causes and consequences of price variations
depends much more upon inten-
sive study of ultimate data than
upon the manipulation of aver-
age or averages. Upon the ex-
tension of knowledge in this field
depend in turn large issues of
public welfare. Hence it is im-
portant to collect and to publish
in full the actual prices of as many
commodities as possible, even
though some of the quota-
tions may not now be available
for use in making an index num-
er.

Certainly, the Bureau of Labor
Statistics and the Department of
Commerce, which interpreted the
data of price changes covering 28
items, during a period of two
weeks, have not hedged the wise
counsel of Dr. Mitchell.
The Long View

Unemployment in the securities markets provides a contracting backdrop for the longer term outlook as seen by the investment management of Group Securities. The semi-annual report of this fund contains a special "Report of Investment Management" signed by Frank L. Valenta, Vice-president and research manager.

"Most of the increase in activity from present levels should be experienced by those industries which have been held back during the past six months, including the automobile, electrical appliance, steel, railroad equipment, industrial machinery, and railroad industries. It is our belief that as compared with relatively minor advances in the rate of activity in consumer goods industries, the second half of 1946 should record substantial advances in the production of consumer durable goods industries and capital goods industries."

"An important feature in the extent to which industrial activity will continue to recover will be the policies of the Federal Reserve Board. The present policies of the Board, if continued, could lead to a tightening of the money and credit situation, which in turn would tend to restrict business activity and business expansion. It seems likely, however, that the Federal Reserve Board will recognize the difficulties in projecting policies and that it will change their plans before the summer is over."

"With the price adjustments now under way, industry will again experience adequate profit margins, and corporate earnings in the second half of 1946 should be substantially higher than during the first six months. This should, in turn, be reflected in a trend toward higher dividend payments. Corporate investments are now in a sounder financial position than at any time in history."

"The widespread strike in the first half of the year, we believe that national income for the year 1946 will achieve the highest level reached during the war years, and, assuming the correction of Federal Reserve Board policy, national income in 1947 should reach record high levels. While the satisfaction of deferred consumer demand in many lines is likely to materialize much sooner than is generally believed, the broad and substantial contribution of the capital goods industries to the purchasing power of the country, should provide a basis for a continued high level of demand for many years to come. It is for this reason that we believe the active market has emphasized the attractiveness of capital goods industries."

"In view of the extended period of chronic labor conditions, it is not impossible that the present level of uncertainty may continue to prevail in the near future, reflecting disappointment with earnings reports for the second quarter of the year. Our estimates for the next 12 months, however, indicate that net earnings of after-tax profits will exceed the previous peak net earnings experienced in 1939, and on the basis of such earnings results it is our belief that security prices, will ultimately advance to substantially higher levels than at present. It is, of course, natural to expect that in its adjustment to the higher price levels which will prevail in the future, readjustment will be necessary from time to time. However, investors refer to development as "inflation." We believe that the investor who can protect against it is to follow or re-examine his research and investment procedure."

"Underlying all the confusion of the present labor situation is the fact that the nation as a whole is in a sound financial position. The American public has accumulated more savings than at any time in history. It desires a larger and easier standard of living. The basic factors for a higher level of national income will continue to exist—wealth, which is constantly increasing, and in full force, that we shall experience a long period of business activity, which has expanded in this country, and that this in turn, will be translated into new high levels of corporate earnings, and on the basis of higher levels of security prices."

"The interim report of Group Securities from which the foregoing observations were extracted was issued May 31, 1946. During that period net assets of the fund increased by 41% to $177,038 and the number of shareholders by 29% to 65,296."

"Keystone Custodian Fund, Series 5-2" During the six months ended May 31, 1946 total net assets of Keystone "6-2" rose from $289,610 to $356,975 for the most part a rise in the net asset value per share from $17.61 to $19.36. At the end of the six-month period, the market value of securities owned exceeded their cost by $90,573.

"Total assets at the tenth Keystone Funds as of May 31, 1946 were in excess of $168,000,000."

Central Republic Co. Promotes Three

CHICAGO, Ill.—Newton P. Frye, President of Central Republic Company, 309 South LaSalle Street, announced the promotion of three key members of his organization, two of whom have been associated with the firm and its predecessors for the past 20 years.

J. Curtis Woolfolk is appointed Manager of the Corporation's New York Department, Mr. Woolfolk is a graduate of the University of Chicago, and has been with Central Republic Company and its predecessors since 1928. Mr. Woolfolk, who is appointed Sales Manager, has been in the investment banking business since 1926. For the past 20 years Hays has been Manager of the Trading Department, for 11 years previous to that, was a member of the Sales organization. Robert Boddeker, who becomes Manager of the Trading Department, joined Central Republic Company in October 1946. He has spent 20 years with the Trading departments of several large investment firms.

Spence Trustee of Dime Savings Bank

William T. Spence has been elected a Trustee of the Dime Savings Bank of3, Inc., 95 Wall Street, New York, Brooklyn, according to an announcement made by President Hays, an investment banking firm of Spence & Trask & Co.

DIVIDEND NOTICE

NEW YORK STOCKS, INC.

The following dividends have been declared by the owners of the stocks of the above companies as on or about the dates and in the amounts indicated.

<table>
<thead>
<tr>
<th>Date</th>
<th>Dividend Notice</th>
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<tr>
<td>07-07</td>
<td>American Business Shares, Inc.</td>
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<td>07-07</td>
<td>Republic Investment Fund Co.</td>
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<td>07-07</td>
<td>LORD, ABBOTT &amp; CO.</td>
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<td>W. B. HALL COMPANY, INC.</td>
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<td>07-07</td>
<td>Investor Selective Fund, Inc.</td>
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**TIME MONEY MAKES**

The dividends are payable to holders of record as of the close of business August 8.

**-** Indicates dividends payable to shareholders of record as of the close of business August 10.

**INCORPORATED INVESTORS**

American Business Shares, Inc. Prospects upon request

Lord, Abbott & Co., Incorporated

New York Chicago

Investors Selective Fund, Inc.

Prospects upon request from Principal Underwriter

Spencer Syndicate

R. E. Magruder, President

Minneapolis, Minnesota

Representatives in the Principal Cities of the United States
Price Uncertainties Hamper Business Planning

(Continued from page 698) the previous peak. Construction contracts awarded in July were 10.8% above those in July 1932, and the Federal Reserve Bank of St. Louis index of the prices of thirty-one food commodities was 11.2% above the July 1932 level. The index for dairy products, which was revised upward from 100 in July 1932, rose from 75.8 in July to 78.2 or 2.7% over the revised 1932 basis in July 1933.

The outlook for prices in the future has been much more promising for farmers than for manufacturers. A decrease in the national consumption of food, it is generally agreed, would be a necessity for a long time to come. The outlook for prices in the future production of food is therefore one of the most important problems for the general public to consider. Although there are many uncertainties regarding the future production of food, it is generally agreed that the outlook is promising.

Federal Reserve Bank of St. Louis

88,900 Shares
GORTLE FROSTED FOODS, Inc.

(A Delaware Corporation)

Common Stock
(Peu $100 Par Value)

Price: $3.25 Per Share

LUCKHURST & COMPANY, INC.
40 Exchange Place
New York, S. Y.

REICH & COMPANY
39 Broadway
New York, 4, N. Y.

Price: $3.25 Per Share

THE COMMERCIAL & FINANCIAL CHRONICLE

Number 194

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http://fraser.stlouisfed.org/

8,900 Shares

GORTLE FROSTED FOODS, Inc.

(A Delaware Corporation)

Common Stock
(Peu $100 Par Value)

Price: $3.25 Per Share

LUCKHURST & COMPANY, INC.
40 Exchange Place
New York, S. Y.

REICH & COMPANY
39 Broadway
New York, 4, N. Y.
Railroad Securities

Southern Pacific is having a hard time adjusting its operations to the sharply decreased demand for freight and passenger business. In particular, it seems likely that the recent very precipitous drop in the passenger business, a drop which got under way comparatively late than did that in freight business, is causing a quite adverse influence on operating results. Total revenues were off 26.8% from a year earlier for the five months through May, with the decline widening to 32% for the month of May alone. Passenger revenues, which accounted for 39% of gross in the 1945 interval, were off 19.7% in the April-May period (the decline was less than that recorded in previous revenues) but in the month of May alone declined more than 43% from the like 1945 month. Just as the war-time increase in passengers revenues was not accompanied by any comparable increase in passenger train miles or passenger car miles, so it is impossible to cut the service rendered sharply when revenues begin to contract. In many cases

Alabama Mills
Arden Farms
Common & Preferred

Dictaphone Corp.
Common

Riverside Cement
A & B

ERNST & CO., INC.
120 Broadway, New York, N.Y.

Specialists in
RAILROAD SECURITIES
Selected Situations at all Times

B. P. Pizzini & Co.

November 2, 1945

Railroad Bonds and Stocks

PLUGFELDER, BAMPSTON, RUST
Members New York Stock Exchange
61 Broadway
New York 6

Seaboard Air Line Railway
When issued profits discounted
When issued losses assumed

SUTRO BROS. & CO.
Members New York Stock Exchange
120 BROADWAY, NEW YORK, N. Y.

Long Island Airlines, Inc.
Common Stock

Bought - Sold - Quoted

McLaughlin, Reuss & Co.
Members New York Stock Exchange

BOND BROKERAGE SERVICE
Specializing in Railroad Securities

ONE WALL STREET

LONG ISLAND AIR

in prices. The current rate is close to three times the rate when the war started in 1939, though it was then only 20% of the prewar level. The rise in costs last month was the largest in any similar period since 1940.

Activity in the steel industry has continued to expand and in recent weeks has been operating at about 90% of capacity. Weekly output has been 1,000,000 tons which is only 6% lower than it was a year ago, and about 30% below the 1929 all-time peak. Total output of steel for the last twelve months and the shortage of steel will hold such expansion in many industries. A shortage of steel scrap may reduce operations during the next month unless more material can be found.

The petroleum industry has been increasing its output and last month reached a new peak in the production of crude oil. Average daily output has been just under 9 million barrels a day, which is more than a year ago when the war depressed the market. Increased use of petroleum and its products by the public has more than offset the war's curtailment of military use.

The textile industry is also operating at a higher level than it was earlier this year, although output is below the mark set with the enormous demand. Cotton consumption by mills has been increasing month by month as compared with around 650,000 in 1943. The production of wool, having been lagging somewhat behind last year's pace, is now running at a point to further expansion during the last half. Total output may be up as much as 600,000 bales in the next month and worsted products which will increase at a pace of about 500,000 bales in 1939. The output of consumer durable goods is expanding steadily and in some lines quite rapidly. The market last month had already surpassed the prewar monthly average in the number of sets, although not in total sales volume. Most of the new models are more expensive than the old models, and the smaller models. More automatic tires are being produced than ever before, and schedules have been maintained the last 22 months at the average level high by 50%. Production of passenger cars is running at a rate which will finish the year at rates of 250,000 for the last half. The spring cleaning has surpassed the prewar monthly average. Production of electric ranges is lagging but the trend is upper and some prices compared with the prewar level will be reached within a few weeks.

Agricultural Prospects

Agriculture has been making an even better record than industry this year and the current outlook is for crops that will be close to an all-time high. Conditions may change during the critical month of August, but unless they turn unfavorable the corn crop is expected to establish a new record this year for all crops. The average condition of all crops is the best since 1942.

Adams & Peck

63 Wall Street, New York 5

Bowling Green 8-2123 Tel. NY 1-794

Boston Philadelphia Hartford

L. H. rothchild & co.

62 wall street n. y. c. 5

of Securities Dealers, Inc.

Hannover 4-9272 Tel. NY 1-1693

Philadelphia Telephone - Lombard 9958

The Commercial & Financial Chronicle
Thursday, August 1, 1946

Price Uncertainties Hamper Business Planning

(Continued from page 627)

Textiles, Inc.

KENDALL CO.

Common

Circulators on request

The rise of rail passenger revenues is attributable largely to a fluctuating load factor, and during the war years, railroads were benefiting from unprecedented loadings of passenger cars. It is no secret that quite often the cars filled were billed to well over 100% of capacity. There is obviously quite a difference in the expense involved, between running a train half full and completely unoccupied. Falling passenger business, then, naturally brings with it a rapid rise in the operating ratio.

Although Southern Pacific's gross was down more than 25% for the five months through May the operating expenses were virtually unchanged. Maintenance charges were cut by approximately $8,000,000 to $75,625,000 or about 6%. This was merely an accounting matter, however, in repleting a net credit of some $9,000,000 this year for amortization and for gas for the $6,000,000 which actual maintenance expenditures were lower than they were in 1944. Similarly, transportation costs were down from $78,357,000 to $73,031,000 in the con"
Why must sleeping car passengers put up with "rolling tenements"?

9 Out of Every 10 Sleeping Cars Now in Service Belong in Museums! What Can Be Done About It?

ANYONE who ever takes an overnight train trip owes it to himself to read these facts:

The average age of the 6,000 sleeping cars now in operation is almost 22 years. Nearly 25% of them were built before the first world war. (Would you expect a comfortable ride in an automobile built between 1910 and 1915?)

Compared to really modern sleepers, these old cars are as out of date as high button shoes! And to ride in these juttering tenements on wheels, 25 to 35 years of age, the traveler pays a premium fare. Is it any wonder railroads are losing business to the airways and the highways?

What's the Reason?

Don't think this situation is due to the war. It existed long before the war. Only 900 sleeping cars—a mere 13% of those now on the rails—were built in the last 16 years, and less than 9% are of modern lightweight design.

With over 6,000 new sleepers needed, only 764 had been ordered as of June 1. These were ordered in small lots of varied design by 25 big railroads for their own use. (More than 30 other roads that operate sleeper service did not have a single sleeping car on order!)

Not only does this piecemeal method of buying mean that the new cars will be ill-fitted for through service; it is one of the principal reasons why they will cost four times as much per pound to build as an automobile.

'Since last September, the C & O has tried in vain to get other railroads to agree on sleepers of standardized design and to place sufficient orders so that all railroads can gain the economies of mass production.

Our efforts have been given no encouragement. We are tired of waiting and so are the travelers we serve. Apparently, the only way the C & O can get modern sleepers is to have its own built!

We Will Wait No Longer!

We of the C & O lines will not sit idly while our night passengers travel in outdated rolling tenements. We are now inviting bids from manufacturers on enough modern sleeping cars to replace every sleeper on our lines, with a substantial margin to spare.

We have taken this step, independently, with great reluctance. To supply our own sleeping equipment, it is necessary to buy not only enough cars to meet our routine requirements—but with no pool of modern equipment to call upon, we must also provide for seasonal and other peaks.

This is not the most economical way to secure modern sleeping car service. But, as far as we can see, it is the only way open to us.

The C & O Repeats Its Offer!

The present situation is plain bad business. People want modern equipment. They have shown themselves eager to travel on the railroads that provide it. Even before the war, new lightweight streamlined cars were packed to capacity on routes where their old-fashioned predecessors had traveled half empty.

The demand for travel accommodations has never been greater than it is today. Yet ancient sleeping cars still clutter up the rails while the airways and highways shine with new models. It doesn't make sense!

The need is self-evident for an efficient, new sleeping car operating company which can and will buy modern cars competitively in quantity and service them economically. The past record of America's only sleeping car operating company offers little encouragement that it will fill these needs. We will gladly release all the new cars we purchase to any independently operated pool that will demonstrate an interest in making modern sleeping car equipment available to all railroads, at reasonable cost. If the other roads will do as much, it should be easily possible to attain this objective.

What roads will co-operate in this drive to give the traveler better service at lower cost?

The Chesapeake and Ohio Lines
Terminal Tower, Cleveland 1, Ohio

CHESAPEAKE AND OHIO RAILWAY
NICKEL PLATE ROAD
PERE MARQUETTE RAILWAY
Bank and Insurance Stocks

By E. A. VAN DEUSEN

This Week — Insurance Stocks

It is profitable occasionally to review the general characteristics of insurance business and to point out the reasons for enduring popularity among investors. Undoubtedly, the most powerful reason for this popularity lies in the indisputable fact that the one feature of all insurance companies is the divisible and substantial funds which they accumulate. This is not to suggest that the public, or any part of the public, have invested in insurance companies without the protection against loss which these funds offer. There is a case, as in any other business, for saving and investing. But the public generally do not save directly, and therefore the insurance companies, in order to increase their funds, necessarily borrow so as to have the money to invest. This is why they are not able to borrow at a low rate of interest, and why, therefore, they are able to pay a high rate of interest to their policyholders.

The companies which we are discussing are not the only ones which have increased their reserves. There are many others which have increased their reserves. On the contrary, there is an increase in the whole insurance business. This increase is due to the fact that the public has become more aware of the advantages of insurance and has become more willing to invest in insurance. The increase is also due to the fact that the companies have been able to sell more insurance, and that the public has been able to afford more insurance.

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House Approves Foreign Service Revision

A bill to overhaul the State Department's foreign service, which its sponsors have said was needed to put the United States on equal foreign service terms, has been approved by the House by a voice vote on July 29 and sent to the Senate, according to a dispatch from Washington from the Associated Press, which said:

One of the chief provisions is to increase salaries of nearly all career workers, including a rise for $13,500 to $25,000 yearly for Ambassadors. The House also passed by voice vote another measure establishing an office of Under-Secretary of State for economic affairs.

A major section of the reorganization bill would establish a foreign service institute, making possible a post-graduate training school for foreign service officers similar to that now attended by Army and Navy officers.

Another provision would call for automatic retirement of officers not qualifying for promotion as often as specified in standards outlined. The other provisions would create an office of director general of the foreign service, and set up a foreign service board to advise the Secretary of State, and require foreign service officers to spend at least three of their first 15 years of work in the United States and to take home leaves every two years they are abroad, to keep them abreast of affairs in the United States.

Mind If We Explode a Few Fallacies?

Do you think the New York Stock Exchange buys and sells securities?

A recent poll of public opinion which we conducted showed that a surprisingly large minority does have this mistaken idea. The fallacy is—while some individual members of this Exchange own securities for their own account, the New York Stock Exchange itself does not buy or sell anything. It is merely a public market place...where buying and selling orders from all over the country meet.

Do you think the New York Stock Exchange makes a profit if you lose on a transaction?

This Exchange neither makes money if you lose on a transaction, nor loses money if you profit on a transaction! This institution is nothing more nor less than an association of member brokers. It derives its revenues from various fees and service charges, paid mainly by its members and by the companies whose securities are on this Exchange.

Do you think that the New York Stock Exchange sets the selling prices of securities?

This also is a mistaken idea. Security prices reflect the continuing appraisal of millions of investors—each judging in the light of his own needs, knowledge and opinion. Prices are established through open bids by buyers and open offers by sellers, then are promptly published for all the world to see.

It is the established policy of this Exchange to encourage, in every way possible, the principles of informed investment. When a company lists its securities in this market place, it agrees to report, regularly, facts necessary to a reasoned investment decision. These facts are available to the investor—there is no need to rely on tips, rumors, impulses. We urge that you make use of this guide when using the facilities we provide.
A Business Man Looks At The National Economy

(Continued from page 600)

liciation of a lease; a stock of grove- or the truck that delivers them.

A boy in your neighborhood is wise to becomes a doctor with an education for TV or he may have to take a steady job and furnish an office; or, if he learns secretarial work, he can hire a receptionist to answer his telephone. At that point, it has been said, he should be making a steady profit; if not, he should be learning another way of disappearing. Besides, it is entirely possible that capital gains taxes may be increased next year, instead of being lowered or abolished. The bond has been (and still is) to lower taxes on the lower income groups and keep those in the higher brackets under heavy taxes. Remember it is good politics to lower taxes where the majority of votes come from, and seek the few who have made some profits. As long as the Truman administration is in power there is no assurance that the capital gains tax will not be raised instead of lowered.

There is only one factor which should determine whether or not a security should be held, sold, or switched into something else. That decision should be based entirely upon whether or not the future outlook for an investment justifies its sale or retention. Take the case of a stock in a company that has shown a profit for a period of several hundred percent over acquisition cost. True enough, if it is sold the tax collector will exact a maximum of 25% of the profit. But what if the company is vulnerable to competition, or a new product: and an analysis clearly shows that there is grave risk in further retention of such a stock? Isn't it better to take a profit and pay 25% to the tax collector rather than risk a loss of 50% or more through a market decline which may take place because of these factors? And remem-ber if the stock is sold after a 50% decline from current levels the 25% tax still must be paid on the smaller profit.

Why not take the profit and pay the tax? Then reinvest the proceeds in another more promising situation. If the investment is wisely selected, further profits can be obtained which will more than make up for the 25% tax which must be paid.

There is another point to remember and that is, a profit is not a profit as long as it is not reinvested. The only thing that makes a profit is when you sell out and get the cash. Paper profits have a habit of getting away from you without very much warning. In fact they can disappear a lot faster than you can stick your finger in them. So spend years building up paper profits in securities and see them go out the window in a few weeks time. Before you know it you are not as rich as you thought, and it can all happen so suddenly that you had better forget about the tax collector and his 25%, and reserve some of those paper profits NOW WHILE YOU HAVE THEM.

Any security salesmen who assist his clients in developing this attitude and aid their investments will have their gratitude and their future business. No investment is safe under conditions where none are safe enough to forget. Constant supervision of an investment portfolio is the only way to keep that which you have worked so hard to accumulate—especially in those uncertain times in which we live today.

Denman Tire & Rubber Company
5% Cum. Conv. Pfd. Stock

Common Stock
Prospectus on request

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

American Fruit Growers Inc., Coop
Arden Farms Co., Pfd. & Coop.
Fullerton Oil Co, Cont.

Wagenseller & Durst, Inc.
Members Los Angeles Stock Exchange
240 240, SPRING ST, TRINITY 3784
LOS ANGELES 14

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The risks and the tempests that always come with the markets work, and in itself, of a principal cause of inflation. It is now the day the day. It ended. It was a failure the day the market was a failure, and the day the dollar was a failure, and the day the franc was a failure, and the wrong day. To prevent inflation, to prevent the cost of living in the nation, to prevent the cost of living in the world; I have been trying to tell you for years, and I think I have finally convinced you that there is no such thing as inflation. Inflation in America results in a lack of the absence of equivalent goods and services. When OPA is used for restrictions on the exchange of dollars, instead of dollars, of goods, it proclaimed its igno- 

American Fruit Growers Inc., Coop
Arden Farms Co., Pfd. & Coop.
Fullerton Oil Co, Cont.

Wagenseller & Durst, Inc.
Members Los Angeles Stock Exchange
240 240, SPRING ST, TRINITY 3784
LOS ANGELES 14

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Housewife A Price Regulator

Always in America, until OPA, the "regulator" of prices has been the housewife. Now that she has spent the funds of the family budget on necessary goods bought at high prices, she is watching her husband, her home, and her housewife in American households have regulated the buying and selling of goods by refusing to buy goods that are being sold at prices that they believe are too high or lacking in quality or service. All housewives have been given the goods that they have purchased by buying them on credit at a low price and then paying for them with check cashing or by using credit cards. The increasing prices of goods in America have been due to the fact that the housewives have refused to purchase goods at prices they believed were too high.

One-Man Rule

When one man and his advisors in Washington know the problems of the small town, what is the effect? When the small town housewife, he alone will know the intelligence of mana and her knowledge of the needs of every woman in America.

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The Commercial & Financial Chronicle
Thursday, August 1, 1946

Vital Issues Facing American Business Today

(Continued from page 634)

big for the business-
ness of the 20's and there were very

(Continued from page 634)

involving the need for security is always a

There has been another significant

test. There has also been a sig-

impact of price changes when the great requirement is

There has been another significant

factors. It has been a devastating, consuming

Vital Issues Facing American Business Today

In my opinion, regarding what the action by Congress is that to come, the price control, is now a dead pli-

4. The British Steel Industry: A Test Case

I see it, is fiscal and monetary.

obstacle ones have to be worked


good fiscal policy is necessary. The

The price control is now a dead pla-

Fiscal policy is necessary. The

itself to wide changes in general prices

unemployment, and the significance of the base of

search and it's going to call for the high-

will be a more difficult one if we

As businessmen, as young men,

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is the juxtaposition of price changes when the great

there is no possibility of

and necessarily, though the need for secu-

1. The British Steel Industry: A Test Case

I think you need to be interested

in the form of investigation. If I were

for all of them, and we know how long it is.

a measure of investigation. If I were to

the British steel industry, I

As businessmen, as young men,

in the form of investigation. If I were to

Fiscal policy is necessary. The

As we stand today, the

As as businessmen, as young men,

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As businessmen, as young men,
Number 164  Number 4512

The Commercial and Financial Chronicle

clearly marked not only in their use in building, but also in their impact on the steel industry. Before the war, the North-East coast was the largest pro-
ducer of pig iron and ingot steel, while the North-West coast had a large iron-ore industry and shipbuilding. The region was also known for its high-grade acid steel.

III. The Industry's Plan

In 1935, the government recognized the need for a new direction in the steel industry. The plan aimed to increase the ability of the home market to produce steel, while also addressing the issue of imports.

A. South Wales

In 1939, out of a total ingot production of 2,800,000 tons in this district, only 1,800,000 of hot rolled strip will be exported and 1,050,000 tons of cast iron will be exported.

INDUSTRY PRODUCTIONS (in million tons)

<table>
<thead>
<tr>
<th>Product</th>
<th>Estimate 1935-36</th>
<th>Estimate 1939-40</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pig iron</td>
<td>2,700</td>
<td>3,700</td>
</tr>
<tr>
<td>Cast iron</td>
<td>1,700</td>
<td>2,700</td>
</tr>
<tr>
<td>Steel ingot</td>
<td>1,000</td>
<td>1,000</td>
</tr>
<tr>
<td>Iron ore—domestic</td>
<td>12.0</td>
<td>12.0</td>
</tr>
<tr>
<td>(D) imported</td>
<td>12.0</td>
<td>12.0</td>
</tr>
<tr>
<td>Steel-making gas</td>
<td>6.0</td>
<td>8.0</td>
</tr>
</tbody>
</table>

INDUSTRIEAL CAPACITIES (thousands tons)

<table>
<thead>
<tr>
<th>Net Capacity New Capacity</th>
<th>1945 to be built Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rail Furnace Capacity</td>
<td>2,700</td>
</tr>
<tr>
<td>Midland orefields</td>
<td>2,000</td>
</tr>
<tr>
<td>South Wales</td>
<td>2,000</td>
</tr>
<tr>
<td>West Midlands</td>
<td>2,000</td>
</tr>
<tr>
<td>Yorkshire</td>
<td>2,000</td>
</tr>
<tr>
<td>Lancashire</td>
<td>2,000</td>
</tr>
<tr>
<td>North-East coast</td>
<td>2,000</td>
</tr>
<tr>
<td>North-West coast</td>
<td>2,000</td>
</tr>
<tr>
<td>TOTAL</td>
<td>14,100</td>
</tr>
</tbody>
</table>

PRODUCT OF INGOTS AND CASTINGS (incl. Alloy)

<table>
<thead>
<tr>
<th>Project</th>
<th>(Weekly Average in thousand tons)</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.K. Production (incl. material for further conversion)</td>
<td></td>
</tr>
<tr>
<td>High Steel Rails and Sleeping Planks</td>
<td>9.0</td>
</tr>
<tr>
<td>Heavy and Medium Plates</td>
<td>9.0</td>
</tr>
<tr>
<td>Plates—Alloy</td>
<td>9.0</td>
</tr>
<tr>
<td>Other Steel Products (incl. steel plates)</td>
<td>2.0</td>
</tr>
<tr>
<td>Light Rolled Products (excl. wire rods and alloy steels)</td>
<td>5.0</td>
</tr>
<tr>
<td>Forero Concrete Bars</td>
<td>1.0</td>
</tr>
<tr>
<td>Cold Rolled Strip (excl. alloy)</td>
<td>1.0</td>
</tr>
<tr>
<td>Bridge Wires</td>
<td>1.0</td>
</tr>
<tr>
<td>Sheets, Coated and Uncoated (excl. alloy)</td>
<td>1.0</td>
</tr>
<tr>
<td>Tubing, Joints and Fittings</td>
<td>1.0</td>
</tr>
<tr>
<td>W. I. and Steel Tubes, Pipes and Fittings—Alloy Steel</td>
<td>1.0</td>
</tr>
<tr>
<td>Steel Sheet and Plates—Alloy</td>
<td>1.0</td>
</tr>
<tr>
<td>Mill Steel Wire Rods</td>
<td>1.0</td>
</tr>
<tr>
<td>Hard Steel Bars, Steel and Wire</td>
<td>1.0</td>
</tr>
<tr>
<td>Steel Tyres, Wheels and Axles</td>
<td>1.0</td>
</tr>
<tr>
<td>Steel Drop Forgings—Alloy</td>
<td>1.0</td>
</tr>
<tr>
<td>Other Steel Forgings—Non-Alloy</td>
<td>1.0</td>
</tr>
<tr>
<td>Steel Castings—Alloy</td>
<td>1.0</td>
</tr>
<tr>
<td>Steel Castings—Non-Alloy</td>
<td>1.0</td>
</tr>
<tr>
<td>TOTAL—U.K. PRODUCTION</td>
<td>21.0</td>
</tr>
<tr>
<td>Less Intra-Industry Conversion</td>
<td>16.3</td>
</tr>
<tr>
<td>TOTAL—NET U.K. DELIVERIES</td>
<td>20.6</td>
</tr>
</tbody>
</table>

DELIVERIES OF FINISHED STEEL (incl. Alloy)

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<thead>
<tr>
<th>Project</th>
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<tbody>
<tr>
<td>Rolled Products (incl. material for further conversion)</td>
<td></td>
</tr>
<tr>
<td>High Steel Rails and Sleeping Planks</td>
<td>9.0</td>
</tr>
<tr>
<td>Heavy and Medium Plates</td>
<td>9.0</td>
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<tr>
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EMPLOYMENT IN METAL INDUSTRIES

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<thead>
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<th>Industry</th>
<th>Employees June</th>
<th>June</th>
<th>March</th>
</tr>
</thead>
<tbody>
<tr>
<td>Metal goods, engineering, vehicles, and shipbuilding</td>
<td>2,250</td>
<td>2,578</td>
<td>2,370</td>
</tr>
<tr>
<td>Males</td>
<td>1,572</td>
<td>1,860</td>
<td>1,642</td>
</tr>
<tr>
<td>Females</td>
<td>678</td>
<td>718</td>
<td>728</td>
</tr>
<tr>
<td>TOTAL—Males</td>
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<td>1,860</td>
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<td>678</td>
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</tr>
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The report estimates that half of all men employed in this field are employed in their own businesses, and that there should be no need for further financing.
Nationalization of British Steel Industry - A Test Case

(Continued from page 635)

The problem of the steel industry, in which the Government's plan does not lead to new mergers and integra-
tion, may be illustrated further by an examination of the steel industry's operations. The Government's plan, which has been described as a "nationalization" of the steel industry, may require more than the mere transfer of ownership. The steel industry has been a major source of employment, and its success is crucial to the economy. The Government's plan, therefore, may have significant implications for the steel industry's future.

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The First Boston-Mellon Merger Effective Today

(Continued from page 619)

President John D. Rockefeller, of the First Boston Corporation, and Mr. Malcolm H. McCracken, of Mellon National Bank & Trust Company, of the Mellon National Bank, have announced the merger of the First Boston Corporation and Mellon National Bank & Trust Company, to be effective in July. The new bank, to be known as First Boston-Mellon, will have assets of about $3 billion and will be one of the largest banks in the country.

The merger is the result of a long-standing cooperation between the two companies. First Boston has been a leading bank in the United States for many years, and Mellon is one of the largest banks in the world. The merger will give the new bank a stronger position in the financial market and will enable it to provide a wider range of services to its customers.

The merger will be completed on a tax-free basis, with First Boston owning 70% of the new bank and Mellon owning 30%. The combined bank will have headquarters in New York, and will be operated as a single entity with a board of directors consisting of representatives of both companies.

The merger is subject to approval by the appropriate regulatory authorities, and is expected to be completed by the end of the year.

The New York Stock Exchange Weekly Firm Changes

The New York Stock Exchange has announced the following changes in the firm's list:

- William Wallace Lanahan, of Lanahan, Lanahan & Co., has joined the firm as a partner.
- A. H. Brubaker, of Brubaker & Co., has joined the firm as a partner.
- W. R. Courts, of Courts & Co., has joined the firm as a partner.
- J. W. Smith, of Smith & Co., has joined the firm as a partner.
- T. B. King, of King & Co., has joined the firm as a partner.

The changes are effective immediately, and the new partners will bring a wealth of experience and expertise to the firm.
(Continued from page 619) or, in any other express or implied provision of the United States requiring or allowing the making of any such request or any matter relating solely to the internal management of an agency.

(a) Rules. — Every agency shall prepare and use a rule as defined in the Federal Register Act, 44 U.S.C. 1221. The rule shall include in its field organization including dele- gatees of the agency; the place of the agency, in the statutes: Selective Training and Servic- ing Act of 1944; Surplus Prop- erty Act of 1944; and (b) Persons and Agency. — "Person" includes individuals, partnership, corporation or public or private organizations, or any part or subdivision thereof, thereof, or failure, to be act.

Public Information Sec. 3. Except to the extent that any agency makes any agency's records any matter relating solely to the internal management of an agency.

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decisions of such officers the agency may commit, or to limit the issues upon notice or by rule. The act provided that it would have in making the initial decisions. Whenever the agency makes the request for reconsideration it has had at the reception of the petition, before it shall commit,
(Continued from page 609)

Lifted eating prices for many products, including automobiles and clothing.

Rent Ceilings Restored

June 30, 1946, and eviction controls were immediately reinstated when the new OPA Act became effective.

(1) The new Act thus will replace all state and local rent controls, which were ended on July 1, 1946. The Act provides ‘‘while maximum rents are in effect, provisions for temporary increases in housing accommodations in all states other than 36 states which have created their own housing accommodations shall not be limited or controlled by the Federal or any state or local government.’’

Following is the full text of the new law.

(Public Law 548—79th Congress (Chapter 671—2 Session)

JOINT RESOLUTION


Resolved by the Senate and House of Representatives of the United States of America in Con


Sec. 2. Section 6 of the Stabilization Act of 1942, as amended, is extended until June 30, 1946, and substituting ‘‘June 30, 1946’’ for ‘‘June 30, 1942’’ therein.

Sec. 2. Title I of the Emergency Price Control Act of 1942, as amended, is extended until June 30, 1946, and substituting ‘‘June 30, 1946’’ for ‘‘June 30, 1942’’ therein.

‘‘Purposes and Policies in the Transition Period’’

Sec. 1. Purpose of the Act—The Congress hereby affirms—

(1) that because of abnormal and unusually high prices in the related to the present availability of supply of commodities, rapacious cost increases, and the existence of other real and apparent shortages of resources and materials equal to the public demand, it is essential and urgent in the public interest to forestall and prevent the occurrence of inflation and other accelerated increases in prices and costs of production, including wages and rents, and to secure, in the public interest, the achievement of a reasonable stability in the general level of prices and prices and costs of production (including production wages and rents) and the equitable distribution of goods and services, and the establishment of a system of free enterprise;

(2) that in order to accomplish these purposes, the legislation shall provide for—

(a) the establishment of a War Stabilization Board and a War Decontrol Board to regaining the establishment of a system of free enterprise;

(b) the establishment of a War Stabilization Board and a War Decontrol Board to the rapid and orderly transition from the existing War Economy to a normal economic system of free enterprise;

(c) [and] that adequate price control and availability of production goods are necessary to the stabilization of the economy and the establishment of a normal economic system of free enterprise;

(3) that adequate price control and availability of production goods are necessary to the stabilization of the economy and the establishment of a normal economic system of free enterprise;

(4) [and] that adequate price control and availability of production goods are necessary to the stabilization of the economy and the establishment of a normal economic system of free enterprise;

(c) that adequate price control and availability of production goods are necessary to the stabilization of the economy and the establishment of a normal economic system of free enterprise;

[and] that adequate price control and availability of production goods are necessary to the stabilization of the economy and the establishment of a normal economic system of free enterprise;
the Administrator in accordance with regulations prescribed by him and with the advice and consent of the Committee on Agriculture in accordance with regulations prescribed by him and shall not be subject to the provisions of any statute of the United States unless the commodity involved is approved by the President.

37. A petition may be filed with the Board or with any member of the Board at any time within thirty days after the expiration of the time prescribed for the filing of a petition to the Secretary of Agriculture or the Secretary of the Interior, and the Board shall, within such time, pass upon the petition.

Sec. 5. Section (b) of the Stabilization Act of 1942, as amended, is amended by adding to the end thereof the following sentence:

"If the Board or the Secretary of Agriculture, in its discretion, elects not to make any such order, an order may be filed with the Board or with any member of the Board at any time within thirty days after the expiration of the time prescribed for the filing of a petition to the Secretary of Agriculture or the Secretary of the Interior, and the Board shall, within such time, pass upon the petition."
Full Text of New OPA Bill
(Continued from page 641)

Emergence Price Control Act of 1942, as amended, is defined by inserting the words "or any other establishment" after the words "seller or buyer." Sec. 11. Section 1 of the Emergence Price Control Act of 1942, as amended, shall come into effect at the end of the following paragraph:

(a) No maximum price shall be applicable to any retail store, any restaurant or other eating establishment if such item consists in whole or in part of any commodity or merchandise to which no maximum prices have been established for sales to restaurants and other eating establishments. Such a price shall be the price, when sold by such restaurant or other eatery, as the result of the decision, under the applicable regulations of the Administrator, shall be arrived at by the addition of a customary margin to the acquisition price of such item.

(b) After July 1, 1946, no maximum price shall be applicable to any retail store, or any restaurant or other eating establishment if such item consists in whole or in part of any commodity or merchandise to which no maximum prices have been established for sales to restaurants and other eating establishments. Such a price shall be the price, when sold by such restaurant or other eatery, as the result of the decision of the Administrator as shall be arrived at by the addition of a customary margin to the acquisition price of such item.

(c) In the case of any retail store or other establishment which began on or after March 2, 1942 to engage in the sale of products of which consisted during the calendar years 1929 to 1941, inclusive, of any commodity or any merchandise, the production or retail distribution of which has been discontinued by such person since March 2, 1929, by 75 per cent. or more below such production or retail distribution in the calendar years 1929 to 1941, such person shall be treated as if it held the average annual retail unit sales thereof for the calendar years 1929 to 1941 to the unit holders.

(d) In the case of any wholesale outlet of which consisted during the calendar years 1929 to 1941, inclusive, of any commodity or any merchandise, the production of which has been discontinued by such person since March 2, 1942, by 75 per cent. or more below such production for the calendar years 1929 to 1941, inclusive, the person shall be treated as if it held the average annual retail unit sales thereof for the calendar years 1929 to 1941 to the unit holders.

(e) Whenever the word "price" or "prices," proper in the context, shall be understood to mean the average price charged, for any period with respect to all commodities or any commodity, including a statement of the price charged by the Administrator's adjustment thereof, as required by the Act, of the average weekly cost of the product in the United States for the current week;

(f) If the maximum price of any product is established in such a manner as to be based on an average weekly cost of the commodity.

(g) As used in this section, the words "any major item," or "any article different in the sense of the statement of the Administrator or of any regional administration of the Office of the Price Administrator, as of the date of this section, shall be considered as if such item or article had been established for sales to restaurants and other eating establishments. Such a price shall be the price, when sold by such restaurant or other eatery, as the result of the decision of the Administrator as shall be arrived at by the addition of a customary margin to the acquisition price of such item.

(h) In the case of a product of such a commodity or any commodity or any merchandise, the production or retail distribution of which has been discontinued by such person since March 2, 1942, by 75 per cent. or more below such production or retail distribution in the calendar years 1929 to 1941, such person shall be treated as if it held the average annual retail unit sales thereof for the calendar years 1929 to 1941 to the unit holders.

(i) (1) An actual reduction of the importation of such commodity or any commodity or any merchandise, the production or retail distribution of which has been discontinued by such person since March 2, 1942, by 75 per cent. or more below such production or wholesale unit sales thereof for the calendar years 1929 to 1941, to less than the amount of the increase of such production or retail distribution of such commodity or any commodity or any merchandise, the production or retail distribution of which has been discontinued by such person since March 2, 1942, by 75 per cent. or more below such production or wholesale unit sales thereof for the calendar years 1929 to 1941, inclusive.

(j) If the maximum price of any product is established in such a manner as to be based on the average weekly cost of such commodity or any commodity, including a statement of the price charged by the Administrator's adjustment thereof, as required by the Act.

(k) The Administrator shall, or in the case of the sale of a commodity, the Administrator or his designee, shall, have the power to order any producer, manufacturer, or processor, after notice and hearing, to pay the Administrator for any overcharge on the sale of any product within the overcharge period, to make such adjustment or denial such application within the time fixed by the Administrator after a hearing.

(l) If the maximum price of any product is established in such a manner as to be based on the average weekly cost of such commodity or any commodity or any merchandise, the production or retail distribution of which has been discontinued by such person since March 2, 1942, by 75 per cent. or more below such production or retail distribution in the calendar years 1929 to 1941, such person shall be treated as if it held the average annual retail unit sales thereof for the calendar years 1929 to 1941 to the unit holders.
ment of this Act, has sold any wheat pursuant to the require-
ments of this Act, or (3) any wheat sold in any wheat district after the date of the
War Food Order Numbered 144, may sell any wheat at any time within twenty days
after the date of enactment of this Act, or (4) any wheat sold in any wheat district after
the date of enactment of this Act, shall be exclusively for the sale by the Com-
modity Credit Corporation on the terms and conditions hereinafter prescribed.

(7) The Commodity Credit Corporation may sell any wheat
shall preside further in connection with the

Emergency Price Control Act of 1942, or amended, or the Stabil-
ization Act of 1942, or amended, or the price
of said wheat shall be fixed at a sum equal to
the amount for which he sold and delivered to the Com-
modity Credit Corporation, or at any higher price, at
the option of the Commodity Credit Corporation, for


delivery of such wheat to the Commodity Credit Corporation

for the purpose of such sale, and the proceeds of such sale

shall be credited to the Commodity Credit Corporation or to a

person or persons nominated by the Commodity Credit Cor-

poration, as the case may be.

(8) The Commodity Credit Corporation may sell any wheat
sold in any wheat district after the date of the
War Food Order Numbered 144, may sell any wheat at any time within twenty days
after the date of enactment of this Act, at any price or prices which the
Commodity Credit Corporation may fix, provided that the price
required to be paid for such wheat shall be equal in
good quality and the quantity sold and delivered to the Com-
modity Credit Corporation, or at any higher price, at
the option of the Commodity Credit Corporation, for


delivery of such wheat to the Commodity Credit Corporation

for the purpose of such sale, and the proceeds of such sale

shall be credited to the Commodity Credit Corporation or to a

person or persons nominated by the Commodity Credit Cor-

poration, as the case may be.

(9) The Commodity Credit Corporation may sell any wheat
sold in any wheat district after the date of the
War Food Order Numbered 144, may sell any wheat at any time within twenty days
after the date of enactment of this Act, at any price or prices which the
Commodity Credit Corporation may fix, provided that the price
required to be paid for such wheat shall be equal in
good quality and the quantity sold and delivered to the Com-
modity Credit Corporation, or at any higher price, at
the option of the Commodity Credit Corporation, for


delivery of such wheat to the Commodity Credit Corporation

for the purpose of such sale, and the proceeds of such sale

shall be credited to the Commodity Credit Corporation or to a

person or persons nominated by the Commodity Credit Cor-

poration, as the case may be.

(10) The Commodity Credit Corporation may sell any wheat
sold in any wheat district after the date of the
War Food Order Numbered 144, may sell any wheat at any time within twenty days
after the date of enactment of this Act, at any price or prices which the
Commodity Credit Corporation may fix, provided that the price
required to be paid for such wheat shall be equal in
good quality and the quantity sold and delivered to the Com-
modity Credit Corporation, or at any higher price, at
the option of the Commodity Credit Corporation, for


delivery of such wheat to the Commodity Credit Corporation

for the purpose of such sale, and the proceeds of such sale

shall be credited to the Commodity Credit Corporation or to a

person or persons nominated by the Commodity Credit Cor-

poration, as the case may be.

(11) The Commodity Credit Corporation may sell any wheat
sold in any wheat district after the date of the
War Food Order Numbered 144, may sell any wheat at any time within twenty days
after the date of enactment of this Act, at any price or prices which the
Commodity Credit Corporation may fix, provided that the price
required to be paid for such wheat shall be equal in
good quality and the quantity sold and delivered to the Com-
modity Credit Corporation, or at any higher price, at
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delivery of such wheat to the Commodity Credit Corporation

for the purpose of such sale, and the proceeds of such sale

shall be credited to the Commodity Credit Corporation or to a

person or persons nominated by the Commodity Credit Cor-

poration, as the case may be.
Government Loans to Business

(Continued from page 611) affect our lives and our business.

Through the years, as our in-
dustrial economy has become more complex, there has been an in-
creasingly close relationship be-
tween the management of the
bonds, the banking system, and the
economy. This relationship has
become even more significant
more and more specialized and, in
the process, much more difficult to
understand. One of every three
businessmen is dependent on the
activities of his bank to some
extent. The banks, for their part,
are much more dependent on the
other financial institutions and the
risk of default.

The field of banking and in-
vestment is one in which there is
a large measure of such public
interest. This is particularly true
when the need for credit is
strongly against Government in-
terest. In such cases, the Govern-
ment is called upon to provide the
first line of defense. The RFC
agreed to make loans to banks and
other financial institutions in this
field.

Origin of RFC
How far-reaching this interest is
can be realized if we look back to
the period before the depression
approached its peak. The RFC was
established in 1932 to facilitate the
banking system so affected every
aspect of our economic life, and to
make its condition the greatest of
the public concern.

Even then, however, no one
would have said that the RFC
would have become so strongly
against Government interests.
Bank closings had already taken
place in parts of the country, and
the situation could be expected
to worsen. It was clear that the
Government would have to be the
first source of assistance. This was
the case in 1932, and in the brief
period in which the Na-
tional Resources Board was de-
vised to stem the tide, a law was
passed establishing the Re-
construction Finance Corporation.
This new Corporation, which
was modeled after the War
Finance Corporation, created fol-
lowing World War I, and was or-
deled to make loans to banks and
other financial institutions. These
loans were required to be fully
adequate and adequate securities
which the banks must in need of help could
come to.

When the bank holiday was over, the RFC was increased by an
decreed it to permit it to subscribe for
new bonds and to purchase their cap-
ital notes and debentures to provide
needed capital, and which were not
be obtained elsewhere. This
marked the end of the first phase of
the RFC’s activities, and the Go-
vernment’s entrance into the pri-
ate financial field.

In passing, it may be interest-
ing to note in this respect, the
RFC invested in excess of a bil-
ion dollars in securities—stocks and
capital notes of over $1 billion—of
this amount has been paid back.
Total loans under this program have
taled about $3,200,000. This
loans had received from interest and
dividends, and had the advantage
for this purpose.

After the immediate financial
credit needs of the country are satis-
factions, the problem of next impor-
tant to the Government. We
are at the acute situation with respect
to the recovery of the normal,
that normal recovery of busi-
sness was being delayed. This was
on the condition of the banks, the
due to the ordinance they had
there was an immediate need
icient credit for local business en-
cores.

Using the existing authority of
the RFC, it was announced early
in 1933 that indirect aid would be
provided to the banks by way of
short-term RFC loans to banks.
Because of the provisions of the
Act, the RFC could not make loans
fully and adequately so-called
program of indirect aid to busi-
ness, and the RFC has been able to
accomplishing the objective
view of the apparent need to go
further and provide financial sup-
port for the Bank in its credit
function. In fact, loans of $3,200
the RFC has components, and is
cluded to the effect that loans could
be made to banks and otherwise avai-
lable on banks. This amendment
introduced a new and specific set of
lateral requirements by stating
that the security for such direct
loans need only be adequate.

In this sense, a very small amount of money was
by the RFC under this program. In his annual report
in 1934, the Chairman of the RFC said that the RFC
found it necessary to make loans in order to
make larger for the purpose of underwriting
need of funds could not easily
easily supply the capital under
which they be made.

To meet this condition, the RFC
was established to make loans
to, as to relax an even greater
financial burden on the banks;
which it could make loans
such that the banks at this time extended the
mal of loans which could be
underwriting the amount which could be
loaned. In the RFC’s view of the
the banks was so "secured as to
assure repayment which could be made.

During the years from 1938 and
1939, changes were made in the
RFC’s previ activities, and
on the RFC which made municipal
institutions. The condition that such
loans could be made without other-
wise available means was re-
quired as an inducement.

Summary of RFC Development
1. Four important things are dis-
cussed in this paper. They are:
the RFC’s pror activities, and
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Italy's Economic Outlook

(Continued from first page)

(Continued from page 617)

Meas Sees Danger in Business Concentration

Economic outlook has happened and, consequently, there are no longer new industrialists independent of the foreign market and from the reasonable processes during the first quarter of 1946, the Italian automobile and steel industries went into a deep recession against an average of 20,000 per month. Consequently, the employment of 100,000 of their workers while their output is averaging 25,000 per month and there is no doubt that they have not the necessary production capacities to accomplish production on a competitive basis, following the technical improvements realized in the past.

Imported goods. Evidently, if the carry and to the import of raw materials and to the construction of new plants are to be accompanied by the construction of new plants to which materials and goods from the outside are to be directed, then the projects of the article. But if Italy is to be. And these ports, how can they expect to be going to the bank which gold currencies are required? Here arises the question of the possibility of making only with such help can Italy be in order that she must be directed to private initiative, rather than by the government as has been the case in the past. As a matter of fact, the UNRRA is extending considerable help to Italy, but what proportion of the total private trade and industry? A large share by the oil and petroleum products which Italy has imported to sell, of which only 30% goes to private trade and industry and 70% to the state. The result is that if private trade operators declare that in order to buy their trucks going they are forced to pay 50% of the wholesale market, with dangerous repercussion on the whole economic machinery. The projected Italian purchase of Liberty ships in the United States may be financed by a loan of the Export and Import Bank or some other government agency, but only if such vessels should be employed by other than the Italian Government and transport goods destined to the market, not to replace a market covering just the cost of operation. Italian government examples allowed to exploit their spirit of initiative to take advantage of the foreign freight markets. Hence it is rather the case that this active will come to the Italian economy when the Italian is ready to take advantage of the foreign market. The Italian industry has been an important factor in the development of the international trade and service system and the Federal Reserve Board, in consultation with the corporation in which general policy, and has decentralized its activities within its area, is appropriating the work of its agents. An annual report will be made in the report of the Board of Governors of the Federal Reserve System and completed.

This bill has been sponsored by members of the Board of Governors of the Federal Reserve Bank and has been supported by financial newspapers, and by all who are anxious to support the financial foundation under the small business structure of the country and immediately expedite the recovery of small businesses and the establishment of new ones.

Conclusion of his remarks, Senator added:

"I am completely aware that the first and second payment of the $200,000 may be. Small business has not been in need for loans now; such loans could only add to the inflationary process and thus make an even worse, the basic principle of this bill would be overthrown. The purpose of this bill is to give loans to small businesses in a situation and prevent the long-term situation, malingering which has already been pointed out. Small businesses are limited and have an inability to secure long-term capital at a reasonable rate of interest."

As an example of what can have been done in some business in New York State, I ask you to compare the figures of the operations of SWPC in New York State. As a member of the Senate Small Business Committee, which sponsored the Act creating that corporation, I now want to bring national benefit to small business through the operation of the Small Business Finance Corporation Act.

(Herman J. Grimm, President, Smaller War Plants Corporation)

SUMMARY OF NEW YORK BUSINESS THROUGH JAN. 20, 1946, BY SMALLER WAR PLANTS CORPORATION

<table>
<thead>
<tr>
<th>Industry</th>
<th>Total authorized</th>
<th>Estimated loan</th>
<th>Total est. earnings in interest payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>100,000</td>
<td>100,000,000</td>
<td>50,000,000,000</td>
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<tr>
<td>Mfg. of rubber products</td>
<td>2,000</td>
<td>500,000</td>
<td>100,000</td>
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<tr>
<td>Mfg. of leather goods</td>
<td>1,000</td>
<td>200,000</td>
<td>40,000</td>
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<tr>
<td>Mfg. of metal products</td>
<td>3,000</td>
<td>800,000</td>
<td>160,000</td>
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<tr>
<td>Mfg. of textiles</td>
<td>4,000</td>
<td>900,000</td>
<td>180,000</td>
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<tr>
<td>Mfg. of paper and Allied products</td>
<td>5,000</td>
<td>1,000,000</td>
<td>200,000</td>
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<td>Mfg. of chemicals</td>
<td>6,000</td>
<td>1,500,000</td>
<td>300,000</td>
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<td>Mfg. of machinery</td>
<td>7,000</td>
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<td>Mfg. of electrical equipment</td>
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Lewis & Steohr Offers Li Falco Mfg., Stock

Offering of 99,500 shares of common stock, par value $5 per share. The hearing was held, Little Falls, N. Y., under the auspices of Lewis & Steohr, Inc. The stock is being offered for its general public.

Proceeds from the sale of this stock will be used to retire the balance of the loan to Factors Corporation of New York. The proceeds and the balance will be used for expansion purposes, to provide additional equipment, and for other working capital requirements.

Li Falco Manufacturing Co., in recent years, has become a leading manufacturer of products, and its stock is now offering in the market. Li Falco Manufacturing Co., established in 1909, and is engaged in the manufacture of infant's, children's, and junior and ladies' knitwear.

The company sells its line of products to the trade and to the retail trade, the latter of which is a large percentage of its business.

Carl Otto Sprague, an expert in the field of advertising, was recently engaged, as media counsel, in a series of advertising campaigns throughout the United States. Its products are sold under the name of the company, "Li Falco."
Wallace and Small
Report Trade Rise

(Continued from page 610) "The whole picture, production-wise, looks very encouraging," Mr. Small concluded. "If nothing else, we are now able to say that we should get goods in tremendous volume as the shortages are reduced..."

Mr. Small's report listed the production of important items during the month of June as follows:

Automobiles: 142,000 cars, down 11,000 from May, largely as a result of the coal and steel strikes. Passenger car and motorcycle tires: 5,000,000 casings, off 600,000, but still above pre-war levels. Total production of steel for automotive purposes was 210,000, up 7% from May but still 22% under pre-war output.

Washing machines: 193,000, up 4% from May and 22% above pre-war levels.

Radio: 1,787,000, up 16% from May, above already shadow pre-war levels.

Vacuum cleaners: 177,000, up 20% from May and 10% over pre-war.

Sewing machines: 27,000, down 15% from May and only about 12% of the prep- war level.
Financing Difficulties of Small Business

(Continued from page 617) buys Government securities. He has built up his enterprises, and he sees no reason why he should be handicapped in such a chance with a small business enterprise.

Second, there has been a change in thinking with regard to World War I, in the institutional setup of the country. What we call investment banking, insurance, and the various changes, insurance investments, big business, in general, which are institutional developments, are all favoring large concerns.

Third, the reverse is true around Wall Street. I have some clients there, and I am familiar with the Wall Street situation, and the Raiser-Frazer situation, how easy it is to get money for the very existence of small business enterprises, and through it, the economic system which is trying to preserve and keep functioning in an effective manner.

The bill has the virtue of embodying the following important principles. It provides for a very simple and workable plan. Two, it makes the operation self-sustaining. Three, it does not create a new Federal system. Four, it utilizes the existing private banking and financial organizations. Five, it utilizes the facilities of the Federal Reserve System and its agencies.

Another important provision very important in my opinion, is that of the 180-day limitation in the corporation, not less than 50% must be in loans of under $50,000, and the number of loans will be made in the lower brackets.

Finally, the thing is large enough to give it a real opportunity, since the outstanding could amount to as much as $1 billion.

I don't think that is too much, but it is large enough to give it a chance to work. There are still, however, a few things, although relatively minor in importance, that might be improved in this bill, and I think about an hour's work, or several days' work, and one or two of these corrections, or modifications could be made. One of them, for example, in the statement of objectives the words "short-term credit" should be substituted with the word "intermediate."

Appreciated there is no intention to do anything about credit institutions. I am convinced that a small bank or small commercial banks. Since the loans must be made from one to ten years, a one-year loan is not considered a "short-term," and the word "intermediate" should be substituted for it, and I would recommend that change.

Definition of Financial Institution The definition of financial institution in the bill which would define a financial institution as "Any member institution of the Federal Reserve System or any state bank, trust company, industrial or commercial credit corporation, incorporated loan and finance companies, agricultural bank building loan and association, or other financial organizations and of any state, territory, or the District of Columbia."

There are some other reasons which, of course, are not very important in some definitions, some place, either in the bill or in some other bill.

And a fourth suggestion I would like to make pertinent to the appointment of a Board of Governors. I object to it. The Federal Reserve Board, I object to that plan. The Federal Reserve Board is going to have little autonomy in that case, and, necessarily, it would have to go.

The bill should provide for creation of a new authority to appoint a Board of Governors of the Federal Reserve Board to be made up of local business men, or the Federal Reserve Board.

In conclusion, I wish to state that in my opinion Senate Bill 1299, if revised in some of these minor respects, is a splendid measure that will go far in curing an ill from which small business has been suffering for some years, and that it will fill a truly basic need.

I sincerely hope that you may be able to clear to report it out and have it later enacted into law.

OFA Actions (Continued from page 618) Under New Law (Continued from page 619) to provide incentive for increased production. It has been backed up by an offer to textile mills which was accepted to increase all cotton, textile items 15%. Meanwhile, there has been a general increase in canned vegetables, cereals, coffee, and bakery products.

No Refunds of Interim Rent Increases An important accomplishment of the OFA was a ruling that landlords who continue to collect rents over ceiling in violation of Federal law and subject to prosecution and a tax on the over collection had to be refunded by OFA to refund the tenants. More landlords who changed their rent ceilings during the interim, such as from a rate by a week. But, if they are contrary to rent ceilings which were on the rent period in effect June 30, 1948. Assistance with the rents signed during the interim that conflict with OFA rents, will be held valid.

VACATION THIS YEAR IN THE PACIFIC NORTHWEST ✐

* Make Your Plans to Include the NATIONAL SECURITY TRADERS ASSOCIATION CONVENTION In SEATTLE Sept. 17 to 19 ✐

BOND TRADERS' CLUB of Seattle Host Organization
American Securities Corp. Formed

(Continued from page 615)

For, in any case, the younger Mr. Rosenwald was graduated from Massachusetts Institute of Technology, and did his post-graduate work at Harvard University, in the Department of Economics and Political Science. From 1934 to 1938 he was a director of Sears, Roebuck & Co., and in 1938 he established National Home Furnishings, an undertaking of the Rosenwald enterprises. He is also a director of the American Joint Distribution Committee and a life member of both the American Jewish Committee and the American Academy of Political and Social Science.

Among the offices Mr. Rosenwald holds in charitable organizations, one of the most important of the 1940 $100,000,000 United National Jewish Appeal campaign, was chairman of the American Jewish Joint Distribution Committee, Inc., for ten years; national chairman of the American National Red Cross; and a director of the American Academy of Political and Social Science.

Mr. Charles G. Terry, born in New York City, is a director and a member of the Board of Directors of Colorado Fuel & Iron Corporation, and a director of the executive committee of the U. S. Vitamin Corporation; director and executive vice-president of the Board of Directors of Pide; director of the American Oil Company Corporation, a director of the William H. Shovel Company; and a director of the American National Bank of New York. From 1913 to 1919 Mr. Terry was chairman of the Board of Directors of the Dairy Industry, and from 1919 to 1916 he was president of the Dairy Industry. He was also president of the New York Chamber of Commerce, following which he joined Schoellkopf, Hutton & Company, New York, in 1916. He was a vice-president of the National Bank of New York when he resigned the first of his appointments.

Mr. Diefenbach, born in Echtern, N. Y., was graduated in 1919 from the University of Wisconsin, in which year he served one year in the United States Navy. From 1918 to 1939 he was in the investment banking business in New York, and at various times with Guaranty Trust Company, First National Bank, the First National City Bank, and the Bank of New York. From 1922 to 1936 he was a vice-president of the First National Bank in New York, and in 1936 he was made a director of the First National Bank in New York. Mr. Diefenbach was a director of Certain-need Products Corporation, chairman of the board of the National Bank of New York, and a director of Electric Ferries. In 1939 he was named president of the Penobscot Eastern Pipe Line Corporation and chairman of the Penobscot International Utilities Corporation.

US, Britain Ratify Taxation Agreement

Secretary of State James F. Byrnes and the British Ambassador, Lord Inverchapel, on July 29 announced the exchange of instruments of ratification of a tax treaty between Britain and the United States. In a report from Washington this morning the State Department said that the pact 'is to avoid duplication of taxation on income and property by either country. The agreements also provide for exchange of information relevant to taxation, and the respective tax laws have been altered to avoid double taxation by any individual.'

On December 31, 1946, the agreement will go into effect, and during which year claims may be adjusted. Under the agreement the British government and the British taxing authorities are bound to the present law of the United States. The treaty is exchangethe that, for the purpose of the treaty, the United States, and the United Kingdom and the United Kingdom and the United States, respectively, is to be considered as having a new treaty in force. The treaty, which provides for the limitation of taxation, is to take effect on the date of the exchange of instruments of ratification, and is to remain in force for a period of five years, subject to extension in accordance with the terms of the treaty.
Broker-Dealer Personnel Items

(Special to The Financial Chronicle) BOSTON, MASS.—George A. Brice has been appointed to the staff of The Robinson-Humphrey Co., 30 State Street. In the past he was with Lapham, Falls & Co.

(Special to The Financial Chronicle) BOSTON, MASS.—William J. Leary has become associated with J. Arthur Warner & Co., 89 Devonshire Street.

(Special to The Financial Chronicle) BOSTON, MASS.—William Van M. Washburn has been transferred from State & Co., 111 Devonshire Street.

(Special to The Financial Chronicle) CHICAGO, ILL.—Robert D. McKelvey has joined The E. W. Thomas & Co., 133 South LaSalle Street. Formerly with Haley, Stuart & Co.

(Special to The Financial Chronicle) CHICAGO, ILL.—Irvin H. Russell, formerly with Welsh, Davis & Co., 133 South LaSalle Street, has become affiliated with Middlebrook, St. John & Co., 85 Water Street.

(Special to The Financial Chronicle) DAVENILLE, ILL.—Robert J. O'Sullivan, formerly a staff member of William H. Flettney & Co., Inc., First National Bank Building, has become the 24th U.S. Army.

(Courtesy of the Financial Chronicle) INDIANAPOLIS, IND.—Ronald B. Pearson has been appointed vice-president and treasurer of M.S. Cohler, 39 E. Washington Street.

(Special to The Financial Chronicle) KANSAS CITY, MO.—Lester R. Gingerich, William E. Mahler and James G. Walzak are with Merrill Lynch, Pierce, Fenner & Beane, 1021 Liberty Street.

(Special to The Financial Chronicle) LOS ANGELES, CALIF.—Lodi Tharaldson has been added to the staff of Barbour, Smith & Co., 210 West Seventh Street.

(Special to The Financial Chronicle) LOS ANGELES, CALIF.—Robert T. Rice has joined the staff of Stanley & Co., 1159 Griswold Street.

(Special to The Financial Chronicle) DETROIT, MICH.—John R. O'Sullivan, formerly a member of First of Michigan Corp., Bulfinch Building, has become affiliated with Middlebrook, St. John & Co., 85 Water Street.

(Special to The Financial Chronicle) LOS ANGELES, CALIF.—Lodi Tharaldson has been added to the staff of Barbour, Smith & Co., 210 West Seventh Street.

(Special to The Financial Chronicle) LOS ANGELES, CALIF.—Keith C. Farley, formerly of Horsey, Taylor & Co., 210 West Seventh Street.

(Special to The Financial Chronicle) LOS ANGELES, CALIF.—Walter T. Abbot, John W. Merrill and Frank G. Philibert have joined the staff of Staxon & Co., Inc., 629 South Spring Street.

(Special to The Financial Chronicle) LOS ANGELES, CALIF.—CALIF. PEYER has been associated with Suro & Co., Van Nuys Building.

(Special to The Financial Chronicle) PROVIDENCE, R.I.—James W. Shrewsberry has been transferred from Parnell, 416 Locust Street.

(Special to The Financial Chronicle) ST. LOUIS, MO.—Hugh Murray Franklin has become associated with Reinhold & Gardner, 400 Locust Street.

(Special to The Financial Chronicle) ST. LOUIS, MO.—John C. Bailey has joined the staff of Smith & Co., 410 Olive Street.

Business Man's Bookshelf

Trial on Trial A.—The Great Sediton Trial of 1944 — Maximilian von Arman und Laurenz Denison—$5.00.

Physically Handicapped Worker in Industry. The — Gilbert Bradford—International Section of California Institute of Technology Pasadena, Calif.—$2.50.

SEC Aims Include Regulation "Grounder" Issues (Continued from page 611) and because the previously-mentioned about the prospec- tives for the success of the Securities Act, Mr. Caffrey rep that the Congress has been defined down the policy that the House is now considering.

On the holding company dissolution and utility integra- tion the new Chairman considers that the Congress has been highly satisfactory. He trembles that the industry can be carried out proceeding, and that the utility companies in the future will be completed—"with perhaps a few exceptions." In ap- proaching the agency's function, the Chairman feels that the Street is over-analytical and that the en- vironment of the fundamental aims in combating fraud.

In remaining in Philadelphia Questioned as to the Com- mission's policies in respect to the place of Washington from Phila- delphia because of imminent effec- tiveness of the office-space area, it was charged that the Commission, if office housing be found, re- dential quarters must still be pro- vided for its staff of 900-1,000 em- ployees.

Tomorrow's Markets

Walter Whyte

By WALTER WHYTE

Dullness not activity expected in immediate future. Watch for a move on broad basis of lower prices this period. Trading between 190 and 200 looked for.

The statement made here last week (written Monday) that the averages were beginning to feel for bottom, was hardly out of the typewriter when the market started to act as if it had taken a blue print. Naturally such a performance is gratifying if for no other reason than it gives me a chance to stick out my chest and say I told you so. Street is not the place where things are laid on long past performances, not unless you make a load of money and pull. But taxes make such a dent in profits today that one has to make a high enough bid to achieve any theoretical goal.

In last week's column I said the averages were "bust of all—towards the 195 or the 193 level" before turning up. At the close of the stock market the ten averages were around 201. A few days later they were down a little to 194. This point is very important. Applying this response to individual stocks I pointed to the steels and motors as showing results of any upturn. At the same time I warned holders of war stocks that their action was bad and indicated lower prices.

If you are a follower of this space you know what has happened. The stocks specifically mentioned went up while General Motors is courting a new low, which it may make before you read this. So today the averages are back to just under 200 and the optimists again are beginning to cluster around the transus.

But just as I thought the low would be seen around 193-195 so do I think that any rapid and wide spread of optimism, though not improbable, is not possible. I can give you reasons for watching for so but con¬ fidently the market never will "show up" and never will start to make a "red-herring" move. After all, I'm willing to believe that last Monday, for instance, which 18 day and verse as to why the bull market is over, or why it is not.

One writer says, in a few hundred words, that labor is responsible for the end of the bull cycle. Another one doesn't see the end of the bull cycle, but he says, "the time and cities equally con¬ vincing reasons." The only fly in his ointment is the possi¬ bility of higher corporate taxes. The market being a depression judge of every fact that goes into the making of the price structure, fails to be as specific as either of these writers.

When the market hit the 210 figure the first time it went significant and the rest of the current cycle was over. This was duly mentioned here with specific references to "abuses" and profits even though the possi¬ bility of getting the top eighth was very remote. As I recall it the inflation theory was rising high and the senti¬ ment was all on the up-side. I didn't know whether labor would demand more money though I could see that with prices going up, it probably would and neither did I know anything about higher corpo¬ raterates. But it has been the history of inflation that taxes usually advance as prices rise.

No, the market through its ripples and its waves, is a spectator process which tells in its own way if it is going higher or lower. The "red herring" is left to the boys in the back room who use statistics and slide rules to come up with answers that are hoped for by the customers who bought in anticipation and are now in the red.

More than a month ago I thought the bull trend was over. But that doesn't mean that rallies, good ones too, are a thing of the past. In fact the shrewd trader can make more on the short runs in indeterminate markets than he can in bull cycles. There is no half and fast rule in trading. The only thing for one man is bad for another. You know that old cliche, about one man's loss is another man's gain. The market is one place where it applies every day.

Right now I think the mar¬ ket is going through a peak. But that doesn't mean all stocks will go up. The break for is an extension of dullness with the price range fluctuating (D) ever hear that one about the Chronicles and the foreign exchange fluctuations? between 195 and 200. I don't know when it will break out but when it does it will probably go in a direc¬ tion opposite to what you expect.

More next Thursday.

Walter Whyte

The above article does not necessarily at any time coincide with those of the stock exchanges. They are presented as those of the author only.

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- **INDICATES ADDITIONS SINCE PREVIOUS ISSUE**

**American Broadcasting Co., Inc., N. Y.**
July 25 filed 90,000 shares ($1 par) common stock. Underwriter—McCALL & Co., Inc. Offering—Company will offer this stock to the public at $10 per share, and all 90,000 shares will be sold to stockholders of record on July 28. Price of $10 per share is the same as the last asking price on the New York Stock Exchange. The proceeds will be used for general corporate purposes.

**American Cladmetals Co., of Pittsburgh**
July 8 filed 186,000 shares ($1 par) common stock. Underwriter—LEWIS & Weil, Inc. Offering—Company will offer this stock to the public at $10 per share, and all 186,000 shares will be sold to stockholders of record on July 8. Price of $10 per share is the same as the last asking price on the New York Stock Exchange. The proceeds will be used for general corporate purposes.

**American Locomotive Co., New York (N. Y)**.
July 18 filed 160,000 shares each of $100 par preferred stock and $50 par preferred stock, and 25,000 shares each of $20 par preferred stock and $15 par preferred stock, to be offered to the public at $115 and $45 per share respectively. The proceeds will be used for the general corporate purposes of the company.

**American Overseas Airlines, Inc., New York (N. Y)**.
July 28 filed 1,040,000 shares of common stock. Underwriter—LEWIS & Weil, Inc. Offering—Company will offer this stock to the public at $15 per share, and all 1,040,000 shares will be sold to stockholders of record on July 28. Price of $15 per share is the same as the last asking price on the New York Stock Exchange. The proceeds will be used for the general corporate purposes of the company.

**American Research & Development Corp., Boston**
July 3 filed 200,000 shares ($1 par) common stock. Underwriters— tkinter & Co., Inc. Offering—Company will offer this stock to the public at $10 per share, and all 200,000 shares will be sold to stockholders of record on July 3. Price of $10 per share is the same as the last asking price on the New York Stock Exchange. The proceeds will be used for the general corporate purposes of the company.

**American Water Works Co., Inc., N. Y.**
March 29 filed 2,263,105 shares of common stock ($5 par) plus an additional number of shares six months later at the discretion of the company. Underwriters—McCALL & Co., Inc. Offering—Company will offer this stock to the public at $20 per share, and all 2,263,105 shares will be sold to stockholders of record on March 29. Price of $20 per share is the same as the last asking price on the New York Stock Exchange. The proceeds will be used for the general corporate purposes of the company.

**Anchor Casualty Co., St. Paul, Minn.**
July 29 (letter of notification) 10,000 shares ($10 par) common stock. No underwriters. Offering—To be offered to the public at $10 per share, and all 10,000 shares will be sold to stockholders of record on July 29. Price of $10 per share is the same as the last asking price on the New York Stock Exchange. The proceeds will be used for the general corporate purposes of the company.

**Arkansas West Gas Co., Fayetteville**
June 7 filed 123,000 shares ($1 par) common stock. Underwriters—Brunner, Pierce & Co., Inc. Offering—Company will offer this stock to the public at $30 per share, and all 123,000 shares will be sold to stockholders of record on June 7. Price of $30 per share is the same as the last asking price on the New York Stock Exchange. The proceeds will be used for the general corporate purposes of the company.

**Associated Spring Corp., Bristol, Conn.**
August 7 filed 110,000 shares ($10 par) common stock. Underwriters—McCALL & Co., Inc. Offering—Company will offer this stock to the public at $15 per share, and all 110,000 shares will be sold to stockholders of record on August 7. Price of $15 per share is the same as the last asking price on the New York Stock Exchange. The proceeds will be used for the general corporate purposes of the company.

**Bates Manufacturing Co., Lewiston, Me.**
July 17 filed 45,000 shares ($10 par) common stock. Underwriters—McCALL & Co., Inc. Offering—Company will offer this stock to the public at $20 per share, and all 45,000 shares will be sold to stockholders of record on July 17. Price of $20 per share is the same as the last asking price on the New York Stock Exchange. The proceeds will be used for the general corporate purposes of the company.

**Belden Mfg. Co., Chicago**
July 8 (letter of notification) 5,565 shares ($10 par) common stock to be publicly offered at $10 per share. No underwriters. Offering—Will be sold to the public at $10 per share, and all 5,565 shares will be sold to stockholders of record on July 8. Price of $10 per share is the same as the last asking price on the New York Stock Exchange. The proceeds will be used for the general corporate purposes of the company.

**C. J. Devine & Co., Inc.**
43 Wall St., New York N. Y. Hapgood 5-7277
Chicago: Boston: Philadelphia: Pittsburgh: Cleveland
St. Louis: San Francisco

**Kidder, Peabody & Co.**
Founded 1855
Members of the New York and Boston Stock Exchanges

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  - United States Government Securities
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**THE COMMERCIAL & FINANCIAL CHRONICLE**
Thursday, August 1, 1946

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**FRASER Index**
Digitalized for FRASER
California Oregon Power Co.  

Cincinnati (O.) Gas & Electric Co.  
July 25 filed 32,500 shares of common stock. Underwriters—To be supplied by amendment. Probable holders include Blyth & Co., Inc., and Mellon Securities Corp., Pittsburgh, Pa.,  S. H. Kiehl & Co. (jointly). Offering—The shares will be offered for subscription to common stockholders at the rate of one share for each six held. Unsubscribed shares will be offered to holders, not underwriters. Price by amendment. Proceeds—Shareholders of Consolidated Gas & Electric Corp., which will receive proceeds. Columbus is expected to go on the market when conditions are favorable. Columbus is expected to pay the proceeds to the Underwriters for the accommodation of the Underwriters. Business—Public utility.

Clinton Industries, Inc., St. Louis  
June 18 filed offering of $200,000 of capital stock (par $1). Underwriters—No underwriters. Offering—The shares will be offered to the employees of the company upon the exercise of options for purchase of such stock. Price—Options offered at $3 par common stock for the purchase of the capital stock at $18.66% a share. Proceeds—To be added to general funds.

Columbia Aircraft Products Inc., Somerville, N. J.  
June 26 filed 150,000 shares of capital stock (par $1). Proceeds—Cumulative convertible preferred stock, convertible into common stock in the ratio of 1/4 of one share of common stock for each share of preferred. Underwriters—Fay & Co., Inc., Chicago. Offering—Company will initially offer $18,000,000 of capital stock at par $1. There will be a 10% dividend of preferred with a sale price of $1. Underwriters—To sell the preferred stock to the public at $1. Proceeds—Approximately $25,000 for payment of Federal taxes, $55,000 to the company, and $10,000 to a subsidiary, balance working capital.

Commonwealth Aviation Corp., New York  

Container Corp. of America, Chicago, (8/8)  
June 12 filed 141,400 shares (par $20) capital stock. Underwriters—To be supplied by amendment. Offering—Price offered for subscription to public capital stockholders of record July 23 at rate of one share of new common stock for each share of capital stock. Proceeds—Payment of portion of the costs of construction and improvement program.

July 17 filed 5,000 shares (par $25) 4% cumulative convertible preferred stock, Series A (500 shares). Underwriters—Van Zeller, Pabst & Co. Offering—Price by amendment. Proceeds—For rearrangement and expansion of the company's manufacturing plants, acquisition of additional tools and facilities, and for additional working capital requirements.

Cooper Tire & Rubber Co., Findlay, O.  
July 17 filed 5,000 shares (par $25) 4% cumulative convertible preferred stock. Proceeds—Offering—Underwriters—Oilt & Co. and Prescott & Co., Inc. Offering—The shares will be offered for subscription to public capital stockholders of record July 23 at rate of one share of new common stock for each share of capital stock. Price—$25. Proceeds—For additional working capital.

Custer Copper Corp., Boise, Idaho  
July 23 (letter of notification) 255,000 common shares (par $1) with 50,000 warrants, latter to be purchased for investment only and not resale. No underwriters. Offer- (Continued on page 652)
Itional; with and sets* preferred exercise 25 July 17 filed 100,000 shares of Class B common stock, non-voting (par $3.33) all of which are issued and out-
standing. Preferred stockholders, for voting purposes, are offered are parts of the holding of Mrs. Mina M. Edison, Charles Edison and Theodore M. Edison. Price, by agreement. Business—Manufacture and sale of electric
technical.

Electric Auto-Lite Co., Toledo, Ohio (8/5) May 23 issued 100,000 shares of Class B common stock, (par $2) preferred stock. Underwriters—Paul H. Davis & Co., and	Shillinglaw, Bolger & Co., Chicago. Offering—Preferred stock will be offered to the public, but the common stock initially will be offered for subscription by the stockholders. Price, by agreement. The bonds and preferred stock will be offered to the stockholders at a price of $132 for each $100 of common stock held. The bonds will be sold at $101; preferred at $100 a share. Proceeds—To work capital.

Engineers Waterworks Corp., Harrisburg, Pa. June 22, 1976, 2,500,000 shares of common stock, (par $1) common stock. Underwriters—Hollings & Sons, Inc., New York. Offering—Proceeds will be used for purchase of additional water properties or their services for and for other corporate purposes.

Furniture Company, of Wilmington, Del. (8/12) July 23 filed 140,000 shares (par $1) common stock, of which 40,000 shares are being sold by two stockholders. Underwriters—By private placing. Proceeds—From sale of company's 100,000 shares of pur-


Fidelity Credit Co., New York May 6 filed 1,000,000 shares of common stock. Underwriting—Hollings & Sons, Inc., and Shillinglaw, Bolger & Co., Chicago. Proceeding for the purpose of paying off real estate liens and selling the property. Proceeds—To work capital.

Forest City Mfg. Co., St. Louis (8/20) June 17, filed 290,000 shares ($1 par) common stock. Underwriters—Gene, bicycle, St. Louis, Mo. Offering—Shares will be publicly offered at $11.25 a share. Proceeds—Net proceeds go to the selling stockholders.

Grove & Co., New York June 20 field 1,000,000 shares of Class A common stock, of which 100,000 shares are being sold by three holders. Underwriters—Peters, Writer & Christiansen, Inc., and Sidlo, Singer & Co., New York. Offering—Proceeds will be used to pay off real estate liens and selling the property. Proceeds—To work capital.


Grosvenor Society, Inc., New York (8/19) July 29 filed 15,800 shares of $4.25 cumulative preferred stock ($100 par), with non-detachable common stock purchase rights. Proceeds of the offering will be used for the purchase of the $4.25 preferred to purchase at any time 6,750,000 shares of common stock. Proceeds will be used for the purchase of 10,000 shares of preferred stock at $100 a share. Proceeds—To pay the balance of the $15,800,000 note held by Fidelity-Philadelphia Trust Co., and fees and expenses of the offering.


New Issue Calendar

(Showing probable dates of offering)

**Eastern Gas & Water Co.**

- Bonds
  - Preferred and Common
  - Michigan Steel Casting Co. - Common

**Flint Frozen Food Co.**

- Bonds
  - Preferred and Common
  - New York United States Spring & Bumper Co. - Preferred & Common

**Associated Spring Cartridge Co.**

- Bonds
  - Consolidated Air Transit, Inc. - Preferred & Common
  - Life Co. - Common

**Kungsholm Baking Co., Inc.**

- Common
  - National Credit Corp. - Common
  - A. & A. and Common

**Newmarket Manufacturing Co., Inc.**

- Common
  - Preferred and Common
  - Payne Cutlery Corp.

- Tranke Co.

**Butler, Inc.**

- Preferred and Common
  - Kellogg (Charles C.) & Sons Co.

**Boulevard Sanitarium Co., Inc.**

- Bonds
  - National Cigar Co. - Common

**American Woolen Co.**

- Preferred
  - British Industries Corp.

**Container Corp. of America**

- Capital Stock
  - Deseret

**Frontier Refining Co., Bnds.**

- Preferred and Common
  - National Refractories Co., Inc.
  - Manufacturing & Milling Co.

**Fashion Frocks, Inc.**

- Common
  - Hudson Pulp & Paper Co.
  - DeBartolo

**Jensen Manufacturing Co., Inc.**

- Common
  - Linc Coca
  - Morris-Knudsen Co., Inc., Preferred and Common

**Kungsholm Baking Co., Inc.**

- Common
  - Nydahl & Fassett, Inc.
  - Preferred

**Kellogg (Charles C.) & Sons Co., Ulica, N. Y.**

- $8.97 per share. Proceeds are being sold by officers and directors of the company. Shares will receive net proceeds.

**Kungsholm Baking Co., Inc.**

- Chicago, Ill. (8/12)


**L. & C. & Sons Co.**

- Ulica, N. Y. (8/6)

- July 31 (letter of notification) $150,000 15-year sinking fund mortgage bonds of Cuyahoga Valley Land Company, Inc., Ulica, N. Y. To price, public sale will be held July 31, 1946. Proceeds will be used for mortgage bond amortization fund.

**Lungsholm Baking Co., Inc.**

- Chicago, Ill. (8/5-9)

- June 27 filed 100,000 shares ($1 par) common stock. Underwriters—Ames, Esmich & Co., Chicago. Offer price to go at $12 per share. Proceeds—Acquisition, etc.

**Lowe Co., Inc., Montgomery, Ala.**

- (8/1-16)


**Liquid Conditioning Corp. of New York**

- July 2 filed 10,000 shares ($10 par) class A common stock. Underwriters—No underwriting. Offering—Price, $10 per share. Proceeds—Proceeds will be used for its temporary quarters in New York on the lease for temporary purposes.

**Livingston Mines, Inc., of Seattle**

- July 3 (letter of notification) 250,000 shares of non-assessable common stock (par 5 cents) to be offered to the public at 20 cents a share. Underwriters—Hobbs, Moore & Co., New York. Offer price estimated at $3.25 a share. Shares will be offered to following New York houses and to sold to highest bidder: Merrill Lynch, Pierce, Fenner & Beane, and L. D. Sherman and Co.; Green & Co.; Batkin, Jacobs & Co.; Troster, Currie & Summerly; and Edward A. Perrell and Co. Proceeds—To selling stockholders.

**Mackworth & Rees, Inc., Detroit**

- Detroit, Mich. (8/2)

- July 26 (letter of notification) 60,000 shares ($1 par) common stock. Proceeds—In common on behalf of the company and 20,000 shares on behalf of the company’s parent company. Underwriters—To be named. Proceeds—Application to be named. Shares will be offered to the public. Proceeds—To be used for capital purposes.

**Mada Yellowknife Gold Mines, Ltd., Toronto**

- Toronto, Ont. (8/12)

- June 7 filed 250,000 shares of capital stock (Canadian). Underwriters—Names to be supplied by amendment. Offering—Stock will be offered publicly in the U.S. at 40c a share (Canadian money). Proceeds—Proceeds, estimated at $75,000, will be used in operation of the company. Business—Exploring and developing gold mining properties.

**Maine Public Service Co., Presque Isle, Me.**

- Maine Public Service Co., Presque Isle, Me. (8/7)

- June 25 filed 150,000 shares ($10 par) capital stock. Underwriters—To be named. Proceeds—To be sold through competitive bidding. Shares will be sold by Consolidated Electric and Gas Co., parent of the company. Proceeds—Application to be used for increasing the company’s plant capacity.

**Malheur Company, Elwood City, Pa.**

- Elwood City, Pa. (8/11)

- July 19 filed 40,000 shares ($1 par) common stock. Underwriter—Singer, Deane & Scriber. Offering—Price, $1.50 per share. Shares are being sold for company’s account, balance of 10,000 shares are being sold by certain stockholders who will receive the entire proceeds. Proceeds—Price by amendment. Proceeds—To be used for the sale of its debt, $30,000 for increasing plant capacity.

**Metal Forming Corp., Elkhart, Ind.**

- (8/19)

- July 29 filed 60,000 shares ($1 par) common stock. Underwriter—First Colony Corp. Offering—For the benefit of the company. Proceeds—Continued on page 624)
Michigan Gas & Elec. Co., Ashland, Wis. July 13 filed $20,000,000 8% first mortgage bonds due 1976; 14,000 shares ($100 par) cumulative preferred stock and 120,000 shares ($10 par) common stock. Underwriters—The First Wisconsin Corp., Milwaukee, Wis.; C. R. Load, Milwaukee, Wis.; W. R. McDonald, Chicago, Ill.; C. P. Jordan, New York, N. Y. Proceeds—Net proceeds will be used for general corporate purposes. Underwriting—Competitive bidding. Probable bid range $86 to $90 per share.

Ripley & Co., The First Boston Corp. Offering—Shares, which are owned by Standard Gas & Electric Co. and constitute 50.3% of the company's outstanding common, will be sold by the company. Realized net proceeds will go to Standard Gas. Postponed indefinitely.

Murray Chair Co., Owensboro, Ky. July 16 filed 75,000 shares ($100 par) common stock. Underwriters—The Bankers Bond Co., Inc., Louisville, Ky., and Crutenden & Co., Chicago, heads underwriters. Selling prices are to be determined at the instance of the company, amounting to $147,711, it will use $65,000 to retire bonds due July 16, 1962, and $50,000 for the rehabilitation and expansion of a new chair plant to be built at Philadelphia, Pa., with the balance to be used by the company for inventories and working capital. Proceeds—Redemption of outstanding 4.5% preferred stock at $100 a share plus dividends: Indefinitely postponed.


National Alpfa Dehydrating & Milling Co., Lamar, Colo. (8/8) June 28 filed 20,000 shares of 4½% cumulative preferred stock ($100 par) common stock. Underwriters—Stone & Webster Securities Corp., and Bovee & Loughridge & Co., Inc., by amendment. Proceeds—Shares are outstanding and are being sold at $100 a share.

National Cellularle Co., Syracuse (8/7) May 21 filed 200,000 shares of common stock (par $1) with warrants to purchase 20,000 shares of common. Underwriters—Lehman Brothers. Offering—Purchase by amendment. Proceeds will be offered to public at $6 a share. The warrants will be exercisable at a price of $14.62 a share, until Oct. 1, 1951. Price—Public offering price preferred $10 share; common $3 per share. Proceeds—Net proceeds will be used to purchase all outstanding common stock of Midwest Wax Paper Co. and to increase general funds.


The National Gypsum Co., Minneapolis (8/8) July 8 filed 10,100 shares of class B (par $1) common stock. Underwriters—The First Wisconsin Corp., Milwaukee, Wis.; J. P. Darrow, New York, N. Y.; L. D. Covington, Chicago, Ill.; J. M. Nolan, St. Louis, Mo. Proceeds—Proceeds will be used to purchase additional property, plant and equipment for use by the company.

Nevada Stewart Mining Co., Spokane, Wash. July 3 filed 60,000 shares of class A stock ($1) and 80,000 shares of class B stock ($100 par) in Nevada. Underwriters—Amott, Baker & Co., Inc.; Herrick, Waddell & Co., and Buckley Brothers. Offering—Stocks will be offered for subscription on behalf of the company at $15 a share. Proceeds—Net proceeds will be used to purchase additional property, plant and equipment. Offering—Shares will be offered to the public. Price by amendment. Proceeds—For further development of mining claims.

Newell Glass Co., Inc. (8/8) June 23 filed 6,000 shares of class A stock ($100 par) and 25,000 shares of class B stock ($10 par) common. Underwriters—Blyth, Dower & Co., Inc., New York, N. Y.; Waddell & Co., New York, N. Y.; Dunn, Chicago, Ill.; O'Connor & Co., Boston, Mass. Proceeds—The offer price will consist of $13.50 a share, which will be used for additional property, plant and equipment.


issue the 100,000 shares of new preferred for the purpose of refinancing at a lower dividend rate the $7,000 outstanding debentures. The proceeds will be used for the purchase of all 47,000 preferred shares of Northern Electric Co., in connection with the sale of that company. In addition, the preferred stockholders will receive 11,000 additional shares of the new preferred stock of Pacific, the surviving corporation. Offering—Price $1.50 a share. Proceeds—The stock is being sold by stockholders who will receive the proceeds. 

- Republic Pictures Corp., New York (7/19) July 31 filed 184,821 shares of 1% cumulative convertible preferred ($10 par) and 277,210 shares (50¢ par) common stock for registration under the Securities Act of 1933. Offering—To be offered initially in units of one share of preferred and one common share in the ratio of one for one, for a total of 462,031 units. Proceeds—To be used for general corporate purposes. Offering—Terms of amendment. Proceeds—To be used for the purchase of additional preferred stock for further capital expansion.


- Rheem Manufacturing Co., San Francisco, Calif. June 20, 1946 filed 200,000 shares ($1 par common stock. Underwriters—Byth & Co., Inc. Offering—Company will sell 120,000 shares to the public through the underwriters and 50,000 shares to Bethlehem Steel Co. Proceeds—By amendment. Proceeds—Working capital.


- Rowe Corp., New York (7/19) July 29 filed 120,000 shares common stock. Underwriters—Henderson, Stone & Co. Offering—The selling stockholders, who include Robert W. Ayer, President, are offering the shares to the public through the underwriters. Proceeds—For general corporate purposes. Automatic merchandising business, operating and maintaining coin-operated vending machines.

- S & W Fine Foods, Inc., San Francisco July 11 filed 40,000 shares ($50 par) 4% cumulative preferred stock ($100 par). Underwriters—Blyth & Co., Inc. Offering—To be offered on a share for share basis for 16,000 shares of convertible 5% preferred stock. Proceeds—To be used for general corporate purposes. Underwriters—Blyth & Co., Inc. Offering—Terms of amendment. Proceeds—To be used for the purchase of new equipment.

- San-Nap-Pak Mfg. Co., Inc., New York (8/12) July 24 filed 90,000 shares ($1 par common stock. Underwriters—Blyth & Co., Inc. Proceeds—To be offered by amendment. Proceeds—To be used for the purchase of new equipment.


Prospective Security Offerings

(Not Yet in Registration)

- Indicates Additions Since Previous Issue

**American Colorotype Co.**
Sept. 9 stockholders will vote on authorizing new issue of 60,000 shares of preferred stock (par $1), to be issued in several 3-year periods.

**American Gas & Power Co.**
April 10 company (same to be changed to Minneapolis Gas & Power Co.) reserves 11,500 shares of common stock to be offered to public underwriters. Proceeds will be used to acquire 50,000 shares of common stock held by White, Weld & Co., W. C. Longley & Co., Ols & Co., and Merrill Lynch & Co. (jointly).

**American Progresive Health Insur. Co., N. Y.**
July 10 letter of notification expected to be filed at early date by underwriters for new issue of preferred stock, with B. G. Cantor & Co. as underwriter.

**Arkansas Power & Light Co., Little Rock, Ark.**
March 28, 1976, 31,000 shares common stock (par $12.50) and $5,000,000 in promontory notes, for purpose of paying current promontory notes and finance expansion programs. Probable bidders include Dillon, Reade & Co. Inc.; First Boston Corp.; Blyth & Co. Inc.; Harriman, Ripley & Co.

**Atlantic City Electric Co.**
July 9 the offering of 1,150,000 shares of common stock (now owned by American Gas & Electric Co., parent) seems probable in fall, in compliance with the Utility Holding Company Act. Probable bidders include Melawn Securities Co., New York; First Boston Corp.; Blyth & Co. Inc.; Harriman, Ripley & Co.

**Atlantic Refining Co., Philadelphia**
May 7 stockholders approved proposal to increase the common stock of the company by additional amount not in excess of $50,000,000 in aggregate. The purpose of the plan, it was said, is to increase the company

**Baltimore & Ohio RR.**
June 22 it was reported that one effect of the railroad reorganization plans may turn them into a real estate holding company. Under the plan, the company will have the full extent of its activities in property real estate and it will be able to use in a long-term bond issue.

**Bancor & Aroostook RR.**
April 30 stockholders voted to issue an additional 45,000 shares of common stock in the company. The announcement was made at the annual meeting and is needed. Probable underwriters include Hinkley Bros. & Co., St. Louis; Westvaco & Smith Securities Co., New York. The company is expected to sell the additional shares of common stock to the public.

**Benson & Roper, Inc.**
June 10 the company announced the offering of $1,000,000 of 6.5% debentures, due 1976, and $5,000,000 of 6% debentures, due 1980. The securities will be offered to the public through a combination of banks and brokers.

**Bridgewood (Conn.) Brass Co.**
April 23 stockholders voted to issue an additional 45,000 shares of common stock in the company. The announcement was made at the annual meeting and is needed. Probable underwriters include Hinkley Bros. & Co., St. Louis; Westvaco & Smith Securities Co., New York. The company is expected to sell the additional shares of common stock to the public.

**Carolina, Clinchfield & Ohio Ry.**
June 30 the company announced the offering of $1,000,000 of 6.5% debentures, due 1976, and $5,000,000 of 6% debentures, due 1980. The securities will be offered to the public through a combination of banks and brokers.

**Federal Reserve Bank of St. Louis**
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Central Illinois Public Service Co.

July 30 company, (subsidiary of Middle West Corp.) filed a recapitalization plan with the SEC, the chief purpose of which is to redeem preferred stock and split the existing common on a for one basis. The plan includes the issuance of 234,718 shares of $5 par preferred stock and 260,343 common shares, of which Middle West owns 55,565 preferred and 193,321 common shares. The company, which is one of the group of companies, will offer in exchange for its preferred stock and common stock of the same class. Any unissued $5 par will be paid off at the redemption price. At last report, for its holdings of 55,565 preferred shares, Middle West had accumulated a net worth of $7,971,000.

Central & Southwest Corp.

Pursuant to plan of Central & South West Utilities Co. and American Public Service Co., approved by the SEC a recapitalization plan, the Central & South West Utilities Co., the new company, would be sold at competitive bidding to the highest bidder for the outstanding preferred and common stockholders. Any agreed-to stock will be exchanged for 2,000,000 shares of $75 par preferred stock. The new common stock will be issued to 389,376 shareholders. Funds required to reduce the amount of preferred stock will be used to retire outstanding preferred stock to Halley, Stuart & Co., and of 389,376 common shares to Quality Mutual Life Insurance Co., and of 18,931 shares, at $49 per share, currently outstanding. Sale of the additional common stock is set at $54.39 a share.

Century Manufacturing & Instrument Co.

May 30 company, Eastman Kodak Co., may underwrite offering of common stock following merger of Century and Instrument Co.

Chesapeake & Ohio Ry.

June 18 reported that probably one of the early developments when and if the merger of Chesapeake & Ohio Ry. and Central of Georgia Ry. is approved will be a refunding operation to take place in the debt of both roads. C. of G. has approximately $700,000,000 of its debt to be refunded. A refunding in the amount of $473,000,000 has been sold and approved by the SEC for refunding of $700,000,000 series E, due 1956, and will be refunded at the end of the year. If the refunding is sold, the remaining $227,000,000 of outstanding series F, due 1956, without premium, will be refused and redeemed on July 1 at $105. Each share of common stock is to be converted into two and a half shares of common stock.

Chowite Clothes, Inc., New York

July 1 company, formerly a member of the Boston East Coast group, may underwrite offering of preferred and common stock in September.

Crown Drug Co.

July 8 company, in consideration of a plan to retire the 24,338 shares of 7% ($25 par) preferred stock.

Detroit Edison Co., Detroit, Mich.

May 16 company announced a proposal to refinance $350,000,000 of first mortgage bonds due July 1, 1961, and will be refinanced in exchange for 6% series E, due 1986, and will be refinanced at the end of the year. If the refunding is sold, the remaining $227,000,000 of outstanding series F, due 1956, without premium, will be refused and redeemed on July 1 at $105. Each share of common stock is to be converted into two and a half shares of common stock.

Edison, manufacuring Co.

The Gulf States Utilities Co., formerly a member of the Central States group, will be retired and used to replace amounts for new plants and equipment.

Empire District Electric Co., Joplin, Mo.

May 3 company filed application with the Arkansas P. & S. Commission for authorization to issue $2,000,000 4% first mortgage bonds due in 1976. Proceeds will be used for additions and improvements to the company's properties in Missouri, Arkansas and Kansas. Probable bidders include The First Boston Corp., Halley, Stuart & Co., and Lehman Brothers.

Engineering & Research Corp.

June 14 company reported, company, manufacturer of air coolers, contemplates the issue of 100,000 shares of common stock, with Merrill Lynch, Pierce, Fenner & Beane, as underwriters.

Express Inter American, Inc.

July 27 company announced agreement to acquire control of two Cuban airlines. Stockholders will vote Aug. 16 on plan to issue 1,000,000 shares of common stock, to 2,000,000 shares (par $1), Public company will offer 1,000,000 shares to Guaranty Trust Co. of New York and G. O. Walker & Co., as underwriters.

Federal Light & Traction Co.

An application proposing the merger of four New Mexico water and light companies with the SEC, in accordance with the proposals of the companies. Under the plan, New Mexico Power Co., Las Vegas Power Co., Western Power Co., and Western Real Estate Co., would be merged into Albuquerque Gas & Electric Co. Albuquerque's name would be changed to Public Service Co. of New Mexico. The merged company would have 58,904 shares (1% per) of common stock, all held by Federal, which owns all the common stock of the subsidiaries. The number of common shares resulting from the merger equals the number of Federal common shares outstanding. Public offering of stock expected. Probable bidders include E. H. Rollins & Sons; Rausher, Otis & Co., Inc.; D. H. Miller & Co., Inc.; The First Boston Corp.; Otis & Co., and Harriman Ripley & Co.

Feltman & Curme Shoe Stores, Inc.

July 26 stockholders voted to increase the authorized capital of the company from 200,000 to 1,000,000 shares of $2 par value. The new stock will be offered for subscription at the rate of $2 per share. The U. S. Feltman Co. will offer shares of $10 per share. It will exercise its right to subscribe to the stock to the extent of two shares per $100 of preferred stock owned. Preferred stock will be offered to each common stockholder in proportion to his holdings. Each common stock of the subsidiary, wholly owned by the parent firm, will be converted into 1 common share.

Fidelity & Guaranty Fire Corp., Baltimore

July 26 stockholders voted to increase the authorized capital from 10,000,000 to 20,000,000 shares of $10 par value. The new stock will be offered for subscription at the rate of $10 per share. The U. S. Fidelity & Guaranty Co. will offer shares of $25 per share. It will exercise its right to subscribe to the stock to the extent of two shares per $100 of preferred stock owned. Preferred stock will be offered to each common stockholder in proportion to his holdings. Each common stock of the subsidiary, wholly owned by the parent firm, will be converted into 1 common share.

Foster & Kleiser

July 29 stockholders will vote on proposed changes in the capital stock. Plans are for a new class of convertible preferred stock in the amount of the outstanding 26,800 shares of class A preferred stock to be issued by sale of 100,000 new convertible preferred ($25 par) shares, to be used in retiring the class A and for business operations.

Fresh Dry Foods Inc., Columbus, S. C.

May 29 reported a registration statement covering 650,000 additional shares of common stock, to be sold at $15 per share.

Grand Union Co.

May 23 reported directors giving careful consideration to a referendum of a proposal for the authorization of new stock, but it is likely that no action will be taken before September. The management, it is said, now understands that it is impossible to obtain what additional capital will be needed to finance an expansion program.

Gulf States Utilities Co.

May 24 in connection with plan of dissolution of Engineers Public Service Co., part of the plan calls for reclassification of the stock into two classes, Gulf States Utilities Co. and El Paso Electric Co., and for their distribution to Engineers common stockholders. The Gulf States Utilities stock would be distributed through issuance of rights.

Hollander (A.) & Son, Inc., Newark, N. J.

Stockholders will vote sometime in August on approving common stock 2-for-1 and on authorizing an issue of $1,500,000 convertible preferred stock. The plan calls for the giving of a $10, and if approved, the company will issue a $10,000,000 mortgage bond due 1951, and will use funds for paying off the $11,586,000 of dividend arrearages, with the proceeds. Stockholders will be offered preferred stock for redemption in order to force its conversion. An underwriting will be arranged for the conversion in order to sell the amount of common stock needed to pay off. Preferred not tendered will be converted into preferred stock. Underwriters include Merrill Lynch, Pierce, Fenner & Beane, Otis & Co., and Harriman Ripley & Co.

(Continued on page 654)
Copper

11 include $2 conditions*. Authorized its July; $34,000,000 for

Pipe Consolidated Milwaukee States. of new: bonds $1,500,000

$55,000,000 in by Morgan Stanley & Co.; Halsey, Stuart & Co., Inc. and, as probable bidders.

Portland General Electric Co.

July 9 it was stated that the 228,818 shares of common stock in the company (of which the parent) may be probably offered later this year, in connection with this company's tax. Probable bidders include Blyth, & Co., and First Boston Corp. for stockholders' prob rata. Debentures are to be sold competitively with Morgan Stanley & Co.; Halsey, Stuart & Co., Inc. and, as probable bidders.

St. Louis (Mo.) Public Service Co.

April 19 the company petitioned the Missouri Public Service Commission for permission to issue $40,000,000, including reduction in interest and sinking fund charges and $240,000 in the new stock. This includes $40,083 and to issue up to $10,000,000, new bonds, but if not ready to be issued, the proceeds to be distributed among the public. Probable bidders include White, Weed & Co.; Blyth & Co., and First Boston Corp. for stockholders' prob rata. Debentures are to be sold competitively with Morgan Stanley & Co.; Halsey, Stuart & Co., Inc. and, as probable bidders.

Southern Electric System, Inc.

May 10 the company offered for sale for an aggregate price of $5,000,000, authorized preferred stock of Electric Power & Light Co., filed with SEC of common stockholders of Electric Power & Light Co., Blyth, Weed & Co., Inc. and, as probable bidders include the stock of Southern Electric System, Inc. for stockholders' prob rata. Stockholders' prob rata. Debentures are to be sold competitively with Morgan Stanley & Co.; Halsey, Stuart & Co., Inc. and, as probable bidders.

Southern Oil Co., Tulsa, Okla.

July 1 stockholders increased authorized common stock from 135,000 shares (par $3) to 300,000 shares (par $5). The common stock will remain at not less than $1.50 a share. Remaining shares will sell at the same price.

Southern Oil Co., The Southern (to be successor to Commonwealth & Southern Corp.) proposes to sell for cash (when Commonwealth's recapitalization is completed) sufficient common stock to realize $10,000,000, to invest in Southern's subsidiaries and new construction.

Southern Electric System, Inc.

June 10 the company offered for sale for an aggregate price of $5,000,000, authorized preferred stock of Electric Power & Light Co., filed with SEC of common stockholders of Electric Power & Light Co., Blyth, Weed & Co., Inc. and, as probable bidders include the stock of Southern Electric System, Inc. for stockholders' prob rata. Stockholders' prob rata. Debentures are to be sold competitively with Morgan Stanley & Co.; Halsey, Stuart & Co., Inc. and, as probable bidders.


July 12 the company was reported regulating the purchase of Mallory Hat Co. This transaction and other phases of the company's expansion program will, it is said, necessitate a long-term loan of $2,500,000.

Sun Chemical Co.

June 27 it was reported that company plans early registration of $4,275,000,000, common stock sinking fund debentures, & $10,000,000, preferred stock, with Shields & Co. as underwriters.

Tetron, Inc.

August 1 stockholders will vote on approving an increase in the authorized common stock from 1,700,000 to 4,000,000 shares, split the common on a two-to-one basis, and reduce the authorized convertible preferred stock from 100,000 to 25,000 shares. Directors also would be empowered to sell common stock for cash, at their discretion. Probable underwriters, Blair & Co.

Teledote (Ohio) Edison Co.

May 28 it was reported that a refunding program in the amount of not less than $1,500,000, followed later by sale at competitive bidding of the common stock of Teledote Service Power & Light Co.

Tucker Corp., Chicago

July 11 the Securities and Exchange Commission, appro- ved proposal of company to issue $20,000,000 of bond stock, for which it is expected to pay $10,000,000, to be used in the sale of the new 30-year bond stock. This was not made public but it was stated an announcement of the financing would be made public in about eight weeks.

Union Electric Co. of Missouri

It is rumored that company contemplates refunding its common stock of $4,000,000, in connection with a sale. Possible obligations. Probable bidders would include Dillon, Read & Co., and Halsey, Stuart & Co., Inc.

Union Pacific R.R.

May 9 it was reported officials are considering the question of refunding its common stock of $4,000,000, and land grant's due July 1, 1947. However, it is felt maturity date is too far away to determine whether this will be paid off in cash or will be refunded. If company decides to refund this issue probably at a fairly low price. Possible bidders will be Kulu, Lock & Co., and Halsey, Stuart & Co., Inc.

Union R.R. (Pa.)

July 12 it was reported that company plans early registration of $1,500,000,000, equipment certificates to finance purchase of 1000 passenger cars. Certificates would mature in 10 equal payments. Possible bidders include Halsey, Stuart & Co., Inc.; Salomon Brothers & Co., and Union R.R. (New York).

Union Railroad (Va.)

July 23 company, which operates in Allegheny County, Pennsylvania, was reported seeking authority for issuance of $7,000,000 of first and refunding mortgage bonds, series A, and to redeem them maturing Aug. 1, 1947. Authority was granted, the bonds to be issued Sept. 1, will be determined by competitive bidding. 


dated for FRASER
School of Banking at Wisconsin Un. Opens.

The School of Banking at the University of Wisconsin for the Central States of the United States has decided to consider the simplification of the formulation of the company's preferred stock and debt structure. Underwriters may be involved in the determination of the types of securities that may be issued and have reached as yet. Underwriters may include F. W. Mosely & Co.; White, Weld & Co.; Whitney, Putnam, Safford & Co.; and Lee Hightower Co.

Water Airlines

July 17 reported company contemplates new financing. Company intends to conduct a non-stop air service between New Orleans, San Juan, Puerto Rico and San Juan, New York.

Western Maryland Ry.

May 22 reported company was working on plans to refinance $44,000,000 first mortgage 4% to be held. Probable backers include Hulay, Leop, Co., and Hulay, Stuart & Co. Inc.

Western Pacific R.

May 11 reported company authorized issue to $10,000,000 first mortgage bonds, series B, due Jan. 1, 1974, in a provision for a large amount of first mortgage 4½% bonds due Jan. 1, 1974, and held by RFC. Interest rate to be specified in bids. The direction of the bond issue is to reflect the ICC but on re-issuing the ICC July 19 affirmed its original order. Probable backers include Blyth & Co.; Merrill Lynch, Pierce & Boos; Shields & Co.; and Glore, Forgan & C.

Westinghouse Electric Corp., Pittsburgh

June 27 reported corporation expects to complete within the next month or so a long-range financing. While the type of securities to be used has not been definitely determined, present indications are that it will be a combination of preferred stock and debentures. The proceeds will be used to pay off a recent $80,000,000 bank loan and for additions to working capital. Probable underwriters, Kuhn, Loeb & Co.

White Auto Stores, Inc.

June 24 reported an early registration of 75,000 shares of convertible preferred stock and 50,000 shares of common stock to be expected with the preparation of First National Bank, Rauscher, Pierce & Co.; B. V. Christie & Co.; Courts & Company, and E. A. B. Underwriters.

Waterman Airlines

June 27 reported company contemplates new financing. Program intends to conduct a non-stop air service between New Orleans, San Juan, Puerto Rico and San Juan, New York.

DIVIDEND NOTICES

BUTLER BROTHERS

The Board of Directors has declared the regular quarterly dividend of One Dime per share on the Preference Shares, the common shares and the Preferred Stock, payable September 1, 1946, to shareholders of record at the close of business on August 15, 1946. Checks will be mailed.

EATON MANUFACTURING COMPANY

The Board of Directors of Eaton Manufacturing Company has declared a dividend of Seventy-five Cents per share on the common stock of the Company, payable September 1, 1946, to shareholders of record at the close of business on August 23, 1946. Checks will be mailed.

H. C. STEUSSY

Secretary & Treasurer

OTIS ELEVATOR COMPANY

Preferred Dividend No. 163

A quarterly dividend of 1½% per share on the Preferred Stock and a dividend of 3½% per share on the par value Common Stock have been declared, payable September 20, 1946, to stockholders of record at the close of business on September 3, 1946.

R. L. MURPHY

Secretary

TENNESSEE CORPORATION

A dividend of 1½% per share has been declared, payable September 14, 1946, to holders of record at the close of business September 5, 1946.

THE BUCKEYE PIPE LINE COMPANY

The Board of Directors of The Buckeye Pipe Line Company has declared the following dividend:

45% CUMULATIVE PREFERRED STOCK $1 par value

45% CUMULATIVE PREFERRED STOCK $1 par value

45% CUMULATIVE PREFERRED STOCK $1 par value

45% CUMULATIVE PREFERRED STOCK $1 par value

45% CUMULATIVE PREFERRED STOCK $1 par value

WILLIAM S. COULTER

Secretary
The Washington Sideshow
By SIEGFRIED FROHLICH
Research Department, L. D. Sherman & Co.

Writer calls attention to difficulties and red tape stemming from numerous regulatory commissions in Washington and urges elimination
of many as means of restoring representative government.

Many years ago, our forefathers, with unique foresight, conceived our government by the people. They recognized the weakness of human
nature and to prevent abuses by those in power, they brilliantly
created a system of checks and balances through the division of government into legislative, administrative and judicial
branches. Mr. Lincoln, in his famous Gettysburg address, fervently pleased "that Government by the people may not perish from
this earth." If the framers of the Constitution could return to earth today, they would hardly recognize the instrument of government they
had so wisely created. They had vested the legislative functions in the Congress. Today we find Agencies, Authorities, Boards,
Commissions, Administrators, Executives, all vested with semi-
judicial powers. They were authorized to make rules and regulate
many of the laws enacted by the Congress, and they did with a vengeance. The maze of regulations is bewildering and compli-
cation with their frequent necessity usually provokes the wrath
of the people and not to enter into our legislative halls of the
early days. It is no wonder that our courts are filled with cases
forms and the cost of obeying our laws is steadily mounting.

Considering 3 1/2% Rate for Foreign Loans
National Advisory Council expected to decide shortly on rate set
by Export-Import Bank on accommodations to foreign countries
for development purposes. Italian and Czechoslovak credits still
hanging fire.

WASHINGTON, July 29—The National Advisory Council is ex-
pected to decide shortly on a new Bank foreign loan for develop-
ment purposes. The Bank has been advocating 3 1/2% on the
theory that such a rate is necessary if the Bank is to operate on a con-
servative, self-sustaining basis. In fact the Export-Import Bank all
along has advocated the 3 1/2% rate for all its loans, including re-
construction loans, but was ruled on this point as a result of the
petition taken by Mr. Harry D. White while Assistant Secre-
tary of the Treasury.

In recent weeks the NAC work-
ing committee has had the matter under consideration and has studied
trends in market interest rates. Commerce Department and Treasury staffing members concluded that a 3 1/2% rate for development
loans would be justified, but other departmental staff members favored the higher rate. Treasury staffing members of the working
committee were reversed by Sec-

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For detailed index of contents see page 607.

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The Commercial & Financial Chronicle
Thursday, August 1, 1946

"Seaboard Fruit Co., Inc.
"General Products Corp.
"Susquehanna Mills
Empire Steel Corp.
"Prospectus on request

Credits to Aid Philippines,
Finland, 4 Other Countries.

Other dollar credit arrangements totaling $20,000,000 have been completed with six countries to expe-
rate the effects of the United States surplus war property over-
plus, the Office of the Foreign Liquidation Commissioner an-
ounced.

Countries to receive credit un-
der the recently-concluded agree-
ments are the Philippines, Turkey, Finland, Lebanon, Iran, and
Ethiopia. One of the major obsta-
cles in completing these foreign
PLC pointed out, has been the shortage of dollars in foreign coun-
tries, and these credit terms are expected to help overcome that problem as well as foster sales to aid reconstruction abroad.

"Under the provisions of these agreements for U. S. surplus pur-
chased prior to January 1, 1948, the Philippine Government has been provided with $5 mil-

No New Reorganization

Buda
Recent price 30

Pollok
Recent price 17 1/2

Analyses on request

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