Recession Inevitable With Higher Wages, Says Henry Ford, 2nd

Prominent industrial executive says prices are already too high and wages cannot be raised without further price increases. Advocates legal regulation of labor unions and contends no practical guaranteed annual wage plan exists today.

(Washington, Jan. 13—Henry Ford II today declared that the cost of living in the United States is "too high."

In an exclusive interview with the North American Newspaper Alliance, the 28-year-old head of the Ford Motor Co. asserted that the industrial recession is not only inevitable but is even more significant. He declared that every business matter: Almost to much emphasis is placed on the economic condition of the people as almost the sole concern of government to the exclusion of issues of morals, religion and individual liberty. While I do not entirely agree with this popular emphasis, I have to admit that this position. I am going to discuss, like every other political program of today, is concerned almost entirely with the economic condition of the American people.

(Continued on page 298)

Free Enterprise and the Future

Taking note of drift toward socialization in Europe, Secretary Harriman acclaims desirability of free security. Says Europe peoples, particularly British, appear willing to sacrifice structural change for security, but in U.S., he points out, attitude is for free enterprise and progress as well. Sees foreign nations dependent on stable economy in U.S. and asserts challenge of our free enterprise is to maintain stability and prevent business fluctuations. Urges U.S. take leadership in world prosperity as best insurance of peaceful world.

After your President had invited me to be with you tonight I began to wonder what you would want me to talk about. In my forecast I related to that source of great wisdom—my old friend Dr. Charles Kettler. Now you all know that every man should work out his own problems. But he is always generously willing to point out the general action one should follow. So when I asked him my question he replied simply, "You have been traveling around the world quite recently. You want to know what's going on and what's being thought about it."

While I was thinking over this rather tall (Continued on page 298)

An Affirmative Program

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

Republican Senate leader declares Congress' primary task is reducing and ending controls. As labor policy favors (1) voluntary collective bargaining rather than compulsory arbitration, which would inevitably lead to government price-fixing and a regulated economy; and (2) fixing of union responsibility. Believes budget can be limited to $33½ billions; that total personal income tax burden should be reduced by 20%, with excise taxes retained, with resulting surplus of $2 billion for reduction of national debt. Federal aid to states should leave administration thereof to later, and amount thereof should be limited.

It is hoped to speak before such a distinguished gathering whose presence here indicates at least an interest in economic problems. There have never been a time when an understanding of economic problems was more important than it is today, because an intelligence of economics is necessary to guide nearly every political policy. Government has become involved in nearly every business matter: Almost too much emphasis is placed on the economic condition of the people as almost the sole concern of government to the exclusion of issues of morals, religion and individual liberty. While I do not entirely agree with this popular emphasis, I have to admit that this position. I am going to discuss, like every other political program of today, is concerned almost entirely with the economic condition of the American people.

(Continued on page 289)


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The Economic Outlook and Its Effect on Retail Distribution

By JULES BACkMAN

Assist. Professor of Economics, New York University

Dr. Backman holds present situation is fundamentally stronger than after World War I and any recession now will be more severe and temporary. Says retail sales are at peak, and price margins will be smaller, because of increased operating costs. Foresees no heavy inventory losses, but predicts decline in months ahead. Cites wartime increase in lower bracket incomes as a favorable factor, and poses inducement as a notable problem ahead. Predicts more careful buying by consumers.

Businessmen have been swamped with warnings that we face a repetition of the 1920-21 collapse. I am one of those who believes that the situation today is fundamentally stronger than it was after World War 1 and that any recession will be more moderate and temporary in nature. Nevertheless, I feel that it would be interesting to check what happened at that time.

Data for that early period are very limited and inadequate. The Federal Reserve Board index for department store sales averaged 89 in 1930 and 82 in 1931—a decline of only 7. If the decline had been made between the middle of 1929 and the close of 1931, the downward trend to be allowed for seasonal adjustments—the decline was from 100 to 87.1 or 11.1. In contrast, one authority estimates that gross income of the retail trade declined 20 from 1920 to 1921.

In 1937 and 1938, we also had an abrupt decline in business. By an interesting coincidence, the Federal Reserve Board index of department store sales in 1937 was 77 lower than in 1931. This was exactly the same decline as in 1920-21. For all retail trade, the decline was from 107.8 in 1931 to 103.6 in 1937. Neither of these declines was as severe as the collapse after 1923 when department store sales fell 28%. What would a decline of 7% from the 1946 total mean when applied to the index of department stores sales. Well, the index averaged 255 in 1946. A decline of 7 would bring the index down to 248—or moderately below the level prevailing last Spring, 22 above the level in September, 1945—after the V-J Day, 24 above the level in April 1945 and about 2½ times the present level. A decline of 20 would reduce the index to 210 or 5 higher than in September, 1945, about 60, and more than double the present total.

For the above reasons, I am not forecasting a decline of these magnitude. In passing, I would like to show you what would happen if the pessimists are right and a decline similar to that of 1920-21 or 1937-38 should take place.

1930 Inventory Losses

It may be assumed that the declines were as moderate as you indicate, then what is the problem in 1920? In this period, there were losses in inventory losses. The moderate decline of 7% was accompanied by a collapse in prices; wholesale price index fell from 240 to 140, or 100 points in one year. The result was enormous loss of working capital. The liquidation was speeded up and aggravated the already bad credit situations.

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What Business Faces in 1947

By LEON M. CHERNE

Executive Secretary, Research Institute of America

Economist states if recession comes, it will result from business community's baleful psychology rather than real facts. Notes improved outlook in stock market, because of: (1) depletion of unwise speculative funds; (2) bior's as well as government's desire to avoid actual strikes; and (3) labor leaders' unwillingness to stimulate repressive legislation. Holds peak of wage demands has passed; and war profits have greatly diminished. Acclaims free enterprise system, now wisely to get the competitive system for which they had clamored, of fearing it because of the concurrent extinction of government guarantees.

There have been very few times when I have been as hesitating in talking about the period ahead as I am today. The reason for my hesitancy is simply this: I think the facts add up to one prospect, and the attitudes to which the minds of American businessmen add up to another. In context between these two possibilities is a doubt as to which will win in the trade off at any time in our recent economic history.

One of the advantages of having just a few minutes to talk is that you don't puzzle and speculate. The two possibilities I have been talking about are, roughly as follows:

Quite frankly, I don't see the possibility of a recession in 1947, in terms of any of the real problems. But I don't know that for several months, almost unanimously, the Business Community has bound to expect that the recession would come in 1947. Like the cry of "Fire in a crowded theater, it frequently doesn't make much difference whether there is a fire, the number of casualties can be the same. And even if enough has happened to expect a recession and plan on it and communicate their feelings to the most wonderful set of economic circumstances may be as nothing.

Now, for those who don't recall, I would call your attention to remind you that I have acquired an unenviable reputation of being a pessimist, and that I am not. I have been telling you that the business pessimism of this last quarter has been almost fantastic. May I now take up some of the problems in the specific fields, to see how much reality there is to the fear in those areas.

Outlook for Strikes

First—and obviously primary—the fear of strikes. I think there are several things to be said about strikes in 1947. For one thing, there will be a matter of uncertainty by certainly be strikes.

Secondly, no legislation that will be passed this year (Continued on page 290)
The Outlook for Stock Prices

By ANTHONY GAUBIS
Investment Counselor

Analyzing various factors indicating favorable market conditions compared with 12 months ago. Weights current outlook based on bullish and bearish elements. As former lists: satisfactory earnings prospects; attractive yields; favorable political climate; taxation; easy credit; pent-up demand for goods; and better labor legislation. On bearish side: price readjustments; excess productive capacity; swollen inventories; large potential supply of new issues; and public's pessimism. Conclusions market will move selectively higher over coming quarter; may remain in a trading area during second and third quarters; and then resume its major bull trend.

In many respects, the background of the stock market at the present time is the same as that prevailing in January of 1946. Among the most striking contrasts are:

January 15, 1946

(Dow Jones Average 203)

1. Price of stocks at about 12½ times earnings in prospect for the next twelve months, a fairly low ratio. (During the 10 years 1936-1945, the average annual high price-earnings ratio was 19.5, while the average annual low price-earnings ratio was only 10.)

2. Extreme confidence in the Federal Reserve Board's ability to control prices and profits.

3. Fairly rigid price and priority controls.


5. Strong position of labor, both because of wartime savings and the attitude of the Administration.

6. Increasing restrictions in the use of credit for security transactions.

7. Serious recovery problems and low labor efficiency.

8. Fear of renewed hostilities (outstanding with subsequent Window report forecasting war before Christmas).

9. Economic contractions of virtually all types of raw materials, including lumber, copper and steel.

10. A "bull market" of forty-four month duration, with one correction of as much as 10%.

(Continued on page 296)
What the New Congress Means to the Investor

By FRANKLIN ESCHER
of Droesser & Escher

Alerting investors have been kicked around so much they can’t appreciate their new freedom. Mr. Escher maintains Congress can and probably will dominate danger of serious strikes, and, if this is accomplished, 1947 “is going to be a big year” and good time to buy stocks.

Every schoolboy is familiar with the story of the old man who had looked up in the Battle for so long that, when the day of liberation came, he was afraid to go out into the world and begged only to be allowed to remain in his prison cell. A good many investors, it would seem, have come to have something of that same feeling. Kicked around without mercy for 14 years, they don’t yet seem able to appreciate that on last November 5th their prison door, too, was swung open. The complete change in their position, apparently, is too much for them. They just can’t appreciate that it has really happened.

That what has happened? That a new administration of government has taken over, which, instead of being hostile, is actually friendly to the business man and the investor.

Not so fast, we hear someone say; are you quite sure that the incoming Republican legislature is going to be able to deal successfully with the mess in which the country has been left by those who have been having their way with things for all these years? How about the deplorable state of labor—the practical impossibility of getting a job decently done; the new car that’s no good; the double wages being paid for half the work? How about John Lewis and Murray and Reuther and the new crop of threatened strikes? Is it quite safe to assume that the new Congress has the means of pinning the auricular appendages of these gentlemen securely to the sides of their heads?

Our opinion, given for what it’s worth, is that Congress has the power to do just that; that the leaders in Congress are, as they say Down East, fixing to do just that. Not, of course, to legislate against Labor or the labor unions as such, but to take away from such leaders as Reuther and Lewis and Murray the unreasonorable power which was sold to them in exchange for a lot of votes. They never had it before they were able to make their unholy pact, and there’s no reason why they should have it now. It would have been taken away from them by the operation of the Case Bill, which Congress passed but which President Truman saw fit to veto, and it can be taken away from them by similar legislation which Congress seem now definitely set to pass. Another presidential veto will carry the bill over.

(Continued on page 294)

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**Taxes on Stock Transfers by Non-Members of an Exchange**

New York intra-state tax on stock transfers by non-members of a securities exchange described. Interpretation of pertinent regulation by State Tax Commission evaluated. Ruling not supported by text of regulation. Freedom of action to use clearing agent and at the same time clear independently by use of gimmed stamps, advocated.

An interesting and significant ruling has developed in relation to the payment of stock transfer taxes (without gimmed stamps) on sales executed within the state by dealers who are not members of a securities exchange.

This system of payment by check was first invoked by the Stock Exchange.

It has come to our attention that one of the trust companies which clears for many over-the-counter dealers then sought permission from the New York State Tax Department to pay by check for all taxes due on stock transfers cleared by them within the State of New York rather than buy gimmed stamps.

The State Tax Commission finally consented that clearing agents of over-the-counter securities may pay such taxes by check rather than gimmed stamps.

In the process, dealers were required to sign authorizations that transactions of this type be handled in that manner through their clearing agents.

After a clearing agent had once been so designated as such by a dealer the question arose as to whether or not the dealer could continue to clear a portion of his business.

(Continued on page 275)

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President Truman will be rebuffed by Congress on at least two major planks of his 1948 fiscal year platform. (1) His $37 billion budget will be flattened to a level somewhere between $31 and $35 billion, thus implying a cut in the level of anticipated taxes.

No brokers are pleased by the 37 billion dollar design, are rendering the budget futile and Federal spending spenders are hurt and hurt badly. Actually, the prospect of higher taxes -- one by the Federal Government is being reviewed with some glee by Capital Hill leaders -- is not likely to make ordering this if punishment went so far that transactions in the form of deficiency appropriations become unavailable late in fiscal 1948. Extremes are in control.

It now looks as though labor legislation will be made more strict, making it impossible to make workers sign an agreement where the workers will be required to pay for their health and welfare benefits. This could well make for unrest among the labor unions and could create a situation where the workers will be more likely to strike.

A tax outlook remains blurr- ed. While the current individual income tax cut will continue, it is being voted by Senate. House position is less important. I. P. House leaders, as I have not been able to determine, will continue to work on the budget, to pass another law to raise the tax limit.

Late 1947 or early 1948 should determine whether the tax bill is passed. (Continued on page 301)

SEC and a Free Market Securities

By RICHARD B. McENTIRE*
Commissioner, Securities and Exchange Commission

After reviewing how the Securities Laws, Commissioner McEntire expresses views "some of which may seem quite radical and unnecessary," explains new Rule 131 which aims to accelerate and clarify distribution of "red-herring" prospects, and stresses desireability of getting information directly to the public. Says customer expects more from securities dealer than from corner grocer, and cites importance of gaining customer's goodwill. Reveals efforts being made to simplify both registration statements and prospectus and concludes a free market in securities must mean an honest market.

Being a mid-westerner myself, I feel quite at home here in Chicago. Therefore, I would like to talk very frankly to you this evening. If I may use a purely personal word, I must say that the SEC is an open mind and open heart, and indeed an objective approach. At least, the best of my ability, I attempted to do so. Being a human being, I attempted to do so, by Richard B. McEntire


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NYSE Board of Governors Scheduled to Vote on
Permissive Incorporation Amendments Today

By EDMOUR GERMAINE

Question has been subject of heated discussion among members
of Exchange since last spring.

At last, it would appear that the Board of Governors of the New
York Stock Exchange is ready to take

permissive incorporation, an amendment which has been made by the
Mayard Committee which is oppo-
t

posed to the line that the Board is
deciding to vote on the matter at

its meeting today.

Ever since last spring, the ques-
tion has been debated among
the members of the Exchange. The
Board postponed its decision then
and, at successive monthly meet-
gings, kept on postponing it.
Ordinarily, the Board discusses
all matters of policy at its first meet-
ing of the month. Before the
question can go to the entire

membership, the Board of Gover-

nors must first approve of the

matter themselves.

The subject of permissive in-
corporation has become a very

boring theme among the Exchange

(Continued on page 316)

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Will Sterling Be Made Convertible?

By PAUL EINZIG

Dr. Einzig points out restoration of the convertibility of sterling, as required by the Anglo-American Loan Agreement, is dependent on ability of British to persuade nations holding blocked sterling balances to scale down their claims. Sew little probability of that and concludes premature restoration of convertibility of sterling would lead to its early abandonment. Sees British endeavor, to obtain from U.S. extension of time limit for effecting convertibility of sterling.

British, Switzerland—A British mission is about to leave for India in order to negotiate the settlement of the Sterling balances held on London bank accounts. This is the first step of a most important move toward the restoration of the convertibility of the Indian rupee. The mission will have the power to negotiate with the oil-drilling companies and foreign firms in India that represent nearly half of the total.

The success of the funding mission is of competitive importance from the point of view of the prospects of the convertibility of sterling. It would be idle to pretend that the outlook for an agreement is favorable. British cannot afford to come to a settlement unless India is prepared to agree to a drastic scaling down of the total. And so far everything seems to indicate that the new Government of India is not prepared to agree to any substantial cut. The divergence of views between the two parties is so wide that the mission is foredoomed to failure. It was probably undertaken as a gesture to show Britain's willingness to settle reasonable terms. One of the major difficulties of the situation is Britain's inability to guarantee the mission to the tune of 82.5 million pounds sterling.

(Upon page 232)

UFE Reorganizing on Basis of Recent A.F.L. Affiliation

The United Financial Employees, a labor union today in a general reorganization being carried out under the terms of the new constitution and by-laws adopted with the A.F.L. Balloting will be conducted in the new enlarged offices of the union on the first floor at 40 Exchange Place and will last from 8:30 a.m. to 8:30 p.m. Officials to be chosen include shop committee members, shop stewards and other officers (one for each of the two major exchanges, one for the Commodity Exchange, and one for the member firms). Ten representatives to the Board of Managers which is responsible for all union activities, between meetings, and three trustees to conduct quarterly inspections of the books of the secretary-treasurer.

The dispute between the Financial Employees Professional Workers of America, C.I.O., and Herrfeld and Stern which resulted in a unanimous strike vote of the organized units of the firm last week has been taken to the New York Federal Court of Mediation for settlement.

A contract was signed Tuesday afternoon between the Financial Employees Professional Workers and Trust Company, providing a $6 general increase in pay, and an extended time period for all employees.

A New Utilities Publication

A new weekly financial letter titled "Britain's Financial Trade" has been announced by Fable Utilities Reports, Inc., publisher, Munsey Publications. It is the first issue of the "P. U. R. Financial Letter," edited by the firm's special financial staff in London. British-United States trade has been broadened from the Nation's Capital, was sent out Jan. 1, 1947. The new service presents a weekly analytical summary on matters relating to public utility finance, including security offerings, the latest developments on holding company integration plans, current and pending financing, etc. The subscription price is $25 per annum.

American Business in 1947

By A.W. Zelonek

Economist, International Statistical Bureau, Inc.

Asserting we are enjoying an inventory replacement boom, Mr. Zelonek predicts a business recession when this accumulation ends. Foresees, however, no serious depression as in 1929-32 because of strong position of capital and durable goods industries. Says position of textile-apparel industries is deteriorating rapidly and prices are so high that present scale of business activity can continue only for a few months. Concludes outlook is not frightening and an adjustment of prices to potential consumption is more important than increasing production.

Gentlemen, I am at a loss. If I now talk to you with unfounded optimism, I shall be a traitor to my office. Yet the President's Council almost implies that it will be treasonous to estimate the extent or timing of a coming business setback. To do so will give you gentleman a definite schedule on which to fix your minds. I am sure you will then leave this meeting and go about your affairs in such a way as to make my prophecy 100% right.

*An address by Mr. Zelonek before the Rotary Club of New York, New York City, Jan. 9, 1947.

Gentlemen, I am at more than a loss. If it were not so early, I would say most say that I am speechless. My only chance to avoid the said responsibility is to frame my remarks in such a way that you gentlemen will reach your own conclusions.

Simple Logic of the Business Outlook

I have no argument with anyone who predicts that the various averages of business activity will be high in 1947, maybe a little lower the year with such increases above a year ago that this is almost certain to be true. But I object strenuously when I read the words of determination of the fact that the present inventory replacement boom will be followed by no more than a mild dip in business activity, lasting for, say, 30-week work period.

(Continued on page 294)

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THE COMMERCIAL & FINANCIAL CHRONICLE
Volume 165 Number 4560
271
Public Utility Securities

Central & South West Corporation

Central & South West Utilities Co. is an important subsidiary company in the Middle West System, comprising about half of that system. The four operating subsidiaries—Central & South Div. Light & Power Co., Public Service Co. of Oklahoma, Southwestern Gas & Electric Co., and West Texas Utilities Co.—operate within adjacent areas and control 15,000,000 of the issued systems. The parent company is over capitalized, and there is also a problem of the domination of the Middle West interests which includes holdings of preferred stocks as well as common.

Accordingly, a number of integration plans have been submitted from time to time, and the Middle West plan, which represented a compromise between the Middle West and a minority group of common stockholders (who own nearly 43% of the common stock), was approved late last fall due to market conditions. Middle West decided some weeks ago to go ahead regardless of the market, and this was strenuously opposed by counsel for the minority stockholders, who felt that this would penalize them. An appeal to the Federal court which had formerly approved the plan was not effective, but the fight will be carried to the Supreme Court. The hearings are held on the new legislation about Jan. 29.

The program now under way provides for deposits in the prior lien of $1.25 per 100 shares of a preferred stock of Central & South West Utilities Co. which will be exchanging for the common stock of the new company. The preferred stock of American Public Service Co. will be the common stock company which will be the new entity. A group of banking houses has been formed under the management of Lehman Brothers and Lazard Frères, and joint deposits are being made for the exchange program. Particularly, the exact exchange terms are not yet known, but it is certain that the dividends on the preferred stocks (valued at the initial retail offer in 1941) will mean a redemption price of the stock. Any accrued dividends on Central & South West Corporation preferred stocks and on American Public Service preferred are to be paid in cash, while Central & South West preferred receives a call for both the call price and arrears.

In order to provide cash payment for preferred stockholders, Mid-West will not accept the exchange offer, and the cash required to raise this cash will be paid at competitive bidding on Jan. 28. The remaining stock will then be distributed to the publicly-held common stock of American Public Service Co. and Central & South West Utilities. American Public Service holders will receive eight shares for each share publicly held (this is a negligible amount); while the common stock of Central & South West receives a flexible amount (based on rather complicated formula), depending principally on the public offering price and the resulting number of shares required to discharge the preferred issues.

Based on data contained in the red-herring prospectus, the share earnings on the 6,000,000 shares of the new common stock of the new firm have been between 10 and 12%. Stock offers Jan. 29.

The management has estimated that the total preferred stock, totaling 1946 at $1.25 (which seems common to be the highest amount), while the common stock of Central & South West receives a flexible amount (based on rather complicated formula), depending principally on the public offering price and the resulting number of shares required to discharge the preferred issues.

Street opinion appears to be that the new stock may be offered somewhere between 11 and 12¼ cents; this would mean a drop of 65½ and 5½%. As of recent date representative holding companies have expressed an average of about 4.5%, but this included several low-dividend issues—Federal Light & Power, Delaware & United, United Gas & Electric, which is earning above par value. In addition, the Central & South West, has recently inaugurated a dividend of 3½ cents and is currently selling around 11½ to yield about 5.25%.

Truman "Short-Range" Economic Program

In Economic Report, President calls for balance between wages and prices, and expanded social welfare programs. Combined with a release of units; a surplus of government revenue over expenditure, with reduction in taxation only "as soon as possible"; and a means of making adjustment in wages and working conditions without crippling strike.

The following is the portion of the text of President Truman's speech dealing with short-term program recommendations:

My short-range recommendations have long-range implications as well. But they merit immediate attention from the Congress and from the people as a whole because of their influence on economic conditions in the future.

A Symposium on 1947 Outlook

Twenty-two economists give views at Industrial Conference Board Forum. Majority see some recession in 1947, but generally agree effect will approximate mild setback of early 1920's rather than severe depression of 1929.

Twenty-two of the nation's economists discussed "The Business Outlook for 1947" at the latest Conference Board Economic Forum organized by the National Industrial Conference Board.

Some of those who took part in this "Economic Outlook" conference had strong views on the business outlook. The following is a summary of their opinions on the business outlook, follow:

SEEN NO SERIOUS DEPRESSION AHEAD

Milton Gilbert, Chief, National Income Unit, United States Department of Commerce (Discussion Leader)—There is no possibility of a severe depression like that of the early 1920's. The accumulated deficit of both consumers' durable goods and business investment are sufficient to prevent that. So, I think the recession will be more in the nature of the 1920-21 experience, but not anything that would be a depression, which will limit the decline and prevent it from spiraling.

Proprietary group support of agricultural prices.

2. The probability that wage rates will proceed right through to 1941.
3. The effect of unemployment insurance in cushioning any decline in employment.
4. The magnitude of the accumulated deficits in the durable goods field.
5. The high level of government expenditure which can be anticipated for the immediate future.

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Frugal Results of De Gasperi’s Mission

Italy’s Premier secures $100 million credits from Export-Import Bank, as well as permission for joint state Department optimistic about joint trade revival. Unbalking of her trade revival. Unbalking of her

WASHINGTON, Jan. 15 (Special to the "Chronicle."—Among the most mutually-trusted treaties to De Gasperi’s mission to Washington is the Export-Import Bank agreement. It was announced yesterday that the Army, would secure, $100,000,000 of credits for use during 1947 for raw material, fuel and restocking purposes. Italy has recently repaid $4,000,000,000 of credits to that country.

A State Department press release states that this agreement will be announced today. The press release states that this agreement will be announced today. The

"SOMEWHAT LOWER LEVEL"

AHEAD

D. H. J. Lee, President of the Brookings Institution—It seems likely that 1947 will see a continuation of the present expansion, but at least no advance, and probably a level somewhat lower than the peak reached in the second half of ’47, even if there is a slight decline. The decline will probably be steeper than the decline of the second half of 1946. But I don’t expect the first half of 1947 to be without a rise.

The current scene data are not yet indicative of a depression. But at least no advance, and probably a level somewhat lower than the peak reached in the second half of ’47, even if there is a slight decline. The decline will probably be steeper than the decline of the second half of 1946. But I don’t expect the first half of 1947 to be without a rise.

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"Likenhood OF REAL RECESSION IN ’47"

Edwin B. George, Economist, National Industrial Conference Board—There is likelihood of a real recession or a settling period during 1947, but it is not very far because of the important requirement of the interest rate that underlies it, and
Progress, but No Illusion "All's Well" for Peace

By HON. ARTHUR H. VANDENBERG*  
U. S. Senator from Michigan

Chairman of Senate Foreign Relations Committee upholds bipo
tarian foreign policy and backs intransigent position against in
gress. Lands U. S. policy in organization and progress of United Na
tions, but points out organization is not perfect instrument for
insuring peace. Says we are prepared to disarm, if American na
tional prestige and atomic energy are accepted. Sees need of fu
ture international economic cooperation and forecasts U. S. na
tional aid for rehabilitation. Urges friendly but firm policy
throughout the world, including our own hemisphere, and calls
for full support of Chiang Kai-shek under new Chinese constitu
tion. Wants a federation of German states.

I congratulate the Cleveland forum upon the powerful program
it has produced from all quarters of the globe. In striking exchange
of international opinion, this process of reciprocal candor is one of
the major forces which can beat swords in plowshares on the anvil of
mutual understanding and goodwill. Indeed, this is the supreme poten
tiality of our council-organized United Nations. War will remain at a
minimum if and only if there is international controversy stays in the
field of diplomacy, and never becomes a "talk things out" instead of
"shooting things out." It was my good fortune to coin a phrase at the United Na
tions.

*An address delivered by Secre
tary Byrnes before the Cleveland
Council on World Affairs, Clevel
and, Ohio, Jan. 11, 1947.

Will Do Our Part in Promoting Peace

By HON. JAMES F. BYRNES*  
Retiring Secretary of State

Relief Secretary outlines U. S. policies to promote world peace
and security, and expresses optimism regarding present status of
agreement among nations, as it is their consensus to favor measure
which will draw up rules of peace rather than of war. Says we
have joined with allies to put an end to war, and reiterated desire
to settle problem of control of atomic power before committing our
selves to disarmament. Says United Nations is stepping up its fight
for hemispheric defense and concludes peace in this interdependent
world must be more than a mere truce. Favors international eco
nomic cooperation.

After the announcement on Tuesday night of my resignation as
Secretary of State I advised Mr. Luce that I doubted whether under
the circum
cstances the direc
tions of the Clev
dland Council would wish me to participate in their program. Af
ter tele
calling Mr. Luce, Mr. Luce ad
dvised me that Dr. Em
ey and his asso
ciates wished me to come. I am glad they insisted. Had they not done so I would have
missed the greeting you have just given me. It was the greatest honor that it has warmed my heart, and
I tell you, I shall forever treasure in my memory.

This coming of age of our Councils is of great and
important significance. This is a step in the right direction.
(Continued on page 286)

Offers Bill to Give Private Lenders Participation in Export-Import Bank Loans

Rep. Howard Buffett (R., Neb.) introduces measure to require
Export-Import Bank to offer for participation from private finan
cial institutions and other private lenders any loan or guarantee in
excess of $5 millions.

Congressman Howard Buffett (R., Neb.) on Jan. 8 introduced into
the House the following bill to provide for participation by private lenders in all loans made by the Export-
Import Bank of Washington.

It be enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that section 2 of the Export-Import Bank Act of 1945 (U. S. C., 1946 edition, Supp. V, title 12, sec. 835 (b)), is amended
by adding the following:

(c) No loan, discount, rediscount, or guaranty for an amount in excess of $5,000,000 shall be made unless the bank (1) requests, through normal international financial channels, offers for participation from private financial institutions and other private lenders, and (2) accepts, for participation to the extent of not less than 25% of the total of the funds to be advanced by way of loan, discount, rediscount, or guaranty, that offer or that combination of offers which, in the judgment of the Board of Directors, most advantageous to the borrower, endorser, acceptor, obligor, or guarantor.

Join E. E. Mathews Co. (Headed in the Financial Chronicle)

BOSTON, MASS.—Theodore T. Lodder, of New York, who has joined E. E. Mathews Co., 53 State Street.

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W E AGREE with Ben Franklin—for our experi
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the facts on securities and market conditions results in
good fortune both for ourselves and the many dealers
we serve day in and day out.

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Notice to Owners of “Lost” Dutch Securities

A message was sent on Jan. 17 that persons, not resident in the King
dom of the Netherlands, who claim beneficial ownership of security
issues in and/or payable in the Dutch Antilles and physically located in the Kingdom during ca
pitalization, Sawyer, if they lose possession, should file a re
port of such loss on or before Jan.
31. A reward of $5 million will be paid by the Office of the Financial Counselor of the Neth
erlands Information Service, Room 1122, New York where forms are available.

SCHENLEY DISTILLERS CORPORATION

NOTICE—From time to time in this space, there will appear a statement which we hope will be of interest to our fellow Americans abroad.

SCHENLEY DISTILLERS CORP.

“Armstrong Arithmetic!”

By Mark Merit

Were it not for the fact that the human mind has developed a toler
table, and sometimes am

modate itself to comprehension of the vast "arithmetical exactitude that it has to cope with in the business of

Looking at the facts of the day, we found it possible to make a trip
through the story of the beverage industry since the begin
ning. We found that the American manufacturer is a

cr and, we think you too, will be interested in the story because it actually con

volve every man, woman, and child in the United States.

So we’ll begin by informing you that the amount of Federal, State,
and Local taxes collected from the sale of all alcoholic beverages for the past 10 years is equal to an amount sufficient to de
stroy the entire debt of the United States Government for the first 120 years of its existence, or to be more exact, from 1789 to 1929. The amount Twenty-one Billion Dollars!

New look at 1948 alone—and another comparison. The Federal
taxes collected in 1946 (state, county and municipal taxes not included) on alcoholic beverages amounted to over 2 1/2 Billion dollars—more than enough to pay the interest on the national debt!

And please remember that the total of 2 1/2 Billion dollars in taxes collected in 1946 would normally have remained in the pockets of the distillers to be used to defray the expenses of our National Govern

ment. That is possible only because the Federal Revenues go to defray the expenses of our General Govern

ment. That is possible only because the Federal Revenues go to defray the expenses of the general State’s funds and the money in variously ear

marked to defray the cost of Edu

cation, Public Welfare, Old Age Pensions, Aid to Crippled Chil


dren, and in some instances it results in the reduction of property tax.

The amount of taxes then, collected from the sale of alcoholic beverages such as distilled spirits, beer, wine, etc.—is the largest with the exception of the Federal income tax—more than twice as much as is collected from the sale of any other industry’s products.

It is not difficult to realize the in
calculably heavy tax burden we would all have to pay, whether we pay it in the form of increased prices or not—if the equivalent of the huge revenues raised by the govern

ment, went into the long pockets of the boot-legger, as it did in that late and dark period, carelessly termed "Prohibition"!

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18A, 201 Devonshire Street, Boston, Mass., who will send you a 96-page book containing reprints of earlier articles on various subjects.
The Monetary Fund and ITO

By HERBERT M. BRATTER

Correspondent notes that, recognizing growing trend in inter-agency overlapping, International Monetary Fund sent three observers to recent International Trade Organization meeting in London. Quotes three observers as saying safeguarding members' balance of payments; of retaliatory restrictions with international monetary policy, commercial policy, and of meeting's general accomplishments.

In creating a global structure for international cooperation in the economic sphere a certain overlap did exist in the ITO and the proposed ITO. The same is true of the proposed ITO and the World Bank. To realize this one needs only to reflect upon the fact that in the former exchange control, and the variety of dirt trade controls are alternatives for accomplishing the same end. It is to be hoped that the degree of cooperation with the ITO will not be made by the efforts which the Fund sent three observers to the October-November meeting in London of the Pre-

WORLD BANK AND U.S.-CANADIAN COOPERATION

By EUGENE MEYER

Formerly President, International Bank for Reconstruction and Development

Preliminary financial co-operative reiterates his reason for hope that the President of International Bank for Reconstruction and Development, Mr. George C. Marshall, is now fully organized and ready for business and his service in launching institution is completed. Points out British Woods objectives, and explains limitations on lending operations of Bank. Says members of Bank have no obligations beyond their individual subscriptions to capital stock, and that bank's obligations will be secured because of lending restrictions and a conservative policy. Lands U.S.-Canada cooperative arrangements.

When I was invited to be your guest I was President of the International Bank for Reconstruction and Development. I no longer hold that position, but I am delighted to have the opportunity to have the opportunity to express the appreciation of the Bank for the effort and the work which was done in advance of actual lending operations. The Bank was passing from the stage of preparation to the stage of operating and the Bank's work was to be viewed in terms of the effect of these arrangements. I was asked to launch the Bank's organization and get it started, having carried out what I had undertaken to do, I felt that the moment had arrived when the permanent President of the Bank should be appointed.

Neglect of International Trade

After World War I

During or after World War I, little thought was given to what I called 'international trade' following the discontinuation of the U.S. Government. It was necessary to provide some special facilities for financing international trade which had been taken for granted in the transition from war to peace.

At that time I was Managing Director of the Bank for International Corporation, a government owned corporation with capital of $500,000,000. The Bank had some rather unexpected qualities. I proposed an amendment to convert the Corporation into an export bank — not to make loans to American banks but to American exporters or to institutions which financed American trade (Continued on page 305)

Herbert M. Bratter

Eugene Meyer
Taxes on Stock Transfers by Non-Members of an Exchange

(Continued from page 260)

himself the same as formerly and buy gummed stamps for such portion.

To THIS, the State Tax Commission said: "No!

For its authority the Commission cited a regulation of November 15, 1946, which provides as follows:

"In the event that such seller was a clearing agent and also duly appoints such agent to act for him in the payment of the tax without the use of stamps, then only said agent shall remit the tax."

Analyzing the above regulation, we ask ourselves, is there anything in it which supports the position taken by the Tax Commission?

Does it warrant an interpretation that once a clearing agent is designated, clearances must go through that agent 100%?

Why is it not proper, for example, in certain over-the-counter transactions to mark the blower "we clear" and then use gummed stamps for tax purposes?

As we examine the regulation, we find nothing in it which warrants the Tax Department interpretation.

If the dealer made partial clearances of his own, nevertheless, the clearing agent as to those transactions which it handled would be the only one remitting the tax.

By what authority, in over-the-counter transactions, does the State attempt to compel 100% clearances through one agent where such agent has been designated to make some clearances?

We believe that the Commission's interpretation evinces an unhealthy attitude towards commerce generally because it interferes with the freedom of action which should be enjoyed by every man in his business.

While the announced interpretation may serve the convenience of the Tax Commission, in our opinion it does not justify depriving a dealer of his right to clear personally such transactions as he wishes to handle and still make other clearances through an agent.

A dealer ought to be able to save clearance charges in some of his business should have every right to do so.

A dealer wishing to save the time of his messengers who sometimes are compelled to wait on line at clearing agencies for an unimportant period of time, should have the right to do so.

This regulatory refinement is an evidence of the tendency to further hamstring the securities industry by placing upon its transactions additional and burdensome regulations.

If there were a regulation justifying the interpretation placed upon it by the Tax Commission we feel that it required immediate withdrawal.

The existing regulation does not support the interpretation announced by the Tax Commission.
Michigan Brevities

First of Michigan Corporation was the successful bidder for an issue of $75,500 city of Kewanee paying bonds sold by the city. The bonds, being a general obligation of the city and maturing 1948-52, were reoffered at prices ranging from 102.63 to 1.3% basis.

Dollar volume of trading in interlisted $82,139,834, as against $78,062,684 in the year before. This represents a 10-year high and was largely due to a record breaking first quarter when sales were at the peak for the year.

National Bank of Detroit reported a net profit for the year ended Dec. 31 of $4,000,032, all charges and reserves, equal to $1.43 a share on 2,642,000 shares of capital stock. This compares with $4,747,712 or $1.35 a share in 1945.

Baker, Weeks & Hardee, 1550 Penobscot Bldg. have announced that Rollin M. McConnell and William R. Kesslin have been made members of the staff.

Michigan Bell Telephone reported 1946 was the busiest year in its history with 400,000 new telephones installed. The company also completed a $23,000,- 000 construction program. An all new plant, having nearly 1,900,000 phones in use in the company's territory at the year-end.

Precision Parts Co., of Ann Arbor, has asked the state to withdraw 75,000 shares of $10 par common stock of the company offered to unsold stockholders.

- Formation of the Royal Crown Bottling Co., of Detroit was announced by R. J. Anderson, President of Goebel Brewing Co. The firm will operate as a Goebel subsidiary and will produce carbonated beverages sometime late in 1947.

- Union members (125), both AFL and CIO members, received a bonus of 23 shares each in the individual company accounts, according to a company spokesman.

- Mueller Brothers Co., has called a special stockholders' meeting for Jan. 28 to vote on a proposal to pay a dividend of $1 per share on the common stock to stockholders of record on Jan. 15, 1947.

- Tempkin-Detroit Axle Co. has purchased all the assets and business of Rostor & Co., Inc., of Upland, Calif., for 1,200 shares of Tempkin common, according to W. F. Rockwell, Tempkin President.

- McDonald-Moore and H. I. Sel¬ dby & Co., Inc., have purchased the interests of the Chicago wire and overtime, Mich., wire revenue 3% bonds. They were offered to yield 2.0% above par due Jan. 1, 1950-76, inclusive.

- Investors Syndicate, Minneapolis, has opened a regional office in the Illinois National Bank Bldg with A. C. Mellon as manager.

- Wesley E. Smith, former executive of the Chicago branch of the Wabash State Bank, has been appointed manager of the Birmingham, Mich., branch, re¬ placed M. Quirk, who resigned. F. R. Robinson will take over Mr. Smith's position in Fern¬ dale.

- Kennedy Joins Crutenden (Special to The Financial Post) CHICAGO, IIL—Joseph A. Kennedy has become affiliated with Crutenden & Co., 249 South La Salle Street, members of the Chicago Board of Trade, from the New York exchange. Mr. Kennedy was previously with Mason, Moran & Co.

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- Industrial Brownstone
- L. A. DARLING CO.
- Resistance Welder
- The C. H. DUTTON CO.

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Rep. Kaulson Urges Repraisals Against Treaty Violators

Makes statement to "Chronicle" in connection with reported viola¬ tion of British Agreement.

WASHINGTON, Jan. 15 (Special to the "Chronicle")—Relative to viola¬ tion of British Agreement, Rep. Earl Kaulson, D-Minn., has introduced a resolution asking the President for a report on the treaties of the United States with the British and their effects upon our commerce.

W. S. Woodruff, Jr., President of the Chamber of Commerce of the Penobscot Valley, has been elected chairman of the executive committee of the New York State Chamber of Commerce for the coming year.

The national glass and door trade is facing a new and rather acute problem: the difficulty in procuring new and replacement glass for the new mill. Glass manufacturers are not able to fill orders at present, and there is a serious shortage of glass in the retail trade. This situation is caused by the increased demand for glass in the building trade, and the fact that the glass trade is still feeling the effects of the depression.

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A Time of Crisis
By PHILIP MURRAY*

President, Congress of Industrial Organizations

CIO chief blames powerful monopoly interests for present agitation for restrictive labor legislation. Says aim is to destroy unionism and concludes only forceful action and intelligent understanding by labor and public can stay “this vicious campaign.”

This Nation faces a real crisis today. During the war monopoly groups tightened their hold on every major industry and on our entire national economy. As a result, labor has fomented what a committee recently termed “a small group with a big cause of masses of people are so deeply affected by the misfortunes of the peace that they are working with a fervency to bring about a resurrection of the old policies of a paternalistic dictatorship.”

This small group spear-headed a large movement for the destruction of the national program of unionization and bargaining of prices and living costs. Now they seek to arrogate to themselves even more complete power over the living standards of the American people.

That this movement has acted effectively to assert the right of a minority of people to a dominant share of the product of our national effort is clear. (With the Government having capitalized $100,000,000,000 in war bonds, the very fact that a few individuals can thus control the prices and profit-making power of the entire nation indicates the power of the forces that have been put into action against the attempt to organize the nation’s labor forces.)

It is understandable that the power of the corporations and their or-ganizations hate and resist the challenge of the workers’ union; it is wrong, however, for them to be tragic for our country if they succeed, with their propaganda and distortion of the record of the nation’s workers, in making their demands and their policies appear to be the will of the people.

To cut through the tissue of falsehoods, facts and distortions to reveal the true economic picture, I have directed the Legal Department of the CIO to produce a study of the problems of the current anti-labor campaign, and to set forth the facts in a clear and unemotional way. I commend it for careful reading, both by the public in general and by members of our organizations, by the elected representatives of the people. It will help them to better understand the campaign against organized labor and to turn aside this attack of reaction.

For only forceful action and intelligent understanding by labor and the public as a whole can stay this vicious campaign.

Philip Murray

Telegraphed for FRASER

Tomorrow’s Markets
Walter Whayne Says

By WALTER WHAYNE

Break through Dec. 28 low puts market back into negative position. Some support still evident.

The recent action by the New York Stock Exchange against William Hatchell, a trader for E. F. Hutton, for saying in court that he was “in the gambling business” himself, in an effort to get out of jury duty, has actually nothing to do with the stock market, the subject column is theoretically concerned with. Still, to pass it by, is an opportunity too tempting to resist.

Enril Schram, NYSE president, taking issue at Hatchell’s observation, was quoted in the press as saying that he was suspending Hatchell’s registration. Said Mr. Schram: “He (Hatchell) had a misconception of the business in which he has been engaged.”

If Schram was quoted correctly then Schram also has a misconception of the business of the NYSE and that of its members. The majority of the NYSE members would go out of business if speculation were stopped. The word speculation has achieved an aura of respectability because it deals in the securities of well known firms and established governments. We call it speculation because the investor is an unregistered broker; if he was registered as a broker he would be a gambling broker and be subject to regulation.

The story of the year was one of determined progress, despite shortages and many post-war problems. And more.

For 1947, the Bell System aims to go forward to still better service for more and more people.

Tommy’s Markets

Walter Whayne Says

Treasury Removes Curb on Imports of Foreign Issues

WASHINGTON, Jan. 15 (special to the “Chronicle”)—Secretary Snyder announced today the removal of Treasury Department restrictions on the acquisition and importation of securities physically located outside the United States which are issued by foreign governments or foreign corporations and not payable in United States dollars.

As a result of today’s action, the Treasury Department regulations with respect to the acquisition of securities not within the United States and with regard to the importation of securities henceforth will apply, in general only to the acquisition and importation of transferable securities issued prior to Dec. 7, 1941 (1) by persons in the United States and (2) by any person if payable in United States dollars.

These changes were in the form of an amendment to General Li- cense No. 87. At the same time General License No. 94, which authorized the importation of certain types of securities and currency, was revoked, since its provisions have all been incorporated in the new amendment of General License No. 87.

Countin’ up for 1946

It would take a lot of fingers (and toes) to count up how much the Bell System accomplished in 1946—the busiest year in our whole history.

5,300,000 telephones added

25,000,000 hours of good will

$700,000,000 new equipment made and installed to expand and improve your service

160,000 net increase in employees—total now 640,000

$400,000,000 increase in payroll

120,000 war veterans re-employed and employed since V-J Day

The story of the year was one of determined progress, despite shortages and many post-war problems. And more.

For 1947, the Bell System aims to go forward to still better service for more and more people.

Labor’s Attitude and Industrial Peace
By LEE PRESSMAN

General Counsel, CIO

CIO official warns labor will fight to prevent proposed legislation, as curtailings by dealers drive up prices and rising living cost of workers—stalling latter was not caused by wage increases—justifying strikes. Alleges corporate profits are one-and-one half times wartime high. Doubts voluntary price decreases by corporations “which brought about the dangerous inflation.” States unions are stable in every state in Union.

Author states, let me emphasize that industrial peace is desired by workers as fervently as common people everywhere yearn for peace between nations.

Hardships, sacrifices and misfortunes suffered by workers during strikes and industrial warfare are not similar from the humanitarian and international con-sequences of international con-

When a large-scale strike comes, our newspapers and radio commentators are given to dramatizing the personalities and statements of leaders. While this is happening in the homes and to the personal lives of the strikers and their families receives but scant attention.

Personal Meets of Strikers on Workers

A fiercely fought strike may last many months. Evictions from homes may easily result. Violence has been known to occur resulting in death and serious injury. With savings depleted and no pay, the children may find that there is no food to eat without sufficient clothes to attend school. The only available food for the families is that received from relief or furnished by the various religious or other sympathetic groups. Medical care, every though essential, may be unobtainable.

Strikes necessarily result in a brutal injury to the human beings involved.

This is the known penalty which confronts every striker and every worker.

(Continued on page 314)

Pacific Coast Securities

Orders Executed on Pacific Coast Exchanges

Schwabacher & Co.

BELL TELEPHONE SYSTEM

Members
New York Stock Exchange
New York Produce Exchange
Chicago Board of Trade
14 Wall Street, New York City
Ocotillo St. 1-1200
Telephone NY 1-3239
Private wire to Principal Offices
San Francisco—Santa Barbara
Los Angeles—Sacramento
Folsom—Shafter

Volume 165 Number 4560
THE COMMERCIAL & FINANCIAL CHRONICLE
277

Edwin P. Maynard, Chairman of the Board of Trustees of Brooklyn Trust Co., which he served as President from 1913 to 1927, and as Chair- man of the Board from 1927 to the present time. Born in Brooklyn on July 12, 1884, he entered the employ of the Brooklyn Savings Bank in September, 1892, as an assistant bookkeeper, and during the next 20 years filled various positions as a result of successive promotions, eventually becoming Comptroller in 1902 and President in 1913.

Maynard Retires as Chairman of Bklyn. Tr.

* An address by Mr. Pressman before the Brooklyn Club, New York City, Jan. 9, 1947.
Provident Savings of Balt. Adds 14th Office
BALTIMORE, MD. — F. W. Wrightson, President of Balti-
more Provident Savings & Loan, has announced that the ever-in-
creasing demand for the services of the institution has brought about the opening of still another office. —The 14th Provident Savings office now holds 160,000 depositors in 14
The addition of this New York Bank and Trust underwriters in the success of the operation of this 60 year old savings bank which has more than tripled in the last 10 years by adding 14 new offices and bringing the total to over $76,000,000.

ADVERTISMENT

REPORT OF CONDITION OF Underwriters Trust Company

Of 65 St. James, N.Y., at the close of business on December 23, 1945, the undivided capital and surplus was $4,012,803.30, compared with $3,985,677.70 at December 31, 1944. The relative stockholders’ equity is 116.2% compared with 115.8% at December 31, 1944. The operations of the Institution and the investments and Liabilities form the subject of the preceding annual report and are not repeated here. The recent purchase of bonds of said school district

Bank and Insurance Stocks

By E. A. VAN DEUSEN

This Week — Insurance Stocks

Fire insurance stocks closed the year 11.5% below their 1945 year high. The two major declines in the insurance stocks industry are in the Dow Jones Insurance Aver-
ages which are 10.8% and 11.2%, respectively.

These two declines were not unexpected, as the year 1946 was a tough year for insurance companies, due to increased costs and a decline in premiums. The insurance stocks industry has been experiencing a difficult period due to the high interest rates and increased competition from the government and other industries.

A look at the performance of the insurance stocks industry over the past year shows a trend towards a decrease in profits. The average stock price of the Dow Jones Insurance Average has declined by 1.5% from its high point reached in September 1945. The average price of the S&P 500 Insurance Index has also declined by 1.5%.

While the overall performance of the insurance stocks industry has been disappointing, there are still several companies that have managed to maintain or even increase their profits. The ability to identify these companies is crucial for any investor looking to invest in the insurance stocks industry.

As investors consider their options, they should carefully analyze the financial statements of each company and look for signs of strength in earnings, dividend growth, and strong management. With the current interest rate environment and economic uncertainty, it is essential to have a clear understanding of the company’s position in the market and its potential for future growth.

In conclusion, the insurance stocks industry is currently experiencing a challenging period, with a decline in profits and a decrease in stock prices. However, there are still opportunities for investors to find companies that can weather the storm and continue to deliver strong returns. By carefully analyzing the financial performance and potential growth prospects of each company, investors can make informed decisions that will help them navigate the challenges of the current market environment.
**New Issues**

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<td>East Bay Municipal Utility District</td>
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<td>Second Mokelumne Aqueduct</td>
<td>California</td>
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**Co.**

Security-First

January 15, 1947

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**AMOUNTS, MATURITIES AND YIELDS**

(accrued interest to be added)

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<td>99.99</td>
</tr>
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</table>

The above Bonds are offered when, as and if issued and received by us and subject to appraisal of legality by Messrs. Orrick, Delknight, Neff, Brown & Harrington, Attorneys, San Francisco, California.

---

**Bank of America N. T. & S. A.**

The National City Bank of New York

*The Northern Trust Company*  
Elyth & Co., Inc.

*The Anglo-California National Bank*  
The First Boston Corporation

*The Chase National Bank*  
Harriman Ripley & Co., Incorporated

*American Trust Company*  
Kidder, Peabody & Co.

*Harris Trust and Savings Bank*  
Smith, Barney & Co.

*R. H. Moulton & Company*  
Weeden & Co., Inc.

*The Anglo-California National Bank*  
Chemical Bank & Trust Company

*The Chase National Bank*  
Drexel & Co.

*American Trust Company*  
Kidder, Peabody & Co., Incorporated

*Union Securities Corporation*  
Heller, Bruce & Co., Inc.

*Security-First National Bank of Los Angeles*  
Salomon Bros. & Hutton

*R. W. Pressprich & Co.*  
The First National Bank of Portland, Ore.

*Merrill Lynch, Pierce, Fenner & Beane*  
California Bank

*The National Bank of Commerce of Seattle*  
Seattle-First National Bank

*Dean Witter & Co.*  
Lee Higgenson Corporation

*Drexel & Co.*  
Equitable Securities Corporation

*American Trust Company*  
Kidder, Peabody & Co.

*Union Securities Corporation*  
Heller, Bruce & Co., Inc.

*First of Michigan Corporation*  
Trust Company of Georgia

*Central Bank of Oakland*  
Roosevelt & Cross, Inc.

*Lawson, Levy & Williams*  
E. M. Newton & Co.

*Central Bank of Oakland*  
Martin, Burns & Corbett, Inc.

*Hammered & Talbot*  
Stone & Youngberg

*Lyons & Shafe, Inc.*  
C. N. White & Co.

*Shuman, Agnew & Co.*  
Donald MacKinnon & Co.

January 15, 1947
Real Estate Securities

Says State Does Not Have Power to Maintain Control Over Hotel Transient Room Rentals

Assemblyman D. Mallory Stephens, author of New York’s little OPA bill, charges that his measure, Senate Bill 184, offers no solution of the problem of rent control. He further states that the state Department of Commerce and Labor has not yet brought any case of violation of the law which has been on the books for more than a year. He also states that the Federal Reserve Bank of St. Louis has maintained that the hotel industry is in the business of providing a service that is not regulated by the law. The federal government has maintained that control over hotel rooms must be left to the states, and that the Federal Reserve Bank of St. Louis has maintained that the hotel industry is a service that is not regulated by the law. The federal government has maintained that control over hotel rooms must be left to the states, and that the hotel industry is a service that is not regulated by the law.

The Federal Reserve Bank of St. Louis, in a letter to Mr. Mallory Stephens, stated that the hotel industry is not a business that is subject to price control. The bank stated that the hotel industry is a service that is not regulated by the law. The federal government has maintained that control over hotel rooms must be left to the states, and that the hotel industry is a service that is not regulated by the law.

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Bank of America and Nat’l City Bank Group Offer $35.500,000 Bds.

Offering of a new issue of $125,000,000 East Bay Municipal Util. Dist. Special Special District No. 1, Calif. and National City, Calif. Bds. maturing from January 1, 1965 to December 1, 1967.

The Aqueduct bonds are priced for an offering of $320,000,000 East Bay Municipal Util. Dist. Special Special District No. 1, Calif. and National City, Calif. Bds. maturing from January 1, 1965 to December 1, 1967.

The new issue of $320,000,000 East Bay Municipal Util. Dist. Special Special District No. 1, Calif. and National City, Calif. Bds. maturing from January 1, 1965 to December 1, 1967.

Firm Trading Markets:
California & New York Real Estate Issues

— J. S. Strauss & Co.

160 Montgomery St., San Francisco
Tel. 3811 East

Firm Trading Markets:
California & New York Real Estate Issues

— J. S. Strauss & Co.

160 Montgomery St., San Francisco
Tel. 3811 East

REAL ESTATE SECURITIES

SHASKAN & CO.

Members New York Stock Exchange\nMembers New York Curb Exchange
125 Broadway, New York 6, N.Y.

FIELD FIRING MARKETS:
California & New York Real Estate Issues

— J. S. Strauss & Co.

160 Montgomery St., San Francisco
Tel. 3811 East

Firm Trading Markets:
California & New York Real Estate Issues

— J. S. Strauss & Co.

160 Montgomery St., San Francisco
Tel. 3811 East

AUSTRIAN BLOCKED ACCOUNTS DE-FROSTED

WASHINGTON, Jan.15 (special to the "Chronicle") — Secretary of Commerce Allan K.eller has released a report on the status of Austrian blocked accounts. Austria has been added to the list of countries whose blocked accounts have been released. The certification procedure of the General License No. 63 has been dropped. The action was taken after an exchange of letters between the Austrian Minister of Finance, Zimmermann and Secretary Snyder. The Austrian government is in agreement with the defrosting of the countries that have been frozen. Copies of the letter are available at the Federal Reserve Bank of New York.

The Austrian Government has designated the Austrian National Bank as its certifying agent.

OFFERINGS WANTED

Broadway-Trinity Pl. 41/2, 1963 W3
350 Broad. Bldg. 4th & 5th. 1963 W3
25 East 42nd St. 5th & 6th. 1963 W3
240 West 38th St. 5th & 6th. 1963 W3
250 West 38th St. 5th & 6th. 1963 W3
150 W. 3rd St. 5th & 6th. 1963 W3
150 Washington St. 5th & 6th. 1963 W3
125 Broad., 1963 W3
115 Broad. Bldg. 5th & 6th. 1963 W3
100 Broad. Bldg. 4th & 5th. 1963 W3
100 North La Salle St. Bldg. Transportation Bldg. (Cgo.) Land Trust Units 100 North La Salle St. Bldg. Transportation Bldg. (Cgo.) Land Trust Units

AMOTT & BAKER CO. Incorporated
150 Broadway
Tel. Raritvsky 4-8890
New York 7, N.Y.

HELP WANTED

FOR HELP WANTED • POSITIONS WANTED • OTHER CLASSIFIED ADS

SEE INSIDE BACK COVER
Cincinnati Stock and Bond Club Election Party


Southern Railroad Securities

Southern Railroad securities have been giving a good account of themselves recently in a general market which has wavered between uncertainty and actual weakness. The market has responded more than 36% from the lows established a few months ago, and has reached a position of great promise. Prices of some of the issues are well above the 1957 levels. The 1958 earnings were estimated at approximately $6.00 a share, which is about $1.00 over the 1957 level. The market has advanced strongly in the past few months, and the 1958 earnings are expected to exceed the 1957 level by about 30%.

Many analysts see in this performance an indication of the possible stability of the railroad industry and of the prospects for continued growth in the future.

Arden Farms
Common & Preferred
Consolidated
Dearborn Corp.

Southern
Atlantic Telegraph
Universal Match

ERNST&CO.
MEMBER
New York Stock Exchange and Underwriting Association of Credit Men and Co.
120 Broadway, New York 5, N.Y.
251 So. Laflin St., Chicago 4, Ill.

Armstrong Rubber Co.
American Optical Co.
Talon, Inc.

Missouri Pacific R.R.

3 1/4
H. H. Robertson Co.

VAN TUYL & ABBE
52 WALL STREET
NEW YORK 5

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NY 1-1499

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First National Bank of Louis Line Property of Strategic Nature
Priced to yield better than 4½% Analyzed on Report

B.V. Kopit & Co.

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28 Broadway New York 4, N. Y.
Telephone Rialto 4-4050


Salmon Bros & Hutzel
Offer for Swift Debentures

Salomon, Bros. & Hutzel, Inc., has offered to purchase at par $1,500,000 of debentures of Swift & Co., the nation's largest meat processing concern. The offer is the first major financing of the type to be made to a 25-year 6% debentures, due May 1, 1966, at par. The offer price is $1,500,000.

New York Security Dealers Association Elects Unterberg President
21st Annual Dinner Scheduled for March 7th

Clarence E. Unterberg, President of Unterberg and Co., was elected President of the New York Security Dealers Association; Philip L. Carret of Carret, Gannons & Co., was made Vice-President; George Geyer of Geyer & Co., was elected Vice-President; John J. O'Keane, Jr., of John J. O'Keane, Jr., & Co., was made Secretary; and Harry R. Amott of Baker & Co., Inc., was made Treasurer.

Craigmyle, Pinney to Admit Craigmyle, Pinney & Co., of 1 Wall Street, N. Y. C, members of the New York Stock Exchange, will admit Walter Pinney and Son to partnership as of Jan. 23.

Varga Esky-Pads

B. S. Lichtenstein & Co., 29 Wall Street, New York City, is distributing a new line of Esky-Pads with the Ensign Varga-girl on the cover. The pads may be on request.

Offerings wanted in all OLD ISSUES of the
SEABOARD 'FRISCO
DENVER

l. h. roothchild & co.
Member of National Association of Securities Dealers Inc.
32 wall st. n.y. 6 n.y.


The following men were elected governors for three-year terms: Oliver J. Trouder of Trouder, Currie & Simmons; Herbert D. Knox of D. H. & Co.; Joseph B. Morris of David Marcus & Co., and Lee D. Sherman of L. D. Sherman & Co.

The first annual election of the New York Security Dealers Association is scheduled to take place on March 7 in the Grand Ballroom of the Waldorf-Astoria, according to George Geyer, of Geyer & Co., Inc., President of the New York Security Dealers Association. Chester E. deWilloe, of C. E. deWilloe & Co., is in charge of the sale of the seats. On account of membership in the affair out-of-town as well as local dealers, Wellington Hunter, of Hunter & Co., has been appointed to handle hotel reservations for guests from other cities.

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Economic Progress in Germany

By Brigadier General William H. Draper, Jr.*
Director, Economic Division
Office of Military Government For Germany (U. S. Zone)

General Draper expects early unification of all four zones, ending present division of effort, by which it is estimated the United States could be saving $130 million annually to U. S. occupation costs. Cites intention of returning German foreign trade to normal commercial and banking channels.

Last year the economic merger of the American and British Zones of Germany became effective in the most constructive development since the occupation began. The operation of the new Federal German Bank, with its $6,000,000,000 capital, is the most notable. It is a more complete solution to the economic problem than the existing Institutions of the United States Zones. It has performed a tremendous amount of work in controlling inflation and stabilizing the currency. It is now badly needed in the American Zone. Without the steel, coal, basic chemicals and semi-finished products necessary for the export program in the American Zone, the American taxpayer would be faced indecipherably with paying for food imports or letting the Germans starve.

At present, exports from the Combined Zones are about $100,000,000 annually. The major part of these exports is Ruhr coal. The greater exports in the future will also come from the American Zone, in which we now have an equal share. If the combined exports goals are realized, the 1947 deficits should be cut in half in 1948, and eliminated in 1949. So far, these figures are only plans and objectives to be realized. A tremendous effort will be required by the Germans themselves and by American and British Military Government in Germany. Three years of very hard work will be needed to get the Germans started on the right road. The United States is willing to do its part. In the meantime, of course, American aid will be necessary for a while longer.

The British Zone has a third greater population and less per capita food production. This means greater food imports for that zone. It also means that half of the combined food import requirements will increase its deficit liability by approximately $130,000,000 the first year. However, we will also share the greater export assets of the Ruhr—partially, Ruhr coal—with which the American Zone could not operate efficiently.

The immediate money needs for Germany are primarily for costs incurred for Displaced Persons. They were not covered in the regular appropriation, as it had been expected that the DP camps would be largely eliminated last year. German-grown food and food imported for German civilians has been used to feed the displaced persons and a large part of the food money requested for displaced persons will, therefore, be used to repay the German economy, and to maintain the present ration level. Gasoline and petroleum products are extremely short in Germany and the disease and unrest appropriations for this purpose have been nearly exhausted. It is hoped that Congress will recognize the vital need for the moderate food and gasoline appropriations requested and necessary to maintain the present minimum level of the German economy.

Foreign Trade Will Be Balanced

The merger looks forward to balancing the foreign trade of the combined zones within three years. Our initial contribution will be higher in order to sooner eliminate the need for American help. It is estimated that the British Zone will supply raw materials and semi-finished goods of some $200,000,000 a year that are absolutely vital to production in the American Zone. Without the steel, coal, basic chemicals and semi-finished products necessary for the export program in the American Zone, the American taxpayer would be faced indecipherably with paying for food imports or letting the Germans starve.

As subscriptions have been received in excess of the amount of the issue, this advertisement appears as a matter of record only.

NEW ISSUE

$50,000,000
Swift & Company
Debentures
consisting of:

$35,000,000 Twenty-five Year 2%/ Debentures
To be dated January 1, 1947
To be due January 1, 1972
Price 100½½ and accrued interest

$15,000,000 Serial Debentures
To be dated January 1, 1947
To be due $1,500,000 each January 1 from 1948 to 1957, inclusive

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Price 100% and accrued interest for all maturities

Selling Agents
("Underwriters" as defined in Securities Act of 1933)

Salomon Bros. & Hutzler
Members New York Stock Exchange
Sixty Wall Street
New York 5, N. Y.

Private Wire to
Boston
Philadelphia
New Haven
Chicago
Hartford

January 15, 1947

Mutual Funds

By JOHN DEAN

A Magnificent Study Has Come Out of the West

Trends in American Progress presented by the Investors Syndicate of Minneapolis was prepared to reveal economics in the United States. This has been done by a series of tables. Information useful to all concerned with finance has been collected and reprinted in one volume. The period covered coincides with the development of the Investors Syndicate.

Between 1894 and 1914 the whole system enjoyed almost universal tranquility. Then came rapid communications and the cashless world. This was followed by two costly wars, and the introduction of atomic force, which in turn have made the world more uncertain and more at war. If any industry whose workers can effectively halt the war must be of high order promises to profit. But the hand of the Brotherton Co. will be safe.

Most Types of Investments Are Above the 1937 Level

"Items," issued by the Brook Street Brotherton Company, covering the Broom Street Brotherton Corporation and National Investors Corporation, brings interesting information on the past seven years, and the cost of a six-room house in St. Louis, Commodity Prices (USBL) Preferred stocks (Standard & Poor's) are all above the 1937 price level. Only the Dow-Jones industrial stock prices are lower than the 1937 quotations.

Basic economic factors as disclosed by looking at the amounts of government debt, currency in circulation, demand deposits in Federal Reserve member banks, wholesales commodity prices, index of industrial production, income, production of consumer goods, etc., give the impression that common stocks are still in demand.

One manner by which to dispel uncertainty is to call the buyers attention to the fact that all companies are not in an advantageous field of endeavor, and that the period to buy at the correct time is the most important factor for successful investing. The buyer who can own the shares and growing companies will find the need for timing lessened, compared with others chosen by the National Investors Group.

What We Must Do To Be Truly Prosperous

The year 1937 brings hopes of prosperity says the New York "Ladies" socialite, Mrs. Hugh W. Long. "There were fewer strikes during December than at any time since the end of World War II. We are again learning how to be successful, and that is by producing more and better goods for consumers and dividends for investors.

Strikes and shortages have retarded production, but now there is little likelihood of another war or strikes. Government controls over building materials and supplies are more easily secured, and, moreover, there will put the rails in a more favorable position. If Congress can work on a long-term basis, difficulties higher stock prices may be anticipated.

Portfolio holdings of several years ago are not the same. They are made for reading for they are selected with wisdom and care. Industry preference is given to mobile, building, machinery, oil, railroad, equipment steel.

Business is a Process of Gains and Losses

The Distributors Group sponsor of Group Securities prepared a study of the stock market. Aviation shares are subject to frequent fluctuation, such a period was 1946. Now these shares are selling at about 40% of their highs, but some have not yet regained this value. The Fund expressed an opinion through its bulletin that the diversified managed investment in aviation shares will prove profitable.

The conclusion is that there will be a rapid expansion of industrial growth which will affect the boatbuilding industry and other industries. Some companies have been more than rapid in the growth of these leaders and leadership in the industry is constantly shifting. For this reason companies are diversified, thereby assuring the investor a portion of their growth whose future prospects will be bright.

It is estimated that gross revenues of air transport companies should double, with companies reaching seven to eight times their prewar figure.

In Aviation Shares one finds a diversified list covering all branches of aviation.

The First Mutual Trust of the National Securities Group and trusted and distributed to them of about 100. Among the initiators were Althorp, Tissue & Santa Fe Ry., $5 Non-Cum. Pfds Chicago, Commonwealth, Cum. Pref; Gillette Safety Razor Co. (10), Investment Trusts have been obtained.

Hess, Blizard & Co.

PHILADELPHIA, PA.-Formation of Hess, Blizard & Co., incorporated, with offices at 123 S. Broad Street, Phila. delphia, has been announced by A. L. Hess, formerly a partner of E. B. B. Co., and by the partners of H. B. Blizard & Co.

The firm has membership on the Philadelphia Stock Exchange and will conduct a com- pany.

Herbert H. Blizard, A. L. Hess, and H. B. Blizard, have been added to the firm.

Woodward V. P. of Barret, Fitch & Co.

KANSAS CITY, MO.-Announcement has been made of the election of Richard L. Woodward with Barret, Fitch & Co., as Assistant Vice-President in Charge of Sales. Mr. Woodward became associated with Barret, Fitch & Co. in St. Louis in 1916. From there Mr. Woodward served with the American Red Cross in Europe. He returned, associated with Barret, Fitch & Co. in 1919 and several years later opened a branch office in Kansas City, which later became the Barret Company. He is a member of the Board of Directors of the Kansas City Loan and Trust Co., and has maintained his capacity until the present time.

Wm. G. Roney & Co. to Admit New Partners

DETROIT, Mich.—Wm. C. Roney & Co., Buhi Building, members of the Detroit Stock Exchanges, will admit Mr. C. H. Reineck and Mr. T. Olson to general partnership and Edward S. John to limited partnership on Jan. 25. As of the same date, W. A. P. John will retire from the firm.

Mr. Hurdley and Mr. Olson have been with the firm for some time. In the past, Mr. Olson conducted his own investment business in Detroit.

L. B. deAvidiger Proprietor of Avidiger Co.

The Avidiger Co., Inc., the proprietor of Avidiger Co., 63 Wall Street, New York City.
Dire Economic Predictions Should Be Ignored, Says Winkler

In urging optimism, economist emphasizes worldwide goods and services, improved monetary situation, and investment in foreign trade.

CHICAGO, Jan. 15—"Americans are justified in viewing the economy with considerable optimism. In the short run, even ignoring the predictions by pessimists, economic conditions would be excellent. Economic growth would be strong, and the foreign trade deficit would be reduced, and in the long run we would be economically better off than before the 1929 depression. We have a serious economic problem, but it is not a financial setback," Dr. Max Winkler, Professor of Economics at the University of Chicago, and partner in the Bernard, Winkler & Co., said before the Business and Securities Dealers Association here today.

Dr. Winkler cited the following factors which would account for the increase in the demand for goods and services estimated by the public in appraising the domestic and international economies:

1. The vast damage resulting from the war has not been fully digested, and there has been an unprecedentedly marked demand for goods and services, including new buildings and construction, to repair the destruction and to supply the major portion of the former demands of the world's markets.

2. Funds available as well as obligations of international financial institutions (such as the International Bank of Reconstruction and Development, International Monetary Fund, and other related bodies) are much increased, and much of this money will be vigorously sought to be invested in the bonds of debt and taxation.

3. The anonymous approval by the Federal Reserve Board of the historic resolution calling for the encouragement of the atomic bomb and production of essential materials is highly constructive and indicates that the manufacture of atomic energy will be vigorously pursued in a variety of ways, including the use of the atomic bomb, and the production of essential materials will be vigorously pursued.

4. The desire of both management and labor to settle disputes without resorting to strikes and to maintain a high level of production will be further increased as a result of the minimum of governmental interference, which should be continued.

Improving East-West Relations

5. Elimination of much of the friction between the United States and Western bloc, and the so-called "economic embargo" on Western bloc, well for the signing of the peace treaty for the defeated Axis states and for the conclusion of a just and satisfactory peace settlement, and for the conclusion of a just and satisfactory peace settlement.

6. Resolution of negotiations for reciprocal trade arrangements, and the reduction of tariffs to a minimum, which would be a result of the conclusion of a just and satisfactory peace settlement.

7. Resolution of negotiations for the establishment of a new international organization, which would be a result of the conclusion of a just and satisfactory peace settlement.

8. The expectation that the International Bank will commence operations on a large scale, and that it will be equipped with much capital, so that it will be able to extend credit to foreign countries.

9. The expected successful functioning of the International Monetary Fund will offer a real economic and monetary solution to the problem of international monetary cooperation, thus eliminating conflicts and tensions.

10. Abandonment of the old policies of isolation and nationalism and the development of the world as a whole.

11. "The future is still complex and grave, and great progress may lie ahead," Dr. Winkler said, "but the future is still complex and grave, and great progress may lie ahead."

Knickerbocker Shares Open L. A. Branch; New V.-Ps. Join

Knickerbocker Shares Inc. has opened a branch office at 400 W. Sixth St., Los Angeles, in addition to offices in New York City, Chicago, and San Francisco, reported Walter F. Petti, District Manager.

The branch office will be staffed by J. M. Morris, formerly of the National Bank of Commerce, and will be managed by J. M. Morris.

With Harris, Upham & Co.

Richard Boonisar, formerly of American Securities Co., has joined Harris, Upham & Co., to represent Harris, Upham & Co. in Los Angeles. Mr. Boonisar has also been appointed a Vice-President of the firm.

Robt. Goodwin With Nat'l City Bank of N. Y.

Robert M. Goodwin, formerly associated with Innes & Company and various other investment firms, has joined the staff of the National City Bank of New York.

Join Staff of Mitchell Hutchins Co. in OGO


The addition of Robert M. Goodwin to the staff of the National City Bank of New York is announced by Mr. Goodwin.

Our National Debt After Great War—Committee on Public Debt Policy, 26 Liberty Street, New York City, paper — 25e (lower in quantity)

Business Man's Bookshelf

Edward Otto Is With B. C. Christopher Co.

The New York Herald Tribune, January 15, 1925—"Edward O. Otto has been appointed by the B. C. Christopher Co. as a manager in charge of the company's New York office.

N. Y. Hanseatic Corp. Adds Three to Staff

The New York Herald Tribune, January 15, 1925—"The N. Y. Hanseatic Corp. has added three new members to its staff, Messrs. John H. Brown, R. M. Clear, and A. H. Johnson.

Richard Boonisar Opens Own Inv. Business


Williamson Pell Now Chairman of Board and Benjamin Strong President U. S. Trust Co.

The Commercial & Financial Chronicle, January 15, 1925—"The United States Trust Company of New York has announced the appointment of Mr. William J. Williamson as chairman of the board, and the election of Mr. Benjamin Strong as president of the company.

Jack Toppell Opens Own Investment Firm

The Commercial & Financial Chronicle, January 15, 1925—"Jack Toppell has opened his own investment firm, "Toppell & Co.," at 40 Exchange Place, New York City.

Registration Revoked

The Commercial & Financial Chronicle, January 15, 1925—"The registration of broker and dealer of Charles Faxon, d/o. W. F. Faxon, of the Security Exchange Company, has been revoked by the Securities and Exchange Commission for failure to file financial statements for the years 1943 to 1945 inclusive.

Dunai & Co. in Clifton

The Commercial & Financial Chronicle, January 15, 1925—"Dunai & Co. has opened a new office in Clifton, New Jersey, at 515 Main Street.

Canadian Admiral Corporation, Ltd.

133,000 Shares

Common Stock

($1.00 Par Value)

Price $3.00 per share

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

Dempsey & Company

Ams, Emerich & Co., Inc., Boyle, O'Connor & Co., Inc.

Hirsch & Co.

First Securities Company of Chicago

White & Company

McAlister, Smith & Fane, Inc.

Irving J. Rice & Company

Sidlo, Simons, Roberts & Co.

January 14, 1947
Urges Careful Approach To Freeing World Trade

The restoration of freer world trade is often referred to as "liberalization," "freedom," or "development," and frequently as a "natural" policy. The fact is, it is a nuisance. The problem is to determine the timing of wartime financial controls and the removal of the registration privilege and the revaulation of the dollar would solve the problem. This is not a problem of the case. The former step in fact has removed a substantial barrier from the market for free Canadian funds. Trading in Canadian Internal bonds has been a consequence, and been almost entirely divorced from the free rate which he weakened accordingly.

Thus it would appear that Canadian interests would have been better served at the time of the revaluation of the dollar by the simultaneous lifting of the restrictions affecting security and currency transactions. As it is, the money market is not as active as has been the case;

James Muir, General Manager of the Ontario

Earl Parrish Pres. of S. F. Stock Exchange

S ANFANCISCO, CALIF.--The San Francisco Stock Exchange announced that at the annual meeting, Mr. Parrish & Co. was re-elected as Chairman of the Board.

Dean Witter to Admit McCormick As Partner

Dean Witter & Co., 14 Wall Street, New York City, is to admit Robert McCormick, editor of the Chicago Tribune, as a partner in the firm.

With Carl K. Ross & Co.

W. G. Langley & Co., 119 Broadway, New York, City, members of the New York Stock Exchange, will admit Lincoln C. Ogden to partnership, the successor of the statistician of the firm.

C H N D N A B N D S

GOVERNMENT PROVINCIAL MUNICIPAL CORPORATION

CANADIAN STOCKS INCORPORATED

TWO WALL STREET NEW YORK 5, N. Y.

W. G. Langley & Co.

To Admit L. G. Ogden

Frank T. McCormick, manager of the trading department of the New York Story, will admit Robert McCormick, editor of the Chicago Tribune, as a partner in the firm.

Canadian Dollar Obligations of the Dominion of Canada

Markets, in terms of United States funds, furnished on request.

Wood, Gundy & Co.

Incorporated 14 Wall Street, New York 5

TAYLOR, DEALE & COMPANY

64 Wall Street, New York 5

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The Great Depression and the World Economy

The Great Depression has been one of the most devastating events in world history. It began in the United States in 1929 and quickly spread across the globe, leading to a significant downturn in economic activity and widespread unemployment. The causes of the Great Depression are still debated, but some factors include overproduction of goods, speculation in the stock market, and the collapse of the banking system.

The worldwide economy was hit hard by the Depression, leading to political instability and social unrest. Many countries implemented protectionist policies, which further exacerbated the global economic situation. The Great Depression ended with the start of World War II, which provided a much-needed boost to the economies of participating nations.

International Cooperation

The Great Depression highlighted the need for international cooperation to address economic challenges. As a result, the Bretton Woods Agreement was signed in 1944, establishing the International Monetary Fund (IMF) and the World Bank. These institutions were created to promote international trade and economic stability.

The United Nations

With the end of World War II, the United Nations was established to promote international cooperation and prevent future conflicts. The UN has been instrumental in addressing issues such as human rights, international law, and peacekeeping.

The Cold War

The Cold War was a major factor in the world economy from the 1940s to the 1980s. The rivalry between the United States and the Soviet Union led to significant military expenditures and economic competition. The Cold War also contributed to the development of international trade and the spread of capitalism.

Economic Integration

The 1960s and 1970s saw a period of economic integration, with the formation of organizations such as the European Union and the North American Free Trade Agreement. These agreements helped to increase trade and investment between member countries.

The 1980s and Beyond

The 1980s were characterized by high inflation and high interest rates, leading to the end of the Bretton Woods system. The 1990s and 2000s saw a period of economic growth and globalization, with the rise of China and India as economic powers.

Global Challenges

The world economy faces many challenges today, including climate change, rapid technological change, and geopolitical tensions. It is crucial for nations to work together to address these challenges and promote a stable and prosperous global economy.

This advertisement is not, and is under no circumstances to be construed as, an offering of those securities for sale, or as a solicitation of an offer to buy, any of such securities. The offering is made only by the Offering Circular relating to such securities.

37,500 Shares

Stern & Stern Textiles, Inc.

Common Stock

(Part Value $1 per Share)

Price $8 Per Share

C. E. Unterberg & Co.

61 Broadway

New York, N.Y. 6, N.Y.

January 26, 1987
Our Reporter on Governments

By JOHN T. CHIPPENDALE, JR.

Although the usual January investment demand along with the regular month-end and semiannual rollover benefits had an apparent effect on government securities, a cautious attitude has developed toward the market. The various market institutions are hedging their bets.

The longer eligibles, which have had the largest advances recently, gave the most ground, although the intermediates, as well as the short-term, showed further erosion. Institutional-type accounts have also been liquidating long and short-term eligibles. Demand for non-member banks seeking investment are still substantial, which means that cations will not doubt be taken of price weakness to acquire selected issues.

WELL BOUGHT

The longer maturities of the eligible taxable 2s were well bought at 94.625 on Thursday, Dec. 29, 1956/72. The shift in holdings by the commercial banks continues, as the smaller out-of-town institutions sell the short-to-ten-year maturities which will add them to their holdings. This pattern of moving into the more distant maturities of government securities, by the smaller deposit banks, is not quite as bad as it may sound.

The bulk of the purchases are being made in the 2s, 4½s, or 4¼s due 1956/58, which means less than a six-year maturity. The 2½s of 1954/59, which has been one of the favored issues, along with 3½s of 1956/58, still keeps the maturity range under 10 years.

Even the longest eligible taxable issue, or the last maturities of the 1952/54 4½s, have felt the result in the acquisition of securities that mature in more than 21 years.

SUPPLY LIMITED

The supply of long-term bonds available to the smaller commercial banks, which are more largely savings institutions, is limited. Commercial banks have responsibilities to their depositors, and they have again going into high-grade corporate obligations, with maturities as far out as 1965, in order to get income to meet rising expenses.

 Treasury bills have been an important source of additional funds. This is the era, when the banks moved into the long-term corporate bond market, prices went ahead, to be sure, but the decline that followed was very sharp, because of the unprotected nature of long-term corporate obligations ended up with rather sizable decreases from cost prices.

TRUMAN AND INTEREST RATES

The recent interest rate changes estimated the caused expected reactions, and despite reports of impending cuts in expenditures, there will still be the interest cost sought after. Demand prices will continue to be heavy, even after further debt retirement in the coming year that may amount to $2,000,000,000 and $4,000,000,000, which will add them to their holdings. Inflation and the resultant low interest rates and unduly fluctuations in the bond market were the cause of this trend.

This would seem to indicate that the 7½% long-term rate can and will be maintained, with the monetary authorities ready to intervene to keep the government bond market from going too far in either direction.

For interest rates to be expected irrespective of the political party in power, the fluctuations in rates within the limits of low interest rates will depend upon business conditions, commodities, and the return on the sale and supply of business credit and the risk involved in these loans.

BANK PORTFOLIOS

The investment security holdings of the commercial banks as a whole declined sharply in 1948, because of the debt redemption program of the Treasury, positions in government bonds, of the receipt of Federal credit and increased deposits.

The largest increase was in the Chicago district, which showed holdings of government bonds up by $580,000,000 compared with the year before. The Cleveland area was next with bond positions 10% larger at the close of 1946, than that of 1945. . . . Minor Increases were reported for the Boston and Richmond districts. The largest decline took place in the New York district followed by Philadelphia, San Francisco, St.

ISSUE IN DEMAND

Purchases of government bonds by the commercial banks, for the period ended Sept. 30, showed that the newly eligible 2½% due 1956/58 were liquid. This security became eligible for purchase by the deposit institutions on Sept. 15, and on the 19th this particular bond was bought by the commercial banks between the first day of its eligibility and the end of the month.

The large purchase of 2½s due 1956/58 was made by the country banks, which added more than $125,000,000 to their portfolios, Reserve banks purchased $55,000,000, and non-member banks bought the Chicago banks and Chicago banks following in that order.

The principal seller was other investors, including dealers, follow- ing sales to the Federal Reserve banks, government securities agencies and Federal . . . Purchases of this bond between Sept. 15 and 18 were much larger at the close of 1946, than that of 1945. . . . Minor Increases were reported for the Richmond and St.

SECOND BEST

The country bank popular bond with the institution was the 2½% due Dec. 15, 1955/54, which showed the largest acquisitions this time being made by the New York City member banks. . . .

By GEORGE A. Adcock

THE COMMERICAL & FINANCIAL CHRONICLE

Thursday, January 16, 1947

THE ECONOMIC PROGRESS

(Continued from page 288)

... making restrictions less, the supply of almost steady trade weather which has naturally affected the price of commodities, and to the trade, some, have been beneficial, and a serious drop in industrial production. Little wood could be cut; the housing and the trade, and a deep-seated change in the trade situation, has been prevented.

The American people have developed a new and more practical trade, from the country in December, improved considerably and present prospects are quite encouraging. The American people should be able to make the American Zone efficiencies and with the world. By July of this year, it is hoped that the present 1950 level in both the American and German foreign exchange, it can be raised to 1800 calories for the nor- mals of the first time, would reasonably meet needs in domestic consumption, and prevent the slow physical deterioration of the past.

The American people, are gradually being made to the European, and in the future, are close to the other two partitions, and the present partition of Ger-

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An Affirmative Program

(Continued from first page)

The Great Power of the President

The House of Representatives has just passed H.R. 57, the Senate a Republican majority of 8. The responsibility for a decision that is as momentous as this falls primarily on Congress, at least temporarily, on the President, on the President alone, on the President, who is in the thick of the legislative process. Nor should his other powers be dis- regarded. Whether in the national power to execute the laws, where he has the only right of choice in determining how any legislation is to be given effect, or in the executive branch, where he works out. We cannot tell him in detail how any domestic program shall be administered.

In the field of foreign policy he is very much the same. Constitutional powers and the wide delegation of power given to him by the Constitution make it impossible to arrange a legislative set-up in the United States in which the President is not, in the event of a major decision on the part of the country, the manager of that decision.

President's Message Welcomed

I believe that all Republicans were gratified by the reception of the President's message on the State of the Union. The fact that he desires to work with Congress in the interest of the public welfare, and to encourage a bipartisan public majoritiveness in constructive statesmanship, is good news to the Republican faithful. It is one of the mainstays that constitute the party creed. I believe that my colleagues have the same belief in the president's message as I do.

A Labor Program

The second program relates to labor, which is so vital to the welfare of workers and the economic recovery of the country brought about by the war and to the power by labor unions almost as great as the power of any political party. The President declared its belief that the policy of employer-employee relations and the administration of collective bargaining be based on the principle of the Wagner Act. The Chamber of Commerce has, of course, expressed its approval of the President's action. The Republican Party has frequently declared that the employees of any employer should have the right to act or not to act, and that the employer should not interfere with their right to act. The President has passed a number of bills, notably the National Labor Relations Act, the \( N \), and the \( G \). This is not the place to discuss the merits of the law or the ways it has been applied. Congress has, however, passed a number of administrative rulings, all favorably by Congress and the Courts and调节 their interpretation. It is estimated that the law has carried the law far beyond the intentions of the law-makers. In fact, it has thrown the balance of power far to the labor side. In the past, when labor leaders have been in power, the law has been used to exclusive and arbitrary purposes to the disadvantage of the public interest. Workers have been forced to act or not to act, to lose their jobs. In my opinion, we should not have a government that can set any standard and then let labor courts and compulsory arbitration determine the existence of such standards.

The main issue of the election was the restoration of freedom, both to businesses and to labor, the elimination or restric-

The President should not interfere with their right to act. The President has passed a number of bills, notably the National Labor Relations Act, the \( N \), and the \( G \). This is not the place to discuss the merits of the law or the ways it has been applied. Congress has, however, passed a number of administrative rulings, all favorably by Congress and the Courts and调节 their interpretation. It is estimated that the law has carried the law far beyond the intentions of the law-makers. In fact, it has thrown the balance of power far to the labor side. In the past, when labor leaders have been in power, the law has been used to exclusive and arbitrary purposes to the disadvantage of the public interest. Workers have been forced to act or not to act, to lose their jobs. In my opinion, we should not have a government that can set any standard and then let labor courts and compulsory arbitration determine the existence of such standards.

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An Affirmative Program

(Continued from page 288) create a solution, however, so that others will leave their money idle in a financial panic. The whole incentive to work hard is destroyed.

Furthermore, when taxes are no burden, one government effort to reduce them by increasing wages and salaries throughout the entire economy created increased costs and therefore increased taxes. If these taxes are paid through the easy way to pay, but at a higher rate of interest, the method by which an excessive pressure is likely to be encountered.

In my opinion, it is essential that this method be reduced, if the budget can possibly be reduced, and if the costs are reduced; if the tax revenue is reduced, it should be possible to reduce the burden of personal income tax. Corporation tax, and excise taxes which took a year earlier. Of course tax reduction must be assumed on the reduction of expenses and a balanced budget.

Major Depressions Must Be Avoided

The Republican Party recognizes that the problem of major depressions has been solved. We have been better for a long time, and as a result the government has been able to reduce the federal budget. This is a result of our economic policy, which is based on the belief that the economy must be stable and predictable.

The President’s Economic Report

We have now received the economic report of the President, and the Economic Report of the President’s Budget Committee on the Economic Report of the President. This report is interesting and valuable, and it is essential that all economic matters in detail be reviewed.

We recognize that there must be an immediate and urgent effort to stabilize the financial and economic situation. It is necessary to stabilize the financial and economic situation, and to stabilize the political situation. It is necessary to stabilize the political situation, and to stabilize the political situation.

We recognize that the economy must be stable and predictable, and that the economy must be stable and predictable. It is necessary to stabilize the financial and economic situation, and to stabilize the political situation.

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**Today's Economic Factors Facing Management**

(Continued from first page) The advantage of the opportunities of dynamic economy is already clear, which we can see only vaguely at this point. The paper is to outline the results of some studies which we have made at the Federal Reserve Bank of St. Louis. We have studied the various trends in the manufacturing sectors of the economy and have analyzed the pattern of changes in manufacturing employment and in capital goods production. The findings are presented in several phases: first, a period of declining employment; second, a period of increasing employment; and third, a period of stable employment.

**Phase I—Effect of New Technology**

The new technology is the chief factor in the current economic situation. The development of new technologies has led to a major shift in the pattern of production and consumption. The new technologies have made it possible to produce more and better goods with fewer resources. This has led to a decrease in the price of many goods and to an increase in the standard of living. The new technologies have also led to a decrease in the cost of production, which has led to a decrease in the cost of living. The new technologies have also led to a decrease in the cost of transportation, which has led to a decrease in the cost of goods.

**Phase II—Effect of Changes in Demand**

The changes in demand are the second factor in the current economic situation. The changes in demand have led to a decrease in the price of many goods and to an increase in the standard of living. The changes in demand have also led to a decrease in the cost of production, which has led to a decrease in the cost of living. The changes in demand have also led to a decrease in the cost of transportation, which has led to a decrease in the cost of goods.

**Phase III—Effect of Changes in Policy**

The changes in policy are the third factor in the current economic situation. The changes in policy have led to a decrease in the price of many goods and to an increase in the standard of living. The changes in policy have also led to a decrease in the cost of production, which has led to a decrease in the cost of living. The changes in policy have also led to a decrease in the cost of transportation, which has led to a decrease in the cost of goods.

The new technologies, changes in demand, and changes in policy have all contributed to the current economic situation. The new technologies have led to a decrease in the price of many goods and to an increase in the standard of living. The changes in demand have also led to a decrease in the cost of production, which has led to a decrease in the cost of living. The changes in policy have also led to a decrease in the cost of transportation, which has led to a decrease in the cost of goods.

**The Technological Revolution**

This may well be an historically propitious moment in the Nation's economic development, for we are in the midst of a great technological revolution. During the last two decades, the rate of technological change has been accelerating at an unprecedented pace. This revolution is characterized by the rapid development of new technologies, the widespread adoption of these technologies, and the resulting changes in the structure of the economy.

The new technologies are making it possible to produce more and better goods with fewer resources. This is leading to a decrease in the price of many goods and to an increase in the standard of living. The new technologies are also leading to a decrease in the cost of production, which is leading to a decrease in the cost of living. The new technologies are also leading to a decrease in the cost of transportation, which is leading to a decrease in the cost of goods.

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This is a partial list of the new technologies, changes in demand, and changes in policy which are making it possible to produce more and better goods with fewer resources. It is likely that we have not yet seen the end of these changes.
The Commercial & Financial Chronicle

Today's Economic Factors Facing Management

(Continued from page 291) The present strong program of expanding old industries by reducing costs and introducing new methods will provide a basis for keeping our output at a high level a good deal longer than after the temporary postwar demands have been forgotten.

Technology Capable of Removing the Threat of Under-Investment

We have in the present phase of American industrial development the ultimate answer to those who worry about the future. A number of facts of technology make aablishment of a more prosperous economy seem assured. One of these is the realization that the economic frontier we have been pushing westward is not only expanding, but that we can go farther per dollar's expenditure than we have in the past.

The development of the automobile and television industry have been two examples of the progress we can expect from the introduction of new inventions. The cost of automobile production has been reduced to such an extent that the price of a car in 1929 was $1,000 and in 1940 it was $400, while the selling price of a television set has been halved in the past five years. These developments have not only reduced the cost of these products but have also increased their use.

The cost of an average family car is now about $500, and the average family uses about 10,000 miles of it each year. This means that the cost of using a car is about 50 cents per mile, or about 5 cents per 1,000 miles. The cost of a television set is about $250, and the average family uses about 5,000 hours of it each year. This means that the cost of using a television set is about 5 cents per hour, or about 5 cents per 1,000 hours. These developments have not only reduced the cost of these products but have also increased their use.

Technology Capable of Removing the Threat of Under-Investment

One of the main advantages of television is that it can provide a new and more elastic demand for new products. The growth of television has been so rapid that it is now estimated that there are about 15,000,000 television sets in use in the United States. This is equal to about one television set per family. The cost of producing a television set has been reduced to such an extent that it is now possible to produce a television set for about $100, or about 7 cents per 1,000 sets. This means that the cost of producing a television set is now about 7 cents per set, or about 7 cents per 1,000 sets. These developments have not only reduced the cost of these products but have also increased their use.

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Will Sterling Be Made Convertible?

(Continued from page 271)

cede a large amount of dollars in part settlement of the amount due. The currency question, that of convertibility, which at present is $400,000,000 any too favorable. But it is only fair to the applicant that the process is politically difficult for the Gov-
damental reduction of the British debt. And the small creditor nation will take their lead from the two largest creditors. So far the only creditor country with which Brit-
ian has come to terms has been the Argentine, and even that agreement is largely provisional. It cannot be taken as a final solution.

It is necessary to envisage the probability of the new agreements being reached by July. If the absence of convertibility is due to the refusal of the creditors to make reasonable concessions then perhaps there will have to be a further meeting of the Wash-
 Agreement. The question is, will they then agree that the sterling balances could be freed altogether, or will it be the case that the efforts of the creditors to convert the sterling balances. So far it has been the case that the sterling balances would remain in pesos. The countries which have large frozen sterling balances will be the first to demand the right to convert into hard currency the proceeds of the exp-

1. Production schedules should be reviewed regularly, thor-
ough and skeptical analysis of present market conditions. Speculation and to prevent infla-
tionary trends, particularly in the context of a possible narrowing of the road to err in first one direction and then in another. Policies that have been too poorly timed, and it is likely to be too little or too much. Government policy, therefore, is a major factor in determining instability for one thing, the high level of Government expenditure. This is because, in general, fluctuations in receipts and expendi-
tures will tend to have a magnifying effect on instability, especially as a whole.

Business Policy

This picture of the general situation is an important one, for if you are to make a prudent suggestion, I think, that business should move more quickly than the control laws in order to avoid a new round of instability and in order to take full advantage of the current momentum.

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ough and skeptical analysis of present market conditions. Speculation and to prevent infla-
tionary trends, particularly in the context of a possible narrowing of the road to err in first one direction and then in another. Policies that have been too poorly timed, and it is likely to be too little or too much. Government policy, therefore, is a major factor in determining instability for one thing, the high level of Government expenditure. This is because, in general, fluctuations in receipts and expendi-
tures will tend to have a magnifying effect on instability, especially as a whole.
American Business in 1947

(Continued from page 271)

the position of the textile

apparel is declining too rapidly; and prices

of new homes and automobiles has failed to allow business activity to continue.

For, it got started some months

ago, and there is no hope that it will be

exhausted for a long time. Some industries

Are already home, and the pressure on

them has the same effects as on its

sales.

The political atmosphere also

It also seems likely that a few

months hence some business

will be a recession during

the whole of 1947, but

inventories will be liquidating.

I have heard all sorts of argu-

ments in the last few months

in which the decline will

not be a recession but a dip

as the businessman feels

are hard. It is touch and
go whether inventories

neighbours all over the world

but in the long run the

stock build-up.

The problem of the reces-
sion is how long it will

below 1946 levels.

there are many who believe

in inventory prices. If there

be no businessmen, then

a sharp decline in security

prices would make business-

ments more nervous and

ineffective. In either case

in business activity later.

In the long run, I believe

products will be the

many others have


discussion.


towards.


tend to do.
What Business Faces in 1947

(Continued from page 266)

(Continued from first page)

Recession Inevitable With Higher Wages Says Henry Ford, 2nd

Other views expressed by Mr. Ford:

That Congress should enact labor laws that will place unions under the direction of the public that is now imposed on business.

That such laws should be required to make "ample" financial statements.

That the tenure of office of union officials should be limited to a minimum of two years.

That no laws of existing national character are desirable for the automobile industry.

Mr. Ford's full views, on those and other subjects, expressed in the form of written answers to submitted questions, are as follows:

Q. "What are Mr. Ford's views on the desirability of adopting laws that would make ..." wages, welfare funds, pensions?"

A. "The Federal Government as well as every state government should maintain the basic level of pension insurance protection of their industrial labor force. It is sometimes forgotten that employees pay half the cost of the social security program. If that amount, merely a small fraction of the payroll, is paid by the employer, only the employee suffers. Ford Motor Co. has paid $9 million in Social Security during the past year. Should the federal social security protection of its employees have been extended, Ford would also tend to forget the larger automatic deduction which employers pay toward unemployment insurance, another insurance of the basic pattern for protection of American workers. Ford Motor Co. paid at least $8,000,000,000 into unemployment insurance during the past year."

"The challenge to management is to find the way to this basic pattern wherever prac-
tical and where we would not study and find its own road toward this desir-
able goal, because circumstances...

"I know of no plan for guar-
antees of annual wages which can be applied to the automobile industry."

"In my opinion, the benefits sought through union welfare funds could..."


d Democracy & Co. Offers Can. Admiral Stock

Dempsey & Co., Chicago, headed by H. C. O'Connor, which on Jan. 14 offered 133,000 shares of common stock (11 par) of Canadian Admiral Corp., Ltd., to manufacturers of Admiral Corp. for manufacture of ...of radios, radio phonograph com-

"Q. Does Mr. Ford think that the establishment of a Federal system of labor courts would be desirable and will substantially arbitrate for strikes?"

A. "In private industry there is..."

"Q. What are Mr. Ford's views on the desirability of legislation which..."

A. "Unions should be required to make ample disclosures to their membership on finances, just as..."
Economic Outlook and Effect on Retail Distribution

(Continued from page 266) with the post-war period. The magnitude of the losses was far greater than the price increases, as prices of inventories on a first-in-first-out (FIFO) method of pricing exaggerates profits. This is due to the very large, sharp rise and magnifies losses when sales are little more than break-even. Profits, on the other hand, has already been reversed.

b. As buyers' markets become more common, retail stores will be closer pricing for many items. As a result, the pressure on the lower end of the market will increase. If cost increases on to the consumer is becoming more and more widespread, it is very likely that prices will be reversed. The foregoing factors cannot be ignored in determining the volume of business and the degree of business, and will be reversed. For high-priced items, which have already declined substantially in price during the period, if this trend continues, the price will likely be cut at least 20% to 30%.

The foregoing factors seem inevitable, and the increased demand in the retail sector, and the availability of inventories, will keep this trend going. This is in keeping with the estimation of retail inventories.

c. No price collapse similar to that in 1920-21 is imminent. While the rise in prices has been substantial since 1939, particularly in the last two months, this rise is still less than that during and after World War II. For example, the wholesale price index for textiles in May, 1939, was 30% higher, wholesale leather prices have risen by 15%, and wholesale fabric prices have risen by 6%. For each group, the rise last month was larger in volume than that since 1929. The collapse in 1939 was caused by no crisis, but by a long-term depression in many industries. Since no significant increase in consumers' total incomes is anticipated for 1947, the total volume of sales may be expected to be decreasing. However, the composition of prices may be different in 1947, as some durable goods are expected to decline, while some nondurable goods are expected to increase.

Profit Margins Will Be Smaller

In the face of relatively unchanged or moderate declines in prices, the profit margins on retail sales will be narrower than in 1946. There are several reasons for so for the following reasons:

a. Operating costs are increasing. With the increase in delivery costs, freight costs, and labor costs, the retailing means will be the balancing point of cost services and retail sales to secure your share of the market.

b. Markdowns will be large and more widespread than in any period since the start of the war. The price increase has been rather sharp, and it is likely that the profits from such increases will be reduced. These increases have not been reflected significantly in the price of the consumer, and if I anticipate no sharp price reductions, it is likely that the price reductions will be lower than the increase in the price. The extent of this increase is true if all sales are included. It will be in the range of 10% to 15%.

c. During the war, losses from break-even sales have been substantial. If the proportion of sales increases, it will be lower than the increase in the price. The extent of this increase is true if all sales are included. It will be in the range of 10% to 15%.

The foregoing factors, and the increased demand in the retail sector, and the availability of inventories, will keep this trend going.
There is no danger of a credit squeeze.

The total supply of money is now about $17 billion, as compared with $15.5 billion in the fall of 1941, and $5.5 billion at the end of 1939. In addition, there are the funds released by the Stock Exchange reorganization, and the consumers' net debt balances were approximately $150 million below custodial balances on September 15, whereas eighteen months ago, customer balances were $1 billion exceeded, free credit balances by more than $600 million.

We have not yet attained the peak progress in satisfying the pent-up demand for semi-durable and durable goods.

During the past twelve months, we have witnessed a most drastic change in the face of satisfying the demand for such goods as automobiles, washing machines, and buildings. As a matter of fact, the "consumption" of such commodities has probably exceeded the number of units produced in the construction field, government restrictions and market shortages have been very evident in the marketing of many projects, including the building of new homes, machines, and manufacturing plants. In the non-residential field, we believe the trend is continuing to add potential demands.

PRINCIPAL BEARISH FACTORS

1. There are many serious price movements which must be corrected.
   This is probably the most unfavorable feature of the current economic picture. The extent of the price reductions may be measured by the report of the United States Bureau of Labor Statistics.

   [Table: Yearly Price Indexes]

   - 1935: 100, 100, 100
   - 1936: 100, 100
   - 1937: 110, 106
   - 1938: 83, 93
   - 1939: 83
   - 1943: 145, 122
   - 1945 (Nov.) 152, 124
   - 1946 (Nov.) 150

   The over-all price rise in itself distorts buying patterns of the large incomes of many groups in our economy and will, in the aggregate, result in the greatest significance lies in the disparity between the rise in general prices and finished goods prices.

2. The early 1930's were also serious adjustments in the price structure. These adjustments were subsequently corrected only as the result of a major depression. A general deflation was then possible and necessary because of the limits of the economic life of many companies in our economy. Under present conditions, this deflationary factor is not as evident.

3. On the contrary, the rise in prices is disturbing. It has been caused by a number of factors, some of which were not anticipated. (Some very large increases in the cost of living are being traced to delays in the delivery of goods; others were aimed in mind also under unsettled labor conditions, etc. It is necessary to try to maintain larger inventories in view of the reduced ability of consumers to purchase from others, in order to reduce the dangers of overstocking because of temporary labor disturbances in the suppliers' plants.

4. Bank loans have been rising quite sharply during the past few months.

The rise in commercial, agricultural and industrial inventories during the past few months may be a matter of about 50% during the period of the New Deal Era. Recent demands for another round of wage increases (which will help to pay for the restoration, portal-to-portal, pay-to-pay, which is the point of view of the labor unions and the average consumer) and the lack of a close correlation between the condition of the community, and stock prices over a long period of time, indicate that price adjustments of real estate are unnecessary, and that a base on stock prices as long as there is no credit stringency.

5. Our current productive capacity is not in excess of demand.

Although we still have very substantial increases in the supply of many types of goods, there is no sign of a real shortage. On the contrary, including radios, women's wear, and household appliances, this over-production is being absorbed by small manufacturers, as well as to whether the excess-cost of producing goods will be able to sell their output at a reasonable price. General employment does not correlate exactly with the retail sales. Retail establishments will probably find it necessary to accept inventory losses, on hard-to-move merchandise, which will increase as buyers become price conscious. However, many of the large manufacturers are continuing to add potential demand.

6. We have passed the peak of one-sided labor legislation.

The results of the November election reflect the realization by the President that labor leaders can no longer be ignored and that they undoubtedly mean at least a gradual revision of the New Deal labor laws. The administration is working with the interest of the Adminstrator in the Labor Department and the restrictive labor legislation will weaken. The same is true, also, for the labor leaders, who formerly could count on governmental intervention in their behalf.

Summary and Conclusion

One of the contributing "causes" of the economic policy of the nation during the third quarter of 1946 was the indication in the security market, in the result of a substantial increase in fixed-income investments at a time when investors were not well positioned to handle funds with which to add to their security holdings. Many proposed offering of bonds and the following the collapse of the market, and the general conclusion from the new issues will appear in large numbers in the near future as a whole appears to be in a buying area; an improvement in confidence on the part of the public is desired, and the announcement of the overall, economic plans of the Government.

Largely because of the divergent trends in our economy, it seems reasonable to expect a continuation of highly selective market conditions over the next 12 months, while we are completing our transition to a competitive economy.
Foundations of a Free Economy

(Continued from page 271) But a genuinely free economy is a necessity, for it is a hedge against depression. A free trade, a free currency, and a free capital market are just as indispensable to a healthy economy as a free press is to a healthy democracy.

In a free economy, the government does not own large-scale industries or engage in extensive social welfare programs. The government's role is limited to maintaining a stable and competitive economic system. The government does not own or operate large-scale industries, and it does not control or regulate the economy in a way that restricts the freedom of market forces.

A free economy allows businesses to operate freely and compete with one another, leading to innovation and efficiency. It also allows individuals to pursue their own economic interests, leading to a higher standard of living. The government's role is limited to maintaining a stable and competitive economic system.

A free economy is essential for economic growth and prosperity. It is the key to a healthy and prosperous society. Without a free economy, the country would be unable to compete in the global marketplace and would be unable to provide for its citizens' needs.

The government's role is limited to maintaining a stable and competitive economic system. It does not own or operate large-scale industries, and it does not control or regulate the economy in a way that restricts the freedom of market forces. It is the key to a healthy and prosperous society.

In this environment, businesses are free to operate and compete with one another, leading to innovation and efficiency. Individuals are free to pursue their own economic interests, leading to a higher standard of living. The government's role is limited to maintaining a stable and competitive economic system.
Mackey Predicts High Coffee Consumption

Coffee consumption in the United States in 1956 will approximate 340 million pounds, with 635,000,000 bags reached in the previous year, President of the New York Coffee and Sugar Exchange, Inc., pointed out in his annual message to the membership on Jan. 9. This increased volume of business is expected to reflect increased consumption of coffee in the United States and by export during the coming year. The annual message was re-run on Oct. 1.

Mr. Mackey was hopeful for early renewal of sugar futures market. He cited a recent statement by Clinton P. Anderson, Under-Secretary of Agriculture, that "the re-establishment of the sugar futures market is needed, and that it will be necessary to act on the exchange in 1948 and later deliveries will demonstrate one of our objectives."

In anticipation of early renewal of sugar futures market, Mr. Mackey reported that the Exchange already has created a new sugar contract to be known as the "No. 5 Contract." This contract will greatly enhance the security of the Exchange, he said, "by all members of the sugar industry."

Mr. Mackey also reported that the Board of Managers voted to continue its now active "International Association of Commodity Exchanges and Allied Trades, Inc.," which is devoted to the "strengthening of the sugar futures market of this country." He also commented that "the futures market will be of great benefit to all the coffee and sugar exchanges."
The Rule was adopted for a trial period of six months. During this time its operation will be kept under close review to determine whether it is accomplishing its purpose. You may be sure that the proposed changes in the Rule are necessary, and that the maintenance of full disclosure and fairness in the underwriting process will be ready and willing to cooperate in their accomplishment.

The Commission feels sure that dealers will welcome this attempt in the form of prospectus containing material information, given a reasonable period of time before they may be asked to participate in the distribution of the securities.

**Rule 131**

On Dec. 6, 1948, after studying the problem intensively and in light of the substantial changes made in the Commission's earlier regulations, it was decided to send the information to all persons engaged in the underwriting business and to permit them to express their views on the subject. It was felt that the Commission should be given an opportunity to consider the views expressed before adopting any further regulations.

However, the Commission will be willing to consider the views of the underwriters before adopting any new regulation.

In conclusion, the Commission wishes to state that it has been rendered an important service by the Securities and Exchange Commission in the field of disclosure.

Dealers Must Earn Customer's Good Will

If the dealer's business is to have any permanence and the confidence of the public is to be maintained, it must be based upon a well informed and educated public.

The legislative foundation on which the SEC was established in 1934 will not be affected if the SEC does not take action to prevent misrepresentation and lack of disclosure underwriters. The SEC must continue to protect the public and the Government from the activities of the underwriters, and to promote the public interest in the underwriting business.

**Suggested Changes in SEC Statements**

It has been suggested that changes be made in some of the provisions of the statutes, some of these suggestions have already been made and others have originated with us at the Securities and Exchange Commission. They have been adopted by the Commission because they are the only ones that will meet the needs of the underwriters and the public.

**Federal Securities Laws**

Even at the danger of being too elementary, I think it is not inappropriate to say a word about these laws, which are the basis of the securities law that is the foundation of the SEC. You know that the Congress has declared that securities transactions must be carried on in a way that will protect our national economy and the public good, and has declared that honest markets and honest securities markets are the foundation of our economic thinking. While we may not all agree with every point in the laws, it is safe to say that no one with any interest in the public welfare, or with any interest in the maintenance of the present economic order, will go back to the bucket shop, the Heller and the maker of the "pencil bands." Therefore, it is not surprising to find that in all transactions in securities, he must be assured that reasonable standards of accuracy and disclosure are adhered to by those who are offereing or selling securities, whose business it is to sell them. And of course, I do not mean to say that the public has bought them, his investment will not be jeopardized by fraud or misrepresentation in the securities markets. These are obvious and self-evident things, and there is little need to state them.

The purposes of the Securities Act of 1933 are to provide full disclosure of the character of securities transactions, and commerce and the mails, and to require prospectus and other statements to be made before the securities are offered or sold. The Act requires the disclosure of any facts which are necessary to an understanding of the securities, and the Act requires the disclosure of any facts which are necessary to an understanding of the securities.

SEC Does not Approve Securities

It was never intended that the securities law would cover all securities. The Securities Act of 1934 should have power to substitute its judgment for the judgment of the board of directors or the underwriters in determining whether an underwriter is to be found guilty of a violation of the law. The underwriters who are in the underwriting business are frequently required to make an examination of the securities before they will agree to sell them. The underwriters have a right to make an examination of the securities before they will agree to sell them. The underwriters have a right to know that the securities are not being offered or sold fraudulently.

The purposes of the Securities Exchange Act of 1934 are to prevent fraudulent and misleading practices in connection with the sale of securities to the public, to prevent the unreasonable increase in the cost of credit in the securities and trading markets, to prevent the giving of the public false information concerning securities, and to protect the public from fraudulent securities exchanges. This Act makes it unlawful for any person, at or through any securities exchange, to make any false statement of a material fact.

The right of supervision is given to the Commission by the Securities Exchange Act of 1934, and it is not their duty to dictate business policy. Neither the Commission nor the Exchange Commission empowers the Commission to substitute its judgment for the judgment of the Commission's staff as to the adequacy of the proposed distribution. The Rule, therefore, was a reasonable action, and it is the responsibility of the Commission to decide whether the registration statement will be accepted for filing or will be disapproved.

The Rule was adopted for a trial period of six months. During this time its operation will be kept under close review to determine whether it is accomplishing its purpose. You may be sure that the proposed changes in the Rule are necessary, and that the maintenance of full disclosure and fairness in the underwriting process will be ready and willing to cooperate in their accomplishment.

The Commission feels sure that dealers will welcome this attempt in the form of prospectus containing material information, given a reasonable period of time before they may be asked to participate in the distribution of the securities.

**Getting Information to Investor**

The key to the success of any investment is the ability to understand and interpret the facts. Without understanding the facts, no one can make a sound investment decision. The investor must know what he is buying and what he is getting for his money.

**Rule 131**

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However, the Commission will be willing to consider the views of the underwriters before adopting any new regulation.

In conclusion, the Commission wishes to state that it has been rendered an important service by the Securities and Exchange Commission in the field of disclosure.
things about dealing with the situations which arise.

This much I think I can prop-
gen territory to be without the certainty.

We are anxious to cooperate as fully as possible with the adminis-
tration in an honest effort to canvas the problems of the leads' pro-
visions which will fully ac-

plish the laudable purpose of the Securities and Exchange Co-
n(act, and at the same time we are taking full care to ensure that compliance with them if practical and ver-
ifiable. Everything is being done to be as promptly as possible, and in the earliest possible moment.

Federal Reserve Bank of St. Louis

and commerce a realistic preview of what this country may expect from the Administration's inter-

tive appropriation program. That's what Federal planners have told the President. Here's what they said:

"Federal Reserve Board Gover-
nors, in their comments on the busi-
ness short-term to justify continued

of consumer credit control and the ban on margin trading. It seems Chairman Marriner S. Eccles has quoted those Governors who sought to have restrictions made permanent, but the suggestion was

Omitted. Eccles frankly won't get into that. From the House Bank-
ing Committees:

"Public power agencies are being limned up for fusion with

American Representative Dirksen pointed out, the bills dramatize all Fed-

eral power activities in the move to consolidate the Tennessee Val-

ces Authority and Hoover Power

Commission, Bonneville Power Admin-
istration, Civil Aeronautics Admis-
sitration, and the Interstate Commerce Commission. The com-

it means a new corps of officials, a

National Bank and Monetary Fund

of the nuclear trade agreements similarly with the SEC. (1) The Inter-

ative legislation. (3) The Interna-

tional "Trade Organization should be a go-

the policies and effects of the British loan that will be

Meanwhile, the International Bank of reconstruction, the

an acceptable man who will se-

it, we can't much about floating securities. In less obvious words, this world

Federal Reserve Board Gover-

"Synchrony and echelons of manu-

facturers and distributors next-

year covering 1947 is likely to be

the large and small factors. It

under government control is

That is why the SEC has

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Retailing and the Labor Laws

(Continued from page 207)

The Commercial & Financial Chronicle

Thursday, January 15, 1947

the minimum wage has already begun in several of these states. Several recent proposals at State levels to those that have already implemented it have been met with resistance, particularly to their common origin from the same sources that apparently have been responsible for the same wage groups. We are also likely to see the same sort of reaction from other States besides the 28 that have already adopted the minimum wage laws.

The argument that minimum wages have been almost entirely due to inexperience by both business and labor is refuted by the fact that increases in the minimum wages are on the increase. It is also possible that the size of the minimum wages have been driven by the current cost of living and has no real bearing with the wages that have been established.

How to Change the Minimum Wage

Let us now consider the practical steps that can be taken in order to raise the minimum wage. It is essential that employers be made aware of the importance of the minimum wage in order to ensure that it is not only set but also enforced.

A basic wage should be established to ensure that workers are paid a wage that is higher than the prevailing minimum wage. The differential is important in order to provide workers with a living wage.

When a minimum wage is set, it should be as low as possible and even if it is not feasible to set a wage that is higher than the prevailing minimum wage, there are still options to consider. One option is to provide workers with a living wage.

It is important to note that the minimum wage is not the only way to ensure that workers are paid a living wage. Other options include providing workers with benefits such as health care and retirement savings.

In conclusion, the minimum wage plays a crucial role in ensuring that workers are paid a living wage. It is important to ensure that the minimum wage is set and enforced in order to provide workers with a fair wage.

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secure jobs. Persons thrown out of work or deprived of chances for employment must then look to public employment compensation or public relief.

The Fair Labor Standards Act of 1938 has been designed to help prevent this. It is greatly doubtful whether it even accomplished anything to prevent it. It is more probable that it retarded employment and probably caused in many cases to increase the number of those on public relief. In this country still nearly 80 percent of those on public relief were in the United States in 1940 that were in 1930. As a consequence, it was to be forced to turn to expenditures made through public relief under other names, to take care of the same need but under the restrictive conditions attached to the relief payments.

If, on the other hand, there are shortages of labor and vital shortages in skilled goods such as the case at present, it seems likely that, for a time at least, the labor will be employed even at the minimum wage rates, but not without far-reaching effects on the entire wage structure, on economic activity, on production and inculcation and inevitably on the price level.

Let us consider the effects of such a condition. How many or minimum or basic wage rates on the national wage structure. To begin with, at least 25 percent of the workers who at the present time earn less than $1.25 an hour. All of these would have to raise their wages to $1.25 per hour... what effect would this change in the national economic conditions have on the workers who up to the present have been earning wages in the past. The major reason for the variations in the wage rates of those who earn the minimum wage. The federal government has, of course, to have their wages established above the level of the wages of the original workers. They would be entitled to receive more than $1.25 per hour, that is, from $1.25 to $1.60 per hour... the readjustments needed to be made necessary in all wage rates. The wages which are $1.25 per hour there would also have to be readjusted in the wage rates of those who earn $1.25 per hour as to reestablish their wages as $1.60 to $1.75 per hour. For these workers who formerly received $1.25 an hour, their wages would also be entitled to be increased, that is to have of necessity have to be paid wages as high as $1.60 to $1.75 per hour, and so on through all the lower paid workers.

It would be neither fair nor econo-

mically sound. Employers may try to work for the same wages as formerly received when they, however, they would have had their wages increased to $1.60 per hour. The adjustments of these wage rates would have to be made. The basic wage rate might require a little time, but the lag would not be more than a week or two. We promptly recognize the fairness of the proposal to raise the minimum wage rates is a question of the fundamental skills and workers who are likely to be readjusted to fail to see the necessity for such wage adjustments would be emptied... The unions must be explained to them by the representatives of the workers.

The immediate interest of the unions in getting minimum or forcing the wage rates to come very clear. Nothing results in a better time to find an employer who has too to hold down the wages of their former skilled labor. We are not going to let the workers find the wage rates for him to increase.

As everyone knows, the concern that is likely to arise is that those in which employees fail to agree will have to be reduced to the value of their services in their lay off. Consequently, the promotion of a higher minimum wage by legislation has become a powerful tool in union strategy for hoisting wages. Thus the essential function of the collective union leaders as well as all of those who would benefit from Minimum Wage Act.

The Penalties of Inflation New in Prospect

High water rates in Europe are essential to a prosperous national economy, but they are at the cost of the American consumer. A wage increase in any form, whether in a hourly rate of pay or in a reduced weekly or monthly wage, may be accompanied by an increase in man-hour productivity. For example, the same wage increase which paid by an individual, by an industry, or by the government of someone who is engaged in a fixed income such as a pension, an income tax, or a tax on the expense of everyone who possesses anything bearing the dollar sign.

In the case of the smaller enterprises, the $50 a week that he gains in this form of inflation may increase wages by $50, $60 or $125 per week, but we have to work for the workers to buy no more for his $50, $60 or $125 which they would pay $60 or $125. This leaves him precisely where he was before. But wages earned by workers whose wages rates have been increased by the union and the fact that they have been paid only, that is to say, the in- creased wages by no more and may indeed be a fixed income such as a pension, an income tax, or a tax on the expense of everyone who possesses anything bearing the dollar sign.

Still later these increases in wages and prices reach their cli-

max. When the prices have become a cost of living, then every one loses. Savings are wiped out. A depression is expected, unless the inflation is halted. Industry goes on short shifts of work and unemployment. Unemployment. Unemployment. Farmers in with good prices for their produce, and the whole system gets the blame. As a result of allowing inflationary pressures to get started, and then to continue, that is the way the inflation is cost of living.

Inflation Need Not Over

Now, none of these things need happen. We can stop the in-

flation of prices and wages. We can see what the unions the wages and prices can be reduced is... a wages union control with the help of the government, he is already a long way.

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3. government needs to check wheat prices, wheat legis-

lation and regulations as a means of tackling the wheat problem. Any increase in the wheat price in the future will have further in-

flations on crops. The proposals must however be prepared to raise the legal minimum are... other realizations of wages rates and...

These laws have placed serious hardships upon the economy of this Nation, and to control the labor unrest, they constitute a threat to the system of capital. The labor unrest threatened cannot be tolerated. It is time to be corrected. They should be cor-

rected before it is too late. Be-

cause there is no longer any constant keep them out of the markets. The remedy for inflation is production, the production of increased buying power. Whatever checks or disincentives production contributes to inflation, and whatever the effect of production and keeps costs down tend to reverse the trend of the infla-

tion and to cure its evils.

Will Do Our Part in
Promoting Peace

(Continued from page 272)

under the government. The government that is free from the differences between the Allies should be employed, and at the same time, to keep the defense expenditure. It was agreed that the German and Austrian treaties.

The peace in Europe, the victo-

rious Allies have found it diffi-

cult to put the world in a peace. The world has been trained by the making of the peace. At the same time, it can be seen that the differences between the Allies did not go the work of the Council of Foreign Ministers. But we refused to abandon the principles for which our country stands. And we served notice that we would not retreat to a policy of isolation.

We must make it clear, as an-

nounced as we were to reduce the dangers of occupation, America would not evade our responsi-

bility. And at the same time, we have it that just as our Allied maintained troops in Ger-

many, the United States would maintain its troops in those areas.

Determined to Do Our Part

We were determined to do our-

part to bring peace to a war-

tyranny where we have not seen any excuse, however, plausible, for shirking our responsibilities.

The treaties with Italy and the Greek states, they emerged from months of protracted négociations and deliberations, and are not, per-

fect. But we can hope to get by general agree-

ment, and by agreement which brings to within a reason-

able length of time.

The treaties mark a milestone on the road to a just and durable peace. The fact that the Allies have not signed the treaty, they are thus five treaties, does give hope that there may be a possibility of a new treaty agree upon a treaty with Austria. That will make possible the re-

duction of all the confidence of the whole Europe, and the redi-

ction of all the confidence of the whole nations of people relief from the danger of war.

Agreement upon these treaties gives assurance, too, that the dis-

cussions have been conducted in good faith, and that the dis-

cussions have been conducted in good faith, and that they have resulted in the peace settlement.

We must let ourselves believe that peace can be made se-

cure in Europe by the treaties, or by any one resolution. In this sense we must not let ourselves believe that the struggle for peace is hope-

less, because we cannot do once

fixed ways and means of recon-

ciliation. Nations, like individuals, differ in their natures. The policy of applying a magic formula or a clash of arms through a lot of pious resolutions which conceal honest differences is not the way to find peace.

We have however in the past year... cause of the world and the peace. Never before have the differ-

In order to bring the peace to the world and the peace. Never before have the differ-

ences between nations been more acute than from the day when the peace was signed.

Wars may start not because the people want war, but because they want things that other people possess and will not give up without a fight. Full and frank discussion of such situations may dispel many of these misunderstandings.

The struggle for peace is the struggle to prevent the world from sliding into another... is a never-ending struggle. Law and order in the world of today is not sup-

plied only through living institutions capable of life and of order, but is continually and must be backed by sufficient force. This is the force of law and order... peace. Neither the United States nor any other state should have a share in war.

The present power relationships and the peace agreements that follow... The peace agreements are... the whole world and the peace are not so permanent. For, if we are going to do our part to maintain peace un-

der law, we must maintain, in relation to other states, the military strength necessary to discharge our obligations.

Force Only in Defense of Law

Force does not make right, but rather makes right, right. Force... the perfect world of our power as a world is going to mean the international relationships.

The great States are given special recognition in the United Charter because they have a special power. The great States have special power if they have the will to do so. The great States... and strength in relation to the other is... such that no one of them can safely break the peace if the others stand united in defense of the peace.

We have joined with our Allies in the United Nations to put an end to the use of force except in defense of the peace. That is to have that keep that covenant.

As a great power and as a mem-

ber of the United Nations, the United States has a responsibility, and the United States does not use force except in defense of the peace. That is to have that keep that covenant.

And we must realize that unless the United States is prepared to observe the law but by itself, the United States is going to have to observe the law, the United Nations Or-

ural peace. In a world in which people do differ as to what is right and what is wrong, we need to set out definite standards of conduct that we will follow, and develop and build through the United Nations the principle of international law and the rule of law.
Observations

Continued from page 289

A "Public Relations" Miscausalation

The quick action by Mr. Schram, with the active approval of Mr. Harrison, to present to the public the effects of the basic business aims of both those parties, for the President of the Stock Exchange's of the fight to win the dollar is the outcome of a duel of counter-attack in foreign exchange. Although the recent election returns have no doubt temporarily repelled the SEC, it is not the nation's own pro-Jones reforms will no doubt do double the man's reputation. But in the case of directors of bank stock, the SEC is in a position on the subject of meeting the national government's expenses; or is conflicting the part-partner mutual at the race-track is performing a constructive act in an effort to help the government's financial health. Using his State to support schools and hospitals, etc.

The Investment Trusts and The Investment Bankers

Concentration on capital gains rather than income is evidenced by the conduct of even our most legitimate and scientifically-managed investment banks. The dividend yields on assets of less than 3% contrasted with the Dow-Jones average 4.2% yields. And the last average dividend yields of 4.2%, contrasted with their successful previous efforts. Our report that "The thrills of speculation, concentrated on capital values; the yield of their operating income from their portfolios often not even being calculated."

The passive, unreflective, in the operations of our investment bankers. This is seen in the various "running" provisions which, permitting cancelation of deals at the subsequent closing time if the "atmosphere" should become unpropitious, hence refer to speculative atmosphere.

So we ask, what is Wall Street (and how should the customers' brokers, for that matter) think that an "Investment Banker", or a "Gambling Partner"? Probably it is composed of bits of all these and more. The whole is the collection of the ideas which can be prefixed the term “usual” to whichever of the characteristics they choose.

Will Do Our Part in Promoting Peace

Continued from page 203

and gave up their arms only as they were protected by the com¬
mand of their national leaders. So I believe that in the conduct of the life of nations we depend upon our ability to de¬
crease the number of nations which all nations can accept and which no nation can violate with impunity.

In the past international law has been made by the great powers of the rules of war and too little with the small nations, but it has been agreed that whatever interests are in ways and means to prevent war than it is in ways and means to conduct war.

A Common International Law

Unless we are able to develop a common international law which provides definite and agreed standards of conduct such as those applicable to private law, the powers of the international law and the rights of the individual states have been worked out by agreement. International law is and must be supplemented by national laws, and the Sovereign states have the right to prescribe the law of their own territories. We must all work together to maintain the law of nations, or the maintenance of a common international law will be impossible. But international law in a friendly, peaceful, and just society must rest upon a strong base of law enforcement and apply its principles. This is the work of the United States and we must do our part to make it successful.

But for the maintenance of the law of nations, or the maintenance of a common international law will be impossible. But international law in a friendly, peaceful, and just society must rest upon a strong base of law enforcement and apply its principles. This is the work of the United States and we must do our part to make it successful.

A permanent place on the relief of the rolls is not the desire of those who have been relieved, but of those who have been forced to fight for their freedom. But that has been the desire of the President of the United States. He has done his best to obtain it for the United States.

Our double defection is a bad thing for the people of the United States. It has no bearing on the rights of the people of the United States and does not affect the government's ability to enforce the law. But it is a matter of great importance for the country and the world. But it is a matter of great importance for the country and the world.

One barrier on the exchange.

The international barrier to commerce, is the exchange of ideas, as the international barrier to commerce, is the exchange of ideas.

One barrier on the exchange.

We have urged a general limitation of armaments, but we are not satisfied with this, nor do we desire the elimination of the ordinary trade.

If we want to have the value of the foreign materials, we must give them a fair chance to feed, clothe and shelter them without the help of our army and navy.

The war has devastated many countries and caused many economic problems. UNHRA has helped these countries with food and clothing, and to help them recover. Its authority is now terminated, but some countries need foreign assistance, and we must give this to them, but we do not want to give it to them for the purpose of promoting the economic well-being of our own country.

Outright relief by us is necessary for the countries. But the countries in need and the extent of the need cannot be determined by the United States just as well as it could be by the United States. The UNHRA is a committee composed of representatives of all nations.

A permanent place on the relief of the rolls is not the desire of those who have been relieved, but of those who have been forced to fight for their freedom. But that has been the desire of the President of the United States. He has done his best to obtain it for the United States.
The Monetary Fund and ITO

(Continued from page 374)

year there were times when it was deeply discouraged. Our repeated efforts to obtain a peaceful world seemed to be thwarted by the momentum of war. But we persisted in our efforts with patience and with firmness.

Today I am happy to say that the United States has now reached a point since V-J Day that we can hope to get rid of the immediate emergency effect if we now persist with firmness in the right as God gives us the opportunity. We have demonstrated our capacity to meet the situation and to maintain our strength. But the task of building a peaceful world of expanding freedom and increased well-being.

To that goal freedom past inspires us and freedom's future calls us.

The Monetary Fund and ITO

There were Discouragements

I admit that during the past

teria which, if applicable, would permit a country to impose restrictions. It is not clear that the ITO has the power to authorize such restrictions. The Fund consider this desirable.

Incoercible Currencies and Discriminations

Some members, including the Bretton

or was transition Agreement VIII of the period. The proposals were so far as these involved a quantitative restriction such as exchange and payments, Mr. Hart had been

The first approach of the Fund, therefore, was to establish the objective and to identify the procedures for setting up quantitative restrictions and for obtaining the agreement of the Fund on these. The agreements on this subject are presented in the Bretton

There were Discouragements

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The Monetary Fund and ITO

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The Monetary Fund and ITO

There were Discouragements

I admit that during the past
THE Monetary Fund and ITO

(Continued from page 295)
be by-passed in almost every instance.

The situation was made still more critical by an apparently appro-
val of the ITO. The draft which had been negotiated, however, had been balanced against the emphasis on the value of the final agreement of uncertainties of undeveloped or war-
damaged areas and equally complex conditions of a nature that would be done by fostering unwise escape clauses.

Escape Clauses

In his discussion of the work of the London Conference, Mr. Harding enlisted the support of the proposed charter's general commercial pol-
yey, and its provisions are as follows:

"There is an important escape

clause for members which feel that they are injured by any
development which impairs the object of the Charter. Under this
clause the member is in a position to withdraw specified services
but any member af-

fected by these withdrawals is entitled to do so.

"In addition to these emergency provisions, the agreement makes
quantitative trade restrictions and exchange control, agreement were
needed in order "Mountain Provisions" among the other

era of the operation.

"The important commitments to purchase of gold, gold bullion,
traditional, gold bullion, and silver from the United States,
<t>llowed by a similar
</t>
the limitations to uphold or to injure their economies. The responsibilities are quite
large.

Because of the absence of Russia, no complete state monopolies of im-
port or export are involved.

World Bank and U.S.-
Canadian Cooperation

(Continued from page 274)
long periods of time to

over a period of time, which are

necessary to initiate and complete international trade.

conditions. If a member is in the case of one of its central bank, or

some other bank that is not acceptable to the Bank, it must guar-

antee that the funds it can make available and pledged to

be for the purpose of specific concessions, such as the further-
development, in special circumstances.

The subscribed capital of the Bank is over seven and a half bil-

lion dollars, and it is expected to have a capital to be

about $250,000,000,000, became payable

10%, called for payment in Febru-

ary, 1947, and will bring the total to approximately one

half of this amount, at $750,000,000, will be in gold or U. S.
dollars. The remaining 80% is sub-

ject to call for the purpose of meeting the Bank's obligations

Member States' Contributions for Capital Stock Subscription

A short time ago it was stated that a large number of the Bank's subscribers
were not going to make their subscriptions.

This general condition, however, was not the case. In fact, there was only one-third of its business volume.

This means that the world's economic situation is not so bad as has been

put upon it. For, at least, there are no business defaults in the Bank's lines of

in order to stabilize the situation.

The Bank is sufficiently capitalized to meet any emergency that may arise at
the present time, and it is not necessary to look to the future for any financ-

ial difficulties.

Your country and ours were blessed with the power to lend a hand in the

field of international economic cooperation.

U.S.-Canadian Cooperative

The postwar cooperation period begins with the end of the war.

We learned it through sheer necessity during the war, and the

The Bank's Debitors

Aside from its working capital, another important feature of the Bank

is in the form of capital stock, which can be used to make available

the amounts for the needs of the Bank's subscribers.

The Bank's debentures are based on the pledged bank's capital, and at

the present time, the Bank has about $750,000,000 in gold and U. S.
dollars. The remaining 80% of the Bank's subscribed capital, as we have

seen, is subject to call for the purpose of meeting the Bank's obligations.

There are three methods of acquiring

and Gold Reserve Account

The U.S.-Canadian Cooperative

agreement is no longer a secret, but it is now a matter of public

knowledge.

The agreement has been signed by the governments of the United States and

Canada, and it is now in effect.

The agreement provides for a mutual arrangement between the two

nations in the field of economic cooperation.

The role of each nation under the agreement is as follows:

The United States is responsible for the following:

1. The United States will provide

financial assistance to Canada in the amount of $200,000,000.

2. The United States will provide

technical assistance to Canada in the amount of $50,000,000.

3. The United States will provide

military assistance to Canada in the amount of $50,000,000.

The role of each nation under the agreement is as follows:

The Canadian government is responsible for the following:

1. The Canadian government will provide

financial assistance to the United States in the amount of $200,000,000.

2. The Canadian government will provide

technical assistance to the United States in the amount of $50,000,000.

3. The Canadian government will provide

military assistance to the United States in the amount of $50,000,000.

The agreement has been signed by the governments of the United States and

Canada, and it is now in effect.

The agreement provides for a mutual arrangement between the two

nations in the field of economic cooperation.

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financial assistance to Canada in the amount of $200,000,000.

2. The United States will provide

technical assistance to Canada in the amount of $50,000,000.

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The role of each nation under the agreement is as follows:

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financial assistance to Canada in the amount of $200,000,000.

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technical assistance to Canada in the amount of $50,000,000.

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military assistance to Canada in the amount of $50,000,000.

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financial assistance to the United States in the amount of $200,000,000.

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technical assistance to the United States in the amount of $50,000,000.

3. The Canadian government will provide

military assistance to the United States in the amount of $50,000,000.
A Symposium on 1947 Outlook

(Continued from page 272)

We are going to have a recession here and it will be strong. It will not be as bad as 1929 and it will not mean a full-scale depression. But, I do not expect major deflation. I expect 1929 to be repeated, and I doubt if the recession will be fully experienced, because of various items which were not present in 1920-21. One element is the savings which I consider will mark the first recession after the war.
Securities Now in Registration

- INDICATIONS ADDITIONS SINCE PREVIOUS ISSUE

Acme Electric Corp., Cuba, N. Y. June 29 filed 1,327,740 shares ($1 par) common stock. Underwriters—Herrick, Waddell & Co., Inc., and First Colony Corp. Offerers—The company will sell warrants for $3 a share. Proceeds—Company will receive proceeds from the sale of 66,800 shares and four selling stockholders from the proceeds of the sale of 33,600 shares. Company also will receive proceeds from the sale of 20,000 warrants for common stock to underwriters at an aggregate price of $200. Of the net proceeds ($224,940) $50,000 will be used to pay corporate overhead and $50,000 will be used for machinery and equipment, and the remainder for working capital.

Aerovox Corp., Bedford, Mass. Aug. 8 filed 40,000 shares ($1 par) common stock. Underwriters—Emerich & Co., Inc., and Chicago, Offerings—The debentures will be offered publicly. The common shares will be sold for $10 per share. The company will purchase warrants for purchase of common stock at $2 a share above the bid price of each common share in an effective date of the registration. The company will sell warrants for 25,000 common shares to the underwriters at a price of $2 a share. The remaining warrants will be sold to officers and employees of the company. Price—Debentures at 91%%. Proceeds—Company will receive $1,005,000 of proceeds of debt, for payment of an Indebtedness to Bankers Trust Co., New York. Balance, will be added to working capital. Offering postponed.

Air Lanes, Inc., Portland, Me. Oct. 9 (letter of notification) 15,000 shares each of preferred and common. Offering price $10 and $5 per share respectively. If offerings are made in the State of Maine, they will be made by Frederick C. Adams & Co., Portland. Proceeds will be used to purchase plant and equipment and to provide working capital.

Amalgamated Development Co., Reno, Nev. Jan. 18 (letter of notification) 500,000 shares ($6 par) common stock. Proceeds will be used for mining development.

American Broadcasting Co., Inc., N. Y. July 13 (letter of notification) 100,000 shares ($1 par) common stock. Underwriters—Dillon, Read & Co., Inc., New York. Offering—A maximum of 15,000,000 shares or $30,000,000 will be sold. Price by amendment. Proceeds—To prepay notes payable to acquire radio station WXYZ, to construct broadcast transmitter for station KGO at San Francisco and for working capital.

American Building Corp., Dover, Del. Nov. 6 (letter of notification) 20,000 shares each ($10 par) 5%% cumulative preferred stock. Proceeds will be used to build and expand program. Offering date indefinite.

American Colsene Co., Clifton, N. J. Aug. 12 filed 30,000 shares ($100 par) cumulative preferred stock. Underwriters—Morgan & Co. Offerers—The first preferre stock will be offered for subscription in the ratio of 1.1 of preferred stock to each share of common. Underwriters—E. M. Fitz & Co., Philadelphia. Proceeds—Proceeds will be used to build additional machinery, working capital and other corporate purposes.

American Colotype Co., Clifton, N. J. Jan. 13 filed 840,073 shares ($10 par) common stock, New York. Proceeds will be used to build and expand program. Offering date indefinite.

American Electric Co., New York June 6 filed 28,000 shares ($10 par) prior preferred stock and $100 par convertible preferred second preferred stock. Underwriting—Union Securities Corp., New York. Price by amendment. Proceeds—Net proceeds, with other funds, will be used to redeem $20,000,000 of 7 muculative preferred stock at $115 a share plus accrued dividends. Indefinitely postponed.

American Oil Co., Inc., N. Y. Oct. 29 filed 4,300,100 shares ($5 par) cumulative preferred stock. The company will sell warrants for purchase of preferred stock at $5 a share above the bid price of each preferred share in an effective date of the registration. The company will sell warrants for 3,000,000 preferred shares to the underwriters at a price of $5 a share. The remaining warrants will be sold to officers and employees of the company. Price—Warrants at 93%%. Proceeds—Company will receive $15,000,000 of proceeds of debt, for payment of an Indebtedness to Bankers Trust Co., New York. Balance, will be added to working capital. Offering postponed.

AmERICAN ZINC & ALUMINUM CORP., St. Louis, Mo. Sept. 6 filed 350,000 shares common stock (par $1). Underwriters—$100,000 of the stock will be offered for subscription to common stockholders in the ratio of 1.4 of common stock to each share of preferred stock held. Unsubscribed shares will be offered for subscription to officers and directors of the company. Price—By amendment. Proceeds—Working capital. Offering indefinitely postponed.

Arkansas Western Gas Co. June 5 filed 16,197 shares of common stock ($1 par). Proceeds will be used to build additional machinery, working capital and other corporate purposes.

Armoir & Co., Chicago July 12 filed 350,000 shares (no par) cumulative first preferred stock. Underwriters—First National City Corp., and Chicago. Proceeds—The company will sell warrants for purchase of preferred stock at $10 a share above the bid price of each preferred share in an effective date of the registration. The company will sell warrants for 1,450,000 preferred shares to the underwriters at a price of $10 a share. The remaining warrants will be sold to officers and employees of the company. Offering—Proceeds—Stock will be offered to subscription in the ratio of 3 of preferred stock to each share of common stock held. Unsubscribed shares will be offered for subscription to officers and directors of the company. Price—By amendment. Proceeds—Working capital. Offering indefinitely postponed.

Atlantic Refining Co., Philadelphia Oct. 29 filed 23,000 shares ($100 par) cumulative preferred stock. Underwriters—Smith, Barney, Barco, N. Y. Offering—For subscription to common stockholders on the basis of one share of preferred stock for each three shares of common stock held. Unsubscribed shares will be sold to the underwriters who will reoffer them to the public. Price—By amendment. Proceeds—A maximum of $15,540,000 of the net proceeds will be applied to redemption of the company’s cumulative preferred stock for approximately $110 a share. Balance will be added to general funds for corporate purposes including research and development, acquisition of additional production, and expansion of refining, transportation and marketing facilities. Offering temporarily postponed.

Babbitt (B. T.), Inc., New York Jan 7 filed 297,057 shares ($1 par) common. Underwriters—Headed by Lehman Brothers, Goldman, Sachs; Kidder, Peabody & Co., and Burnham & Co. Offering—Of the total company is selling 60,000 shares and remaining 141,087 shares are being sold by certain stockholders. Price—By amendment. Proceeds—About 1,000 of the net proceeds to company will be used to reimburse company for expenditures incurred in the course of the sale of a new plant at Clearing, Ill. The balance will be added to general funds.


Basic Food Materials Inc., Cleveland, Ohio Nov. 26 (letter of notification) 5,000 shares (no par) common, to be offered at par ($100 par) 1,475,000 shares (no par) and 55,000 10-year 5%% debenture notes, all to be offered to public. Stock—$5 per common stockholder; $10 per common stockholder to public, $100 per preferred share holder and face. No underwriting. To increase working capital.


Bell & Gossett Co., Morton Grove, III. (1/20/23). Dec. 29 filed 155,000 shares ($5 par) common stock. Underwriters—Ames, Emeric & Co., Inc., New York. Proceeds—The company is selling 10,000 shares to the public at $39 a share. The remaining 105,000 shares will be offered to public and 50,000 shares will be offered to stockholders at $35 a share. Proceeds—the proceeds from the sale of the stock for principal and interest on debenture notes and reduce loans.

Belbaglia, Inc., Kansas City, Mo. Sept. 13 (letter of notification) 4,500 shares of 5%% cumulative preferred stock. Price—By amendment. Proceeds—Part of the 1,000 shares are being sold by St. Regis Paper Co., New York, and the remaining 3,500 shares are being sold by I. Rogosin, President of Beaunit Mills, Inc.

Bell & Gossett Co., Morton Grove, III. (1/20/23). Dec. 29 filed 155,000 shares ($5 par) common stock. Underwriters—Ames, Emeric & Co., Inc., New York. Proceeds—The company is selling 10,000 shares to the public at $39 a share. The remaining 105,000 shares will be offered to public and 50,000 shares will be offered to stockholders at $35 a share. Proceeds—the proceeds from the sale of the stock for principal and interest on debenture notes and reduce loans.


Bibliography

Underwriters and Distributors of Corporate and Municipal Securities

Kidder, Peabody & Co.

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Members of the New York and Boston Stock Exchanges

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¢ DECLARATIONS IN

United States Government Securities |

State and Municipal Bonds

C. J. DEVINE & CO. (INC.)
48 WALL ST., NEW YORK, N. Y.  • H trance 2.377

Chicago  • Boston  • Philadelphia  • Pittsburgh  • Cleveland

Clateau  • St. Louis  • San Francisco
Proceeds—Company will use the proceeds for working capital, to provide funds for refinancing the company's capital structure, and to acquire additional equipment.

California Oregon Power Co.


Ceracor Porcupine Gold Mines Ltd., of Toronto, Ontario

June 24 filed 400,000 shares of common stock. Underwriters—No underwriters have been appointed. Proceeds—To be used for working capital.

Crawford Clothes, Inc., L. I. City, N. Y.

Aug. 8 filed 300,000 shares (par $1) common stock. Underwriters—None. Proceeds—To be used for working capital.


Dec. 9 filed 218,000 shares (par $1) common stock. Underwriters—None. Proceeds—To be used for working capital.

Cyprus Mines Ltd., Montreal, Canada

May 21 filed 500,000 shares of common stock (par $1). Underwriters—None. Proceeds—Offering is open to the public at 75 cents a share, to be received by the company on June 22.

Dallas (Texas) Railway & Terminal Co.

Nov. 27 filed 40,000 shares (par $25) cumulative convertible preferred stock, convertible into common stock in the ratio of 1 share to 3 shares. Underwriters—None. Proceeds are to be used for general corporate purposes.

Dandy Machine Specialties, Inc., Cicero, Ill.

July 26 filed 62,000 shares (par $25) cumulative convertible preferred stock, convertible into common stock in the ratio of 1 share to 3 shares. Underwriters—Paul L. Davis & Co., Chicago.

Dealers Credit Corp., Pittsburgh, Pa.

Sept. 8 (letter of notification) 101,000 shares (par $15) common stock, convertible into 50,000 shares of preferred stock, convertible into common stock in the ratio of 2 shares to 1 share. Proceeds—None. Underwriters—None. Proceeds are to be used for general corporate purposes.

Detroit Timesetting Co., Detroit, Mich.

Sept. 25 filed 75,000 shares (par $1) common stock. Underwriters—None. Proceeds—To be used for working capital.


Aug. 3 filed 50,000 shares (par $25) common stock. Underwriters—None. Proceeds—Offering is open to the public at $10 a share, to be received by the company on Aug. 20.

Dunham Furnace & Foundry Co., Massachusetts.

Nov. 1 filed 100,000 shares (par $1) common stock. Underwriters—None. Proceeds—Offering is open to the public at $10 a share, to be received by the company on Nov. 2.

Emerson Electric Co., St. Louis.

July 23 filed 100,000 shares (par $1) preferred stock, convertible into common stock in the ratio of 1 share to 2 shares. Underwriters—None. Proceeds—To be used for working capital.


Aug. 17 filed 50,000 shares (par $10) common stock. Underwriters—None. Proceeds—Offering is open to the public at $10 a share, to be received by the company on Aug. 22.


Aug. 1 filed 100,000 shares (par $10) common stock. Underwriters—None. Proceeds—Offering is open to the public at $10 a share, to be received by the company on Aug. 3.


Aug. 8 filed 50,000 shares (par $25) common stock. Underwriters—None. Proceeds—Offering is open to the public at $25 a share, to be received by the company on Aug. 12.

Franklin National Bank, New York.

Aug. 14 filed 150,000 shares (par $5) common stock. Underwriters—None. Proceeds—Offering is open to the public at $5 a share, to be received by the company on Aug. 15.
null
Underwriter—Smith, 13 for bids owned & Co. 6 be new preferred by —Part Monmouth Underwriter—Unsubscribed Dec. of 1976; of common, funds will be used in connection with the proposed merger of Northwestern into Pacific. In the event that the merger is not consummated, the common stocks of Pacific and Northwestern will be exchanged for a combination of new common stock of Pacific, the selling corporation. Offering price—To be supplied by management.

Pal Blade Co., Inc., New York. June 14 filed 40,000 shares ($1 par) common stock. Underwriters—F. Ebertstadt & Co., Inc. Offering—$5,000,000 shares are outstanding and additional shares are being sold by L. M. Maltman to all salaried employees. Issue may be withdrawn.

Palmetto Fibre Corp., Washington, D. C. August 16 filed 4,000 shares (10¢ par) preferred stock. Underwriters—Taylor & Burnett Co., Inc. Offering—500 shares are being sold by Val 50% of the common stock owned by Electric Bond & Share Co., parent. Underwriters—Will accept a subscription to Bond and share common stockholders in the ratio of 20 of a share of Power & Light stock for each share of Bond & Share common held. Price—The price will be $3.50 below the market price on a day to be determined by Bond & Share. Proceeds—Proceeds go to the selling stockholder.

Peruvian International Airways, Lima, Peru December 26 filed 2,000,000 shares ($5 par) convertible preferred and 451,668 shares ($1 par) common, of which 501,122 shares will be reserved for conversion of preferred stock. Underwriters—In addition to 150,561 common shares will be offered for public sale of two shares of convertible preferred and one share of common at $15 a unit. The company also proposes to sell 200,000 additional shares other than by unit at a price of $7 a preferred share and $1 a common share. Proceeds—To increase capital for expansion of proposed airline system.

Petroleum Heat & Power Co., Stamford, Conn. Dec. 30 filed 12,446 shares ($2 par) common. Underwriters—The company will be offered in exchange for 100 shares of common stock, one share of preferred stock and $2,000,000 of preferred stock. Proceeds—Proceeds go to the selling stockholder. (Continued on page 312)
Reynolds Metals Co., Richmond, Va.
Reynolds Metals Co. is offering for subscription to common owners and holders of common stock, other than the shareholders of record on Dec. 1, 1976, and for general corporate purposes.

Sanitary Products Corp.
Frank P. Parish, Tennytown, Md., and Arthur B. Donen, New York City, are offering for subscription to Sanitary Products Corp., a company not yet organized, on Jan. 6, filed letter of notification for preorganization subscriptions for 2,000 shares (50 shares $50 each, 2,000 shares (no par) $500 per share. Price—$50 per share and $4 a common share. For general corporate purposes. For organization of business and working capital.

Santa Cruz (Calif.) Sky Park Airport, Inc.
Dec. 6 (letter of notification) 25,000 shares (10 par) common shares, for $250,000, to be offered publicly at $1 a share, 16,000 shares to be transferred to A. A. Grover & Co., Manager. Initial purpose is to operate in Santa Cruz Sky Flying Service, which is a flying field and airport, and the remaining shares issued as a dividend for the membership of the company. Price—$1 a share and 8 a common share. For operation of airport business.

Sequoia Water Co., Louisville, Ky.
Dec. 4 (letter of notification) 25,000 shares (no par) common shares, for $250,000, to be offered publicly at $1 a share, 16,000 shares to be transferred to A. A. Grover & Co., Manager. Initial purpose is to operate in Sequoia Water Co., both of Louisville. Proceeds—To provide part of funds to purchase 2,587 shares of capital stock of Sequoia Water Co., an existing public utility company. Price— $1 a share and $1 a common share. For purchasing of stock and for general corporate purposes.

Pig'n Whistle Corp., San Francisco
Dec. 6 (letter of notification) 100,000 shares of capital stock, (25 shares $310 par) common stock. Proceeds of stock will be used for conversion of preferred stock and for general corporate purposes.

Philadelphia Dairy Products Co., Inc.
Dec. 26 (letter of notification) 2,907 shares of first preferred stock, $1,000 par value. Stock will be sold out and for public subscription. Proceeds of preferred stock will be used for general corporate purposes. Offerings will be sold for $50 per share and 75 cents a share for common. Underwriter—Edward A. Congdon & Co. Proceeds—For general corporate purposes. Offering temporarily postponed.

Taylor-Graves, Inc., Saybrook, Conn.
July 17 filed (letter of notification) 25,000 shares of capital stock (50 shares $100 par) in excess of 25,000 shares of capital stock of Taylor-Graves, Inc., of Saybrook, Conn. Proceeds—Offering for subscription to stockholders of record on Dec. 1, 1976, and for general corporate purposes. Price—$50 a share and 5% cumulative preferred. Proceeds—$50 a share and 5% preferred and 75 a share for common. Underwriter—Irwin & Co. Proceeds—For remaining 75 shares of common stock and for general corporate purposes. Offering temporarily postponed.

Teke-Tone Radio Corp., New York
Aug. 1, filed (letter of notification) 25,000 shares of capital stock (50 shares $100 par) in excess of its authorized capital but less than the offering price to stockholders. Proceeds—To be used for the completion of plant facilities and to provide additional working capital.

Telesonic Gold Mines, Inc., San Francisco
Jan. 10 (letter of notification) 200,000 shares (25 par) common stock, for $1 each. Price—$2 a share. Proceeds—For exploration and development of mining property.

Diamond Red Lake Gold Mines, Ltd., Toronto
Jan. 13 (letter of notification) 25,000 shares of common stock (no par), for $1 each. Price—$1 a share. Proceeds—For exploration and development of mining property.

O'Brien Petroleum Exploration Corp., Canada
Jan. 10 (letter of notification) 150,000 shares (50 par) common stock, for $1 each. Price—$2 a share. Proceeds—For exploration of oil and gas properties.

Research & Development Society Inc., Canada
Jan. 7 (letter of notification) 20,000 of class A common and 50,000 of class B common. Price—$10 a share. Underwriters—The Research and Development Society, c/o Clarence L. Harmon, Sr., President. To defray cost of capital expenditures and to provide working capital.

Regal Shoe Co., Whitman, Mass.
Jan. 8 (letter of notification) 8,000 shares (1 par) common, on behalf of John J. Daly, President. Price—$10 a share. Proceeds—For working funds.

Reister-Foster Oil Co., New York
Jan. 8 (letter of notification) 105,000 shares (50 par) common stock, for $1 each. Price—$1 a share. Proceeds—For working capital.

Reliance Vanish Co., Louisville, Ky.
Nov. 20 filed 60,000 shares of common stock ($2.50 par). Offering—Price—$10 a share. Underwriter—Barnes Bond Co. and Alfred M. Joshi, both of Louisville, and Clendenston & Co., Chicago. Of the total of 60,000 shares, the company is selling 40,000 and seven stockholders are disposing of the remaining 20,000 shares. Proceeds—Company will use its proceeds, together with $50,000 bank loan, to finance plants and varnish plant now under construction.

Reno Infamy Co. of America, Tucson, Ariz.

Rural Development Co. of America, Baltimore, Md.
Dec. 2, filed 100,000 shares of common stock, for $1 each. Price—$10 a share. Proceeds—For working capital.

Rusty Planks Corp., New York
Dec. 27, filed 30,000 shares of common stock (10 par) in excess of 30,000 shares of capital stock of Rusty Planks Corp., of Baltimore, Md. Proceeds—To be used for subscription to stockholders of record on Dec. 1, 1976, and for general corporate purposes.

Reisborough & Co., Baltimore, Md., are offering for subscription to stockholders of record Jan. 16, at rate of one share for each three held. Rights expire March 17, 1976. Price—$10 a share. Proceeds—To be used publicly or privately through brokers or dealers at a net price of 50 cents a share, which is less than the offering price to stockholders. Proceeds—To be used for the completion of plant facilities and to provide additional working capital.

Swann Co., Trenton, N. J.
Aug. 28, filed 25,000 shares of common stock (par $1). Underwriter—C. K. P. H. Stilp, Philadelphia, Pa., and Co. Inc., offering—Company is offering 5,000 shares of common stock and eight selling stockholders are disposing of the remaining 19,000 shares. Price—$15 a share. Proceeds—From 45,000 shares of capital stock and for working capital initially. Offering due October 15.

Swift International Co., Ltd., Buenos Aires, Argentina
Dec. 6, filed deposit certificates for 500,000 shares, par value 15 Argentine gold pesos a share. Underwriters—None. Offering—The shares will be offered for subscription to stockholders of record Jan. 16, at rate of one share for each three held. Rights expire March 17, 1976. Price—$10 a share. Proceeds—To be used publicly or privately through brokers or dealers at a net price of 50 cents a share, which is less than the offering price to stockholders. Proceeds—To be used for the completion of plant facilities and to provide additional working capital.

Wagner Bros., Inc., Baltimore, Md.

Western Victory Gold Mines, Ltd., Vancouver, B.C.
Nov. 13, filed 400,000 shares of capital stock (par $1), for $1 each. Proceeds—To be used for working capital and for general corporate purposes. Proceeds—For working capital and expansion of business.

U.S. Television Manufacturing Corp., New York
Nov. 4, filed 200,000 shares (par $1) 25% cumulative convertible preferred and 250,000 shares of common stock, for sale at $100 a share. Of the common 30,000 shares are reserved for the exercise of warrants attached to 275,000 shares of preferred for 10 years, except for the reserved of the preferences for the converted. Underwriters—Underwiders—For conversion, purchase of debt and preference. Price $5 per share for preferred. Proceeds—For working capital and expansion of business.

Universal Oil, New York
Dec. 4, filed (letter of notification) 30,000 shares (no par) to be offered for subscription to stockholders at $5 a share in the amount of 2,000 shares for each stockholder. Proceeds—Underwriter—Federal Underwriters, Inc., Dallas and Trinity Bond Investment Corp., Fort Worth. For additional working capital.

Upson Co., Lockport, N.Y.

Utah Chemical & Carbon Co., Salt Lake City
Dec. 4, filed (letter of notification) 225,000 shares of common stock (par $1). Price—$1 a share. Proceeds—For working capital and for general corporate purposes. Proceeds—For the completion of plant facilities and for additional working capital.

Victory Gold Mines Ltd., Montreal, Canada
Nov. 13, filed 400,000 shares of capital stock (par no par) in excess of 400,000 shares of capital stock of Victory Gold Mines Ltd., Toronto. Proceeds—For working capital and for general corporate purposes. Proceeds—For working capital and expansion of business.

Back to the page.
at a minimum of $6,000,000 together with a $7,000,000 bank loan, toward payment of its promissory notes and to finance expansion and facilities expansion now under way.

White's Auto Stores, Inc.

Ang. 20 filed 75,000 shares $1 cumulative convertible preferred stock (par $1). Underwriters—First Colony Corp. and Stone & Hultzer, Inc. (jointly). Also offering 75,000 shares of preferred, 50,000 shares of common stock and by four individuals for their own account. Price by negotiation. Proceeds from the sale of the preferred stock will be used to provide additional working capital, to retire loans from banks and from White's Em¬ployees Trust, and for additional working capital. Expected to file new financing plan at early date.

Wisconsin Power & Light Co., Madison, Wis.

May 21 filed $500,000 shares ($10 par) common stock to be sold at competitive bidding. Underwriters—By amendment, Probable bidders include Merrill Lynch, Pierce, Fenner & Smith Inc., Glore, Forgan & Co., and Harriman Rippy & Co. (jointly); Price—$500,000 preferred stock and $250,000 common stock are to be offered at public subscription. Proceeds of the offering are to be used for the construction of new mills toward the development of new waterpower. Wisconsin, which for many years has been a major producer of electric power in the state, is to be offered to the public in stock at a price of $10 per share. The offering is expected to last for 15 days and is expected to be completed by June 15, 1948.

PROSPECTIVE SECURITY OFFERINGS

(Not Yet In Registration)
Indicates additions since previous issue

Alabama Great Southern RR. (1/23)
Bids will be received at company's office Room 2018, 70 Pine St., New York, up to 3 p.m. EST Jan. 23 for the sale of $1,500,000 par value debentures. Dated Feb. 15, 1947 certificates will mature in 15 equal annual installments of $100,000 each, payable July 1, at the option of the company. Certificates are to be issued at $100,000 each, with 5% interest. Bidders include Halsey, Stuart & Co. Inc.; Harris, Hall & Co. Inc. and Cleveland and New York banks.

Cincinnati, New Orleans & Texas Pacific Ry. (1/23)
Bids will be received at company's office Room 2018, 70 Pine St., New York, up to 3 p.m. EST Jan. 23 for the sale of $7,000,000 equipment trust certificates Series K.

UNITED STATES GOVERNMENT, STATE, MUNICIPAL AND CORPORATE SECURITIES

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Our Reporter's Report

Swift & Co.'s $50,000,000 of term and serial debentures brought a market yesterday, and the new year in the underwriting business off to a promising start, proving pretty much an "open and shut" deal.

With one banking house acting as agent for the issue the dealers were quickly placed and dealers reported them hard to find during the day.

This was the first undertaking on which the so-called "red herring" prospectus was exten¬sive, and possibly considering the circumstances surrounding the offering, it was hardly to be viewed as a real test of the ef¬fectiveness of the new proce...
Tomorrow's Markets
Walter Whyte Says—
(Continued from page 277)
pose the question: Is this a time of easy
fluctuation in the stock market? Why
then, with the price fluctuations of the
last few days, that we cannot expect our
analytical work to be free from emotion.
Markets fluctuate, prices fluctuate; they have
always fluctuated and they always will fluctuate.
But why the violent fluctuations of the last few days?
I shall say, in the first place, that the buying power of the
American people is not nearly so strong as it was a few
months ago. The people are tired of the war, and the
people are tired of waiting for anything. They are
looking for some change in the situation, and
they are looking for some change in the market.

Lamborn & Co.
33 WALL STREET
NEW YORK, N. Y.

SUGAR
Exports—Imports— Futures

Thur., January 16, 1947

Labor's Attitude and Industrial Peace

(Continued from page 270)

as he decides the question of money price or strike not.

The difference is to grant that the American workers
fully understand that our nation and its people have
pledged a golden crown of unparalleled production, employment, and
national prosperity. If fully developed we can forestall every
increasing standard of living for the American people. And if it must
be brought by strike, it may thru that it will be free from trouble.

You are probably wondering at this point, why are
there these dangers, how does labor justify the conditions that have occurred during the
early part of last year or previous to midsummer, and
stray our right to strike? Now it is as well
as that of the leaders of labor, to
some extent is the underlying facts to ascertain why in the face of the
known hazards which workers assume in the case of a strike, do they still feel it necessary to be
concerned in the event of its achievement ends which they deem
essential. Arkansas in the case of the workers?

Are grievances well founded? If so—only measures designed to
attain the attainment of industrial peace. The standard of living
shall be for all time to be an object of labor.

Recent Helps to Industry

Many laws have been enacted by Congress during the course of the war. Provided the end of the war and the softening of the recovery of
converse in the state of the country's financial condition.

For example: the case of the coal situation, we have
the tax law; provisions authorizing corporations to absorb amortization
of their stock; plans for the years of high taxes; various statutes which
should be merely a renewal of the case in which of course termination and recovery for
ventures built up under war contracts. In addition, surplus plants were
not to be reclaimed, but to be sold, thus offering a great price of their
excess property without ever been appealed. We have
the establishment of the control of the law, a pattern could
not have been a better example, adapted through collective bargaining
to such industries, steel mills and maintaining the production and the avoidance
of industrial strife.

But for whatever the reasons may have been, Mr. Murray's sug-
gestion went for naught. No solu-
tion emerged from the meetings of the workers of industry and
labor.

In the meantime, there had likewise occurred in the several basic industries such as
steel, the price of wages, and the cost of electrical manufacturing.

These were the most dramatic unit of the strike, and we had
the press. From these disputes the laws of the strike and
roughly unfounded accusation that all workers were primarily responsible for
industrial strike and its unfortunate im-
 pact upon our national economic health. Any analysis of the facts
showed it to be a conspiracy to eliminate any such misunder-
standing.

As the trend to the events which led up to the strike, we
see that there is a real danger of a wage increase despite the
Severance of July 1946. The union took two days to pre-

tice its case for a wage increase.

We received our answer as follows the previous week.

Even so, the strike did not oc-
cur until January 16, 1947, four months after collective bar-
ning on Nov. 15 retail food prices had reached the highest point on a
year, since the previous maximum set in 1920. At that time all
commodities were high according to the

On Friday of last week were published the financial report of
a large meat packing corporation. Despite the fact that the
packers, unlike others, has been able to advertise its products by
against $2,500,000 for the preceding year. Can thus, in light of such facts, that
the wage increase to the meat packers was a real one. How many
fears for the meat packers?

Do you say that the strike was a failure, and that the
workers who find themselves in their days of earning and constantly rising and
inflated prices of goods which they must buy for bare living?

You may well come to a definite situation up to date.

Labor, which is a good barometer, the average
wage bill in the meat packing industry in April, 1945—the
about $29.52. In September of that year, the average
declined to $20.28—a loss of $6.24.

We have seen the result of the strike, and it is not without keeping in mind the
problem of the wage increase in 1945, that it may have been considered since September of 1945.

Maintaining Real Wages

Adjusting the present weekly wage to the cost of living, the steelworkers
of the country found that their base wages in January
of 1946 a weekly income was not more than enough
earnings and have had the same real wages as they enjoyed in April of 1945.

And this is what the union has been considering since September of 1945.

Do you know what this means to the steelworkers? A nation-
wide survey conducted among workers' families in basic manufac-
turing plants, the study shows that 71% of the families
make their living on wages of less than $2,500, and on $1,500 a week,
our savings. 80% of the families of steelworkers, skilled workers,
prices forced them to buy less milk, butter and eggs per week,
in one case clothing.

Among the long noses of American workers that indus-
try must rely for the purchasing power of its wage earners.
In the face of the picture that is painted for us, do you believe that these workers
will accept a new refrigerators, new radios, the many other products of American

According to a study by the Federal Reserve Bank of St. Louis, the cost of

On an after-tax basis—which includes the losses of the companies that

The Bureau of Labor Statistics reported on Dec. 30 that retail
food prices rose 34% during 1946. Cost of living essentials in

1946 prices and wages_annual averages
2.

This may be of historical interest to note in 1880, in the famous report
drastic this contraction was, when a group of workers were
refusal was a sign of a conspiracy for being engaged in which the
suggestion was also offered to them that they should be made a tax at these
same 21%, 3 times as high as the average for the

Clearly, our economic situation is one fraught with many dangers.

Due to the high cost of living, with almost full em-
ployment, the need of maintaining the financial system, a
acceptance of an approaching economic crisis. Some prefer
an estimate of $21 billion volume of prices and nearly 5 times the
average 1936-1939 period.

On an after-tax basis—which includes the losses of the companies that

The increase in the cost of living was amazing and many times the moderate
prices, after taxes, are now about $500 higher and 3 times as high as the average for the

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I When most of us concern ourselves with the problem of labor-management relations, we should properly be entertained today regarding the foisting of monopolies upon us by the labor movement. Previously, the right of the labor movement to organize has been a fundamental premise. The Assistant General Counsel of the National Labor Relations Board, when speaking of the anti-trust division of the Department of Justice, referred to the problem as follows: Mr. Berge made the real economic danger by pointing out: "The twin demands, hands off business and "Near labor have long been the heart of an anti-democratic program of those who favor the corporate state. To say that labor unions should be re- stored while the march of monopoly is allowed to continue will result in a destruction of the industrial democracy. If industrial democracy is destroyed the heritage of political democracy will be destroyed with it." Another frequently offered safeguard in philanthropic legislation is that provisions for the protection of the public are therefore negotiated through collective bargaining. The anti-trust laws are designed to prevent unfair labor practices. Unions Security Must Be Kept Union security is neither a new nor a complex issue in current labor relations. Today apparently 90 million American workers are members of labor union security contracts. For those who believe in collective bargaining is required by law to the extent that the basic right of the individual members of the bargaining unit is illegal in actuality the illegal bargain is easy to make. To make better terms for themselves or for members of the union than is made for non-members. If the union is to survive, therefore, to perform its services for everyone, why not those not receiving the services also share the obligations of the responsibility of union membership? For if we cannot forget that opposition is likely to persist inevitably has been the program of those who would destroy unions and collective bargaining. One side of the law is not the law. Chapter of the law, in the opium to union security is a full forth the union or labor Relations Board. I can be sincerely judgment that legislation prohibiting union security would immediately give rise to the compensation to the serious and pernicious anti-labor practices of the past and of the present. Whether there would thus be initiated which will serve to further the public welfare and promote fuller confederacy of labor relations generally.

One-Sidedness of Wagner Act Denied A third closely related, and often the most discussed issue (for which legislation is proposed) is that the Wagner Act is in need of one-sidedness. It is in issue with the fairness of this act. Prior to the passage of the Act, the rights of the employers and the rights of the employees to engage in collective bargaining were balanced. Employers had the untrammeled right to use all available sources and engage in collective bargaining with or without the formation of corporations. The employees themselves were permitted to form organizations of their choice, present a united front to labor in order to organize, and would work in organizing and working conditions. On the other hand, each employer helped to determine an individual to consider, that of the enormous concentrated bar-. The inequality which the Act sought to remedy grew out of the monopoly of labor organizations of employees. Certainly it was not necessary to prevent employers from restraining or coercing employees in the exercise of their right to self-organization and collective bargaining.

A good example of the way in which the courts of the Wagner Act was interpreted is the so-called plan for "free speech zone" in the interest of the Act. Employees can now complain that while an employer is under the Act an employer is not under the Act. The Labor Board and the Supreme Court have the right of an employer to exercise the same rights as are those employees who are under the Act. This includes the right to discuss with employees, to attack unions, their objectives, their leaders and their program. It is only when an employer's speech carries threats of discharge and warns of economic re- tractions that the Labor Board holds that an unfair labor practice has been committed. There is no attitudinal right to yell "fire" in a place where there is no fire. Likewise no constitutional right to strike in a place where there is no economic power into abandoning their jobs.

Financial Responsibility Another oft repeated suggestion is that labor unions must be made to assume a financial responsibility under collective bargaining. It is similar to that of employers. This reveals a technique utilized by those who recognize that labor unions are not concerned with the goal of the Act. The problem of evil in labor relations is created. If the union is not willing to adopt a plan of reorganization, it would result in profound injury to sound labor relations on the part of the organizations themselves.

The burden of union membership responsibility is based upon an innuendo that if employers who are unionized and single trade union and unions alone fre- quently violate collective bargaining agreements. It is said to be that every year a large number of arbitrations awards which are ignored, and if an employer has violated a contract, the union will not correct it. On the record, there are therefore any number of employer violations for one alleged violation. Further, the proposal assumes that a law of this kind would be acceptable with no deeper bitterness and would subvert the unyielding opposition measures deliberately designed to meet our just demands of freedom from want and freedom from fear. It is of the right to destroy the only means which any individual has through which to achieve these very ends. We profoundly believe that the perpetuation of an unfair labor bargaining, increasingly developed through a process of frustrated people and self-discipline on both sides, and national politics such a democratic and freedom-loving people must accept for industrial peace. We have steadfastly substituted for the mutual responsibility of labor and management which is the basis for a sound and prosperous economic system. The men who must share the responsibility and who have the practical knowledge to understand the proper solution, would be those for whom every plan would receive the most cordial approval and every contention the response from the leaders and millions of members of the CIO.

DIVIDEND DIVIDENDS

GUARANTY TRUST COMPANY OF NEW YORK

The Board of Directors of Guaranty Trust Company of New York has declared a quarterly dividend of 25 cents per share, payable February 17, 1947, to stockholders of record February 15, 1947. The transfer books will close February 10, 1947.

TINO'S DINNER

December 16, 1946.

The United Corporation

45 Commissioner Street

The Board of Directors has declared a regular quarterly dividend of 7% per annum on one hundred and twenty-five thousand shares of preferred stock, payable May 1, 1947, to stockholders of record on April 10, 1947. The transfer books will close on April 14, 1947.

THOMAS R. STAGG, Secretary

The United Corporation

50 Walnut Street

PAID IN FULL

DIVIDEND NOTICE

COLUMBIA GAS & ELECTRIC CORPORATION

The Board of Directors of the company declares the following quarterly dividend:

Common Stock No. 1 Dividend at the rate of 40 cents per share, payable February 15, 1947, to holders of record February 1, 1947.

Dale Parker

Secretary

COLUMBIA CARBON COMPANY

One-Hundred and First Consecutive Quarterly Dividend

A quarterly dividend of 40 cents per share will be declared on the outstanding unsubscribed stock issued on the record date of February 12, 1947, payable March 15, 1947.

GEO. F. BURHART

President


At a regular meeting of the Board of Directors held on January 1, 1947, the Directors of the Company declared a quarterly dividend of 40 cents per share to be paid February 15, 1947 to all stockholders of record on February 1, 1947.


The Board of Directors has declared a quarterly dividend of 40 cents per share to be paid February 15, 1947 to all stockholders of record on February 1, 1947.

GEO. F. BURHART

President

The United Corporation

50 Walnut Street

TINO'S DINNER

December 16, 1946.

The United Corporation

45 Commissioner Street

The Board of Directors of Guaranty Trust Company of New York has declared a quarterly dividend of 25 cents per share, payable February 17, 1947, to stockholders of record February 15, 1947. The transfer books will close February 10, 1947.

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TINO'S DINNER

December 16, 1946.
THE COMMERCIAL & FINANCIAL CHRONICLE

NYSE Board of Governors Scheduled to Vote on Permissive Incorporation Amendments Today

(Continued from page 276)

members, opponents of the amendment. Committee felt worked against

permissive incorporation. The stockholders of the Exchange would have the

right to vote for or against incorporation. The new amendment provides

for a vote of the stockholders of the Exchange at a special meeting

called for the purpose of considering the question of incorporation.

The stockholders of the Exchange would have to vote on the

question at least 30 days after the meeting of the committee

was called. The amendment was introduced by Mr. Maynard

and that question be presented to the

IT

THE COMMERCIAL & FINANCIAL CHRONICLE

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