Belgium’s Remarkable Recovery

By EGON KASKELINE

While government controls abolished, food situation almost normal, industrial production high, employment full, and ordinary budget balanced, position a European bright spot. Postwar battle against inflation successful. Complete recovery depends on absence of labor shortage and high price policies. Policies based on freedom from government planning.

BRUSSELS, BELGIUM—Belgium is the only one among the formerly occupied countries in Europe which has found—its political equilibrium, which has successfully struggled against inflation and which is increasingly winning the battle of production. According to all indications, this writer found during his visit to Belgium, this country is definitely back on the road toward internal peace and prosperity. This will not mean that all difficulties, left behind by war and enemy occupation, have already completely been

(Continued on page 28)

The Banker’s View of Business

By D.WITHE W. MICHEENER*
Associate Director of Research, The Chase National Bank

Holding careful observation reveals present situation is a boom, with bank economist pointing to increasing inventories, price and wage increases, and short interest rates, expanding bank loans and causing inflationary trend. Foreseen heavy export demands, dependent on normal proportions and price adjustments in offing. Cautions bankers to be on alert and place greater emphasis upon sound but aggressive lending policy in regular business lending.

During the past several months, American business has been showing many evidences of a peak-time boom. Bank credit is widely

involved in this boom.

Current developments suggest that a period of less spectacular business is about to start. If these conclusions are correct, they are of major importance to bankers, and I am very glad to discuss with you something of the current situation and the outlook.

First, let us notice some of the evidences of boom conditions at the present time: Industrial activity is now 80% above the level of five years preceding the war. Products are now pouring out of our factories in record peacetime proportions. Steel is being produced at a rate 30% above the peacetime level. Coal is coming out of the ground in far greater volume than before the war. The same is true of the production of the

(Continued on page 32)

No Drastic Recession!

Lionel D. Edie, testifying before Senate Finance Committee, predicts for 1947-1948 moderate readjustment of national income, employment, and prices from current peaks.

Testifying before the Senate Finance Committee April 30, Lionel D. Edie, Economic consultant and investment advisor of New York, predicted a orderly readjustment of the nation’s economy over the next eighteen months. For the calendar year 1947 he foresees a 10-point drop in the Federal Reserve Board Index of industrial production, to 180. The stenographic testimony of Mr. Edie’s testimony on this factor follows:

Mr. Edie: My remarks are confined to the general business outlook. I shall not attempt to translate that into estimates of what the tax revenue would be at such a level of business, but rather shall try to confine myself to the probable developments in business.

For this purpose it is necessary to make use of certain index numbers, and I think that every one is fairly familiar with the Federal Reserve Board Index of industrial production. This is a physical volume index and is not affected by changes in prices.

In the calendar year 1946, this index was 170. Since that time the index has risen substantially and at the present moment is probably in the neighborhood of 185 to 190.

In other words, 18 to 20 points higher than the calendar year average 1946.

Now, the question as to what happens to that production index involves a great many factors. As far as known, there are many questions today as to whether there is going to be a business recession. This is a wide difference of opinion on that.

I would like to observe at the start that we don’t assume that the

(Continued on page 31)
Says Fund and Bank Will Cost Americans Billions

William Chamberlain, public utility executive, writes Congressman J. Z. Anderson of California, that Bretton Woods Institutions fail to remedy century-old present currency inflation and undervalue small underdeveloped countries. Costs of institutions will drain away their substance without possibility of recovery. Holts Fund and Bank are integrated and threaten to take savings from Americans to bolster non-refundable capital in foreign lands. Foresees threat to US. foreign trade.


“...I shall try to give you also, very briefly, a broad outlook of the subject which the Fund will play...”

World Bank Before the War

Before considering the present position, it is necessary to consider the outlook for the future. I would like to remind you of the situation which existed before the war, for it was largely to prevent the recurrence of such a situation that the nations of the world met at Bretton Woods and provided for establishment of the International Monetary Fund and the International Bank for Reconstruction and Development.

As you all know, free and unhindered trade between countries was rapidly breaking down. One of the major causes of this was a competitive depreciation of currencies, the result of which was multiple exchange rates. This was in turn due to gold and bilaterial or trade agreements, blocked currency accounts and all that variety of obstruction to the free flow of trade, with which you are all familiar in your business.

A small number of countries has been able to keep up the free flow of trade, with which you are all familiar in your business. The United States is one of these countries. It describes its conditions today as follows:

“...it is important to distinguish between the functional and the monetary aspects of Bretton Woods...”

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Some Comments on the Question: ‘Is the Money Supply Too Large?’

—Additional Opinions Invited

In an address published in the “Chronicle” of May 1 cover page, Howard R. Bowen, Economist, Irving Trust Co., New York City, expressed the opinion that the present money supply (currency circulation and bank deposits) is not too large and presented various reasons in support of his thesis. Because of the broad interest in the subject, the “Chronicle” has requested Dr. Bowen’s article and on any related phases of the subject. Below we produce some of the responses already in hand; others will appear in subsequent issues. We repeat our invitation for comments on the subject and request that letters be addressed to “Commercial and Financial Chronicle,” 52 Park Place, New York 8, N. Y.

JOHN J. ROWE
President, Fifth Third Union Trust Co., Cincinnati

The present total money supply too large? This has been commented upon so ably by Dr. Howard R. Bowen, in my opinion, one of the major questions today.

So much has been written about the inflationary aspect of the money supply that this particular question should be examined as carefully as possible.

It comes as a great surprise to many people who have not watched figures on total bank deposits in this country over decades, when they are told that total bank deposits practically do nothing except increase, except for occasional minor, temporary drops. A drop in deposits of all Commercial Banks occurred temporarily in 1921, after having been much doubled from 1914 to 1920. The temporary drop at the year-end of 1921 was about 3% of the total, but by 1923 total deposits had risen 15% from the low point. A drop in Commercial Bank deposits began in 1939, and reached a low point in 1945. In 1957 total deposits had risen 40%, but there had been a terrific liquidation of private bank deposits during that time, and it marks almost the only sustained decline in total deposits for 100 years. This was followed by the usual steady annual increase in total deposits up to the marked decline in activity caused by the European war, reductions in 1942 and a great jump in 1944.

During the period from 1941 through 1945, the corresponding increase in the rate of bank deposits was: $100 in 1941, $200 in 1942, $100 in 1943, $50 in 1944 and $50 in 1945. (Continued on page 33)

Self Praise

“The Securities Business Comes of Age,” a brochure by Elizabeth Frazer, reviewed. Stamped as a biased effort savaging of paid advocacy in public relations. Circulation by NASD condoned as self-praise and unhealthy indiscrimination. Need for an unbiased appraisal of the Maloney Act and the NASD urged. Author’s claim that this legislation and this Association constitute a model for business generally examined and found wanting.

Latterly, the members of the National Association of Securities Dealers have been receiving, through the United States mail, a brochure by Elizabeth Frazer bearing the above title. It is upon the reading of which that we venture the observation that it would be well if the author ever will.

A honeyed panegyric, utterly partisan, a public relations effort intended to ride into some sort of glorious, relief, the Maloney Act and its baby, the National Association of Securities Dealers.

In it, the principle of both the report and the report are reported for its complete failure of application.

It is a one-sided panegyric of praise under the watchful eyes of which—to mix metaphors—the Maloney Act and the National Association of Securities Dealers are sheltered.

According to the terms of this book, the amendment to the Securities Act of 1934, the Maloney Act, and its product, the National Association of Securities Dealers, together constitute a model in local self-government, fair practice, member respect, security predicated on a humanistic-castigation position, prized policies, profits and commissions, and self-discipline.

With roseate optimism, the author tells us: “To men engaged in industry, management and public affairs, the

(Continued on page 38)

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A Look Into the Future

By RAYMOND RODGERS*
Professor of Banking, New York University

Dr. Rogers criticizes forecasts based on dead figures, and ascribes present check on high prices to public's belief prices will come down. Holds quantity theory of money and credit has been exaggerated and says, despite ballyhoo, we shall not have long or severe depression and no repetition of 1929. Foresees, however, heavy backlog of business failures and concludes price is vulnerable but price declines will benefit country and cost cutting "will become more fashionable."

The greatest war in history has left us many legacies. Some of these legacies are clear, direct and unmistakable, such as debt; others are more indirect and less predictable in terms of monetary consequence, such as our greatly expanded total of money and deposits.

At the end of the war, these experts who explain everything in terms of the quantity theory of money, look on at our vast total of war-created purchasing power and promptly tell us that we would have wild inflation. And when they said inflation was to mean the 50 to 75% increase we now have in prices; they meant the real thing! Of course, they didn't mean that we would have as much inflation as they have had in Hungary, where the cost of living index in July (1940) stood at the astronomical figure of 18,000,000,000 compared with 100 on Aug. 26, 1939, but the experts did mean that prices would rise as high as 75% and that we had as much money and credit in the pockets of our people and on the books of banks.

Those of us who were unshockable (some say dull) from the viewpoint of the quantity worshipers) to emphasize our increased productive capacity in nearly all lines of agriculture and industry were given a short shrift by the true-believers. The peacenik implications of our wartime ability to carry a large part of the production burden of the entire world seemed to escape them. The economic implications of our enormous increase of productive capacity during the war, however, are probably more important to the fact that the American people are happy.

(Continued on page 26)

*Raymond Rogers

and the continuation of that increase of our productive facilities at an even more rapid rate after the war will overcome any inflation we are now experiencing.

On the face of it, all the prophets of inflationary doom are forecasting declines in prices. In the words Bruce Barton used in another connection, I say, "What can a man believe when his experts can't agree?"

No, you won't have wild inflation. One must remember that in any economy you can view the record of Hitler in Germany. Stalin has controlled economies without inflation; and our own planners in Washington and they want to realize that man is an emotional, almost hysterical, being far removed from the calculating, cool-headed, thinking man of the economists.

We are living in a confusing age. About a year ago we were told that unless wages were raised we would be in for a very serious depression. Well, we know that fear is the pattern of wages that took place last year—everything went along pretty well, and now we are told that unless the wages are reduced and we raise wages again, we are in for a period of deflation. In other words, the situation is as follows: We expected and had a terrible recession last year, but now you tell me that the wages are too high to make a living. That, of course, is not true. Even the most pessimists are not so sure of that. It is true that prices have been rising, but I think that is due to the reduction of the prices of certain foods which have had a much greater effect on the price index than all the other goods.

(Continued on page 26)

BIOGRAPHY

Dr. Marcus Nadler

Facts and figures, therefore, reflect prosperity of the highest degree, at the same time, if you talk to people who are, say, engaged in the production of ladies apparel, or in cosmetics, or in advertising, they will tell you that the country is prosperous, they will just say, "Where is this prosperity I don't see it. My men are working two or three days a week, and the demand for my products is decreasing."

What is the most important thing to business in general is the fact that building activity is not materializing. In fact, building activity is the number one factor, not only in increasing the present time, but it is, in actuality, decreasing. And as you know very well, that building activity, the construction of homes and factories, plays a very important role in our economy.

The reason why the construction industry is not going ahead, as generally expected, is primarily due to the fact that costs are too high. Building materials are too high, building labor is too high. (Continued on page 27)
Washington... And You

If a long shot takes your fancy, and you won't have a reduction bill, the odds will narrow quickly, and may be close in when the legislation drops on the President's desk around this month-end.

The Senate Finance Committee has minimized the veto potential by (1) advancing the tax cut effective date from July 1 to January 1; and (2) reducing the tax reduction on taxable incomes of $75,700 to $20,000.

In the long run, political motives will dictate the President's decision. Watch the Senate vote for a signal. Some Democrats will be in the majority. If they lose in number, it is likely that President-Okolicy is more certain. A critical situation might influence Mr. Truman to veto a message.

House Ways and Means Committee hearings state that the $35,000,000 increase in the 1947 budget will be largely limited to business relief. That is to be stressed in the 1948 general tax revision law. Hearings em- phasize with a double taxation and the excise tax system. Up for scrutiny also will be taxing stock options.

It's too early to say, but reduction of some tobacco excise levies may be written into next year's revenue bill. Also watch for some form of tax ad- ministration. The Big Three from swallowing the entire tobacco industry.

Two Pressing Uncertainties—Labor Strife and Inflation

By REV. BERNARD W. DEMPSEY, S.J.

Regent, School of Commerce and Finance, St. Louis University

Father Dempsey contends nation's has been saved from postwar collapse similar to that of 1929 because quoted prices, have not rise to 1928 levels of living. Federal Executive on their beverages, there was one during World War II. It has been con- sidered but rejected several times during the present session. It will be ad- vocated and resisted—again during the coming Ways and Means Committee discussions. The Treasury has estimated a

(Continued on page 40)

Observations

By A. Wilfred May

The World's Most Corrupt Investment

No Class of Security Provides Escape From the Squeeze of the High Cost of Living, Current Inflationary Taxes

The recent advances in the London securities markets interestingly highlight the position of the stockholder in the world-wide era of socialization and inflation. During the current week Chancellor Dallin's warning to Britain's creditors about a possible tax on stocks devoted to overseas investments in this country, will have succeeded over the long-term. Thus the "Financial Times" index of ordinary shares is 36% above 1935 prices, 11% above a year ago. A 5% dividend in 1935, for example, common stocks, as reflected in the Dow-Jones industrial average, in the same 12-year interval, have likewise advanced, but by only 22%.

This leads to curiosity about the stockholder's ability to secure protection against the course of inflation, and the relative wealth of stockholders versus bondholders in various countries.

The Recurrent Recourse To Equities

In the course of the cataclysmic German In- flation of the 1920's there was no defense really afforded to the holder of shares or any other class of security, mainly because of the impact of a great variety of state controls. But we find in the subsequent decade, in all European countries, due to the persistent encroachment of a variety of political and economic elements—inclining towards some of the rights of the credit class, and a falling interest rate—in addition to monetary instability; the capitalist again sought refuge in common stocks.

The status of the bondholder has become increasingly unenviable.

A study made by this columnist in Europe of comparative price-earnings ratios of stocks, shows that the bond in the Inte-War period was far ahead of Americans in turning to common stocks for capital investment. Thus between 1926 and 1936 the return of common stock dividend yields to government bond yields was lower in France; Great Britain, Austria, Italy, and the Netherlands, again in the United States and this was similarly true of industrial and corporate bond yields since the turn of the century. And a study made by the London Economist in 1938 the percentage of common stock dividend yields to government bond yields was at a time when an unseasonably rising in relation to total industrial.

Similar in the United States an upward trend in the relative popularity of common stocks has increased considerably right through the war. A study made by the New York Times shows that by 1945 the spread between the yields on common stocks and corporate bonds has fallen to only a fraction of its 1925 rate. In other words, the impact of the stock market's reaction to inflation has been a virtual drying up of the bond market. We thus see that in his worldwide desires to escape the severe political monetary obstacles the investor has turned to common stocks. While this correctly describes his behavior, it leaves open the question of the source of this policy and the result of the investor's frantic efforts to protect his capital and his real or even actual income.

The Investor's Squeeze Between High Cost of Living, Low Priced Income, and Low Cost of Living, Low Priced Income.

We attempt to give a little account of the various adjustments the individual can get by this method of living comfortably in circumstances he would have called un- necessary and inexorable.

This happens to a nation in which the cost of living is directly and immediate adjustments on everybody, and most obviously on the box car rate for the next one or two or one on everybody. You find yourself calling the engineer to stop the train and work and waiting for the

(Continued on page 40)

Delay in World Bank Loan to Denmark

WASHINGTON, May 14 (Special) — The World Bank originally intended that its loan to Denmark would be its first in Europe, but it is now expected to announce the Danish and French loans simultaneously. But for reasons reported elsewhere in this paper, the Danish loan was the first to be concluded.

The cause of the recent delay has been the Western World's desire to have the assurance of the British Government that it is not press for its claims of $35,000,000 against Denmark, claims representing balances in Britain's favor. The British appear to have been unwilling to give such assurances but on the other hand have made it known to the Bank that they intend to do nothing which would prejudice Denmark's chances with the Bank.

Denmark will soon get the loan: probable $30 million for 1947 and $30 million for 1948.

Grigz Quits Bank

Sir James Grigg, British execu- tive director of the World Bank, whose impending resignation was reported in these columns some time ago, leaves Washington for good. It is believed that his successor will be R. Gordon Munro, British Minister in Wash- ington. The Bank has lost a colorful personality.
Attention, Mr. Dalton!

By HERBERT M. BRATTER

Correspondent asserts that Britain expects U. S. moral support toward scaling down sterling debts. Predicts that India's negotiators, who have been cautiously affable, "will quote Keynesian promises. Mr. Bratter lists the prospective India-British arguments, classifying them as statistical and moral, and predicts final disposition may rest on our doorstep.

The British have been, as Sir Wilfred Eady returned empty-handed from his visit to India and the Near East on a mission to "lay the groundwork for disposal of the "blacklisted" sterling balances, sometimes referred to as Britain's "leading war debt. Now with heavy endorsement of the former Prime Minister, Conservative Leader Winston Churchill, the Labor Government's Chancellor of the Exchequer has taken a new stance.

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Why the Scare Campaign?

By ROBERT W. COyne

Executive Director, American Theatres Association

Mr. Coyne disposes economists' scare campaign and cites facts and figures indicating a continuing trend toward stabilization. Urges cessation of ghost chasing and calls for an attitude on business conditions based on known factors.

We are in the midst right now of a scare campaign without precedents in our experience. Columns on page 9 and 10 of the paper after a paper read by real and near economists, speech after speech by newsmen, hundreds of varying quality are calculated to convince the American people a feeling of distress and uncertainty as to what the midterm election future holds.

No economist as far as I have ever known has been able with precision to ascertain the causes of a depression and isolate them from the effects. Yet our present situation is more firmly established and with funereal intonations they use, a fine tooth comb and comb with a batter of imperfections and—what they extricate desperately and whip up to the proportions of major storm signals. They ignore or blunder their way through optimistic harbinger, for those who oppose any scaling down of the war debts.

"Part of a talk by Mr. Coyne before the Life Underwriters Association report of New York City, New York, May 6, 1947.

British Not Exceeding Loan
Withdrawals, Says Secretary

Treasury Secretary also discusses Lend-Lease and Britain's "War Debt" status.

WASHINGTON, May 14 (Special to the "Chronicle")—Asked about British Loan withdrawals, now totaling $1,750,000, at his press conference yesterday, Secretary of the Treasury, Mr. Snyder said, "We have to realize that the United States has taken upon itself a very large economic, financial and military burden in the Lend-Lease Agreement.

The British, after their borrowing, if they make payments, is not an act of mercy. It is an act of policy in the political interest of our country.

The British are seeking to liquidate, as rapidly as possible, their war debts this year. We are not happy about that. But we do not want to make it too easy for them. We are not going to let them take advantage of the American people.

"We will help to dispose of $500,000,000. We will have to look for more savings and Americans in every way.

As to an inquiry as to whether the N.A.C. is discussing any loan with the President, the answer was that there was none.

The Secretary said he had a new Customs of Commissioners has not been selected.

Regarding the fact that last week's bill offering $1,200 million to the British, Secretary Snyder said that the maturity of some securities had been given only a tentative consideration: "We have to keep the Lend-Lease agreement.

 Asked when asked about the surplus coming down rather sharply in New York, Secretary Snyder said the Treasury has not changed its estimated position. The government will be in June 30 as a surplus of $23,000,000,000.

Concerning Britain's war debt, Secretary Snyder observed: "The United States has not charged and has not changed its attitude toward the British debt. We have asked the British government, as I have said, to use the United States bond in very similar terms to consult with their creditors and negotiate settlements. We have not indicated how they would have been handled. There is a matter of negotiation between the two countries. These settlements may or may not involve scaling down."
A Few Facts About the Over-the-Counter Securities Market

BY FRANKLIN ESCHE

Dresner & Escher, New York City

Pointing out over-the-counter market is larger in volume of issues and in transactions than business of all U.S. stock exchanges combined, Mr. Escher maintains that dealings "over-the-counter" require not only the same high level of surveilla-
tions on organized exchanges, but also necessitate more confidence and specialized services from broker or dealer. Says services of broker or dealer in off-board transactions should carry compensa-
tion and stresses "counter market" is regulated, contrary to popular opinion.

Just how big, how important, is the Over-the-Counter Market?

Some idea as to that can be gained from the fact that, during the course of one year, the Na-
tional Quota-

tion Bureau (a service used largely by investment dealers) quotes around 25,000 securi-
ties, and that frequently, in a single day, there are quoted by as many as 5,000 separate is-

sues. This compares with 1,348 stocks listed on the New York Stock Exchange.

How about volume? Well, as to that, no one knows exactly, but estimates run anywhere from a volume at least equal to that of any other market in the world to a volume twice as great. The

largest New York Stock Exchange commission house in the country, Merrill Lynch, has this to say on that subject in one of its recent publications ("Off-Board Securities Market"): "One of the most vital but least understood sections of the investment business is the off-board market. In the number of securities traded it is larger than the number of stocks exchanged combined; in volume of trading it equals or exceeds all organized exchanges combined.

Over-the-Counter Securities

What are some of the securities traded in the Over-the-Counter Market?

In the first place, U.S. Government securities that are listed on the New York Stock Exchange, but which usually trade over-the-counter to the extent of several hundred million dollars. Then, of

(Continued on page 37)

Not an Anti-Labor Bill

HON. ROBERT A. TAFT* U. S. Senator from Ohio

Sponsor of Senate Labor Bill denies proposed measure is in oppo-

site of labor and contends it is for protection of small business and individual worker against tyranny of labor leaders. Says Wagner Labor Act is one-sided and unjustified. Holds labor leaders have too much power and new bill will tend to take them away from labor peace.

The Senate Labor Relations Bill will be passed this week by the Senate in its presently substantial form. The Senate has in-
spected the bill in this form. In the Com-

mittee bill was not passed, on the basis of the vote of 7-to-6 in the Com-

mittee. The bill has been violently attacked by labor leaders. It has been attacked by

industrialists because it does not abolish all union shops and nation-wide collective bar-

gaining. Nor did the amendments which I offered propose to abol-

ish nation-wide collective bar-
gaining. It has been attacked by

*An address by Mr. Green over NIBC radio hookup, May 11, 1947.

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(Continued on page 20)

Luthringer favored as

U. S. Executive Director of World Fund

WASHINGTON, May 14—Mr. Camille Gust is back from his European trip, the resignation of Mr. Albert L. Taft, American Executive Director of the Fund was scheduled to take effect at the meeting of the executive directors of the Fund held on May 14. Dr. White is reported to have rec-

ommended that alternate execu-
ty leaders. Mr. Gust is said to be expected to be appointed as execu-
tive director.

Guthrie seeks loan from

Export-Import Bank

WASHINGTON, May 18—Mr. H. C. Collado, former President of the Philippine Commercial Bank, has turned to the Export-Import Bank for a $50,000,000 loan to the Philippines.

(Continued on page 20)

Announcement

Thomas E. King, formerly a partner of Hicks & Price, and Ralph M. Bloom, formerly a partner of Cayne, Robbins & Co., are pleased to announce the formation of Thomas E. King & Co. to conduct a general investment and brokerage business.

Thomas E. King & Co. have taken the space formerly occupied by Cayne, Robbins & Co., retaining all personnel including Roy S. Sundell and Robert K. Belt. The present wire system to Cleveland and New York remains.
**Public Utility Securities**

Michigan Gas & Electric Company

Michigan Gas & Electric Company serves electric and gas to five counties in Michigan, with a total population of about 100,000. The largest area served, in southeast Michigan, includes a number of other communities. A little further north of the city of Holland and town of Zeeland are the largest farmers. In the southern part of the peninsula the three areas served are not connected, the principal cities being Munising, Marquette, Iron Mountain, Negaunee, Houghton and Hancock.

About 60% of revenues are derived from sales of electricity, 14% from manufactured gas sales. In 1946 the company produced only about 18% of its electric energy requirements and manufactured 2% of its gas, the remainder in each case being purchased from non-affiliated vendors. Within the last few years natural gas has been brought into Michigan but is not as yet available to the company, which is now negotiating as to the most practical methods to purchase gas.

In the preceding pages the principal business activity in the areas served is copper and iron mining, together with lumbering, pulp and paper, sawmilling, dairy products, etc. In the southwestern Michigan area these scattered at the base of the mining industries, (including a number of the automotive industry), fruit and vegetable farming, resort business, etc.

The average annual residential electric revenues per kw in 1946 were 3.6% above the national average, the average per kw commercial, 23.5%, industrial, and 7% miscellaneous.

On April 2, 1947 the company's capital was engaged in a general overhauling, $3,500,000. First 5% were paid out on this basis. The $250,000 used in the third quarter and the remainder in the fourth quarter. The four issues of old Prior 2.5% bonds followed by the new 2% bonds due 1976, and 300,000 Serial Bank Notes replaced $250,000 Serial Debenture $100. The $250,000 used in the third quarter and the remainder in the fourth quarter. The four issues of old Prior 2.5% bonds followed by the new 2% bonds due 1976, and 300,000 Serial Bank Notes replaced $250,000 Serial Debenture $100. The $250,000 used in the third quarter and the remainder in the fourth quarter. The four issues of old Prior 2.5% bonds followed by the new 2% bonds due 1976, and 300,000 Serial Bank Notes replaced $250,000 Serial Debenture $100.

With Merrill Lynch Firm

RALIEGH, N. C.—Graham H. Andrews, Jr., has been added to the staff of Merrill Lynch, Pierce, Fenner & Beane, 309 South Salisbury Street.

**Trades in Common Stocks**

**COMING EVENTS**

In Investment Field

*May 15, 1947 (Washington, D. C.)*

Dinner Meeting of Association of Stock Exchange Firms—to be held at the Capital Hotel, 1514 16th St., N.W., Washington, D.C., Drexel & Co., President, and J. P. Morgan & Co., President of the New York Stock Exchange.

*May 23, 1947 (Philadelphia, Pa.)*

Bond Club of Philadelphia Annual Meeting to be held at the Franklin Institute, 20th and Chestnut Sts., Philadelphia, Pa.

*May 29, 1947 (New York)*

Bond Club of New York Field Day and outing at Westchester Country Club, Rye, N. Y.

*May 30, 1947 (Atlanta, Ga.)*

Georgia Security Dealers Association Annual Outing at Brookhaven Country Club, Atlanta, Ga.

*June 6, 1947 (Baltimore, Md.)*

Bond Club of Baltimore Annual Field Day and Outing at the Elkridge Country Club, Elkridge, Md.

*June 7, 1947 (New York)*

Bond Club of New York Field Day and outing at the Sleepy Hollow Country Club, Tarrytown, N. Y.

*June 8, 1947 (New York)*

Bond Club of New York Field Day and outing at the Sleepy Hollow Country Club, Tarrytown, N. Y.

*June 9, 1947 (Philadelphia, Pa.)*

Bond Club of Philadelphia Annual Meeting to be held at the Franklin Institute, 20th and Chestnut Sts., Philadelphia, Pa.

*June 12, 1947 (Minneapolis, St. Paul, Minn.)*

Twin City Bond Club 28th Annual Picnic at the White Bear Country Club, 2918 Larpenteur Ave., St. Paul, Minn., Wednesday night, June 11, with refreshments at the Nicollet Hotel, Minneapolis.

*June 13, 1947 (Boston, Mass.)*

Municipal Bond Club of Boston Annual Meeting to be held at the Hotel Statler, Boston, Mass.

*June 15, 1947 (Cleveland, Ohio)*

Cleveland Bond Club annual spring party and silver anniversary celebration.

*June 17, 1947 (Philadelphia, Pa.)*


*June 14, 1947 (Chicago, Ill.)*

Bond Traders Club of Chicago spring party, At the Hotel Sherman, Chicago, Ill.

*June 16-17, 1947 (Cincinnati, Ohio)*

Annual Picnic of the Cincinnati Stock Exchange.

*July 15, 1947 (Cincinnati, Ohio)*

Annual Picnic of the Cincinnati Stock Exchange.

*July 22, 1947 (Detroit, Mich.)*


*Aug. 10-14, 1947 (Boston, Mass.)*

National Conference of Investment Bankers Association annual convention.

*Nov. 30-Dec. 6, 1947 (Hollywood, Fla.)*

Investment Bankers Association Annual Convention.

Mr. E. Hopkinson, Jr., President

*May 15, 1947*

I.B.A. Head for Both Debt and Tax Reduction

By ROBERT W. WASON

Chairman of Board, National Association of Manufacturers

NAM spokesman attacks Truman policies and blames them for high prices. Denies industry alone causes depression and admits present difficulties to high taxes, excessive wages, and attack on profits. Urges need of maintaining business solvency, which is best achieved by reducing prices.

President Truman is suffering a depression. A slacking-off of confidence and therefore of orders is visible to all of us present. The prices and the Department of Agriculture buy farms surpluses at prices that are lower than the farm prices from falling as low as $1.00 per bushel.

The only ways to increase the purchasing power of the dollar are to cut the increasing multitudes of dollars that bid for goods available, to put down prices of goods that are available. The government continues to keep money cheap, which of itself increases prices, if government spending could be cut.

The President demands lower prices from industry. Yet he refuses to reduce the prices of goods to make them available at low prices. He asks the farmers to cut the surplus of goods into prices that will bring the surpluses down to 0.00 a bushel.

Federal politicians take and spend public money and the farmers earn by every American worker's tax, and every family, corporation and partnership.

The people could save money in billions of dollars if it paid the farmers more millions of dollars each year in salary, provided they pay the government the money for the welfare of the farmers and the country. By this request to spend your money for the welfare of the farmers the government asks the people to save money for the farmers. By this request the government asks the people to give the farmers, who feed the American people if they be worthy of $60.00, $20.00. The American people is not able to do this.

Any average American can (Continued on page 46)
**The Present Housing Picture**

By FRANKLIN D. RICHARDS

Assistant Commissioner, Federal Housing Administration

![Image of a page from a book or a newspaper. Text is not visible due to the size of the image.](image-overlay.png)

In the 18 months since V-J Day there has been a very impressive expansion in the production of functional, low-cost, well-constructed and durable houses. This expansion has been due in part to the end of the war, in part to increased worker productivity, and in part to a greater awareness of the need for housing. The result has been a significant increase in the number of new homes being built.

In the housing market today, there is a wide variety of housing available. From the small, one-bedroom apartment to the large, luxury home, there is something for everyone. The demand for housing continues to grow, and the industry is working hard to meet this demand.

The real estate market has also been strong, with prices rising and inventory levels dropping. This is good news for buyers, as it means that there are more homes available for purchase. However, it also means that prices are likely to continue to rise, so buyers should act quickly to find the home that is right for them.

In conclusion, the housing market is strong and continues to show signs of improvement. The industry is working hard to meet the demand for housing, and prices are rising. It is a good time to be in the real estate business, and we expect this trend to continue in the coming years.
Confidence in Business Outlook Justified

Cloud Wampler,* President of Carrier Corporation and former investment banker, sees good business in the next two years even though industrial activity may decline. Says there is evidence "people will get back to work."

American businessmen must learn how to sell their product, Cloud Wampler, President of Carrier Corporation, Syracuse, N.Y., warned at a luncheon meeting of the Board Club of Chicago on Monday, May 14. Mr. Wampler is a former Chicago investment banker and a member and director of the club.

"Too many of us have forgotten how to sell," Mr. Wampler said. "As you well know, the war years were not years of real competition. Such a situation cannot and will not continue when the other hand, the return of competition should be more even and not as much bottlenecked. We have no right to expect bankers to have as good a market as they do to make a guaranteed sale. Furthermore, our competitive world will take products only if the prices are right and real sales efforts are made.

Pointing out that this statement was not to be considered as reflecting a lack of confidence in the business outlook, Wampler

*Cloud Wampler.

Airkraft Manufacturing Corp., Lima, Ohio
Common Stock
Manufacturer of Deep Freeze Units, Beverage and Food Coolers, and Outdoor Advertising Signs of all types.

MARKET: 1 1/2 - 1 1/2
Full information available on request to dealers only.

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A Detailed Analysis of Ft. Wayne Corrugated Paper Co.
Common Stock
Available on Request

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Members New York Stock Exchange
200 Water Street, New York 8, N.Y.
CHICAGO 4, ILLINOIS
Telephone Franklin 1001

Central Public Utility
51% of ’52
Recent Review on Request

208 SOUTH LA SALLE ST.
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FRED W. FAIRMAN CO.

Public Utility Common Stocks

-Black Hills Power & Light Company
-Central Arizona Light & Power Company
-Central Electric & Gas Company
-Gulf Public Service Company
-Indiana Gas & Water Company
-Iowa Public Service Company
-Lake Superior District Power Company
-Michigan Gas & Electric Company
-Michigan Public Service Company
-Michigan Southern Railway Company
-Public Service Company of Indiana, Inc.
-Signet Gas & Electric Company
-Southern Wisconsin Public Service Company
-Texas Public Service Company
-Western Electric Light Power Company
-West Virginia Water Service Company

BOUCHARD - Dutton
Prospectus Available

A. C. ALLYN & COMPANY
Incorporated
Chicago New York Boston Milwaukee Minneapolis Omaha

Aviation Bulletin—Comment, news, and general market opinion—John C. Davis, 111 South La Salle Street, New York 5, N. Y.

Bargains Do Not Last Forever—Market comment—Harry C. Line. 111 South La Salle Street, New York 5, N. Y.

Common Stock Program for Investors—Special list of issues to the investor in arranging his stock portfolio—G. H. Walker & Company, 111 South La Salle Street, New York 5, N. Y.

Motor Accessory Companies—Analysis of position—H. Hentz & Company, 100 Beaver Street, New York 4, N. Y.

Security Sales vs. Tax Position—Study of tax position under existing capital gains tax—Loeb, Rhoads & Reynolds & Company, 120 Broadway, New York 5, N. Y.

View of the Stock Market—Analysis—H. W. Hickey, 15 Broad Street, New York 24, N. Y.

Aspock Corporation—Circular—Ward & Company, 120 Broadway, New York 4, N. Y.

Also available are memoranda on Lamps Company; Taylor Wire Company; Wharton Iron & Steel Products; Upson Corp.; United Artists; Vacuum Concrete; Barluff Mfg. Co.

Central Public Utility—Recent review—Fred W. Fairman & Company, 111 South La Salle Street, Chicago 4, Ill.

Chicago, Rock Island & Pacific—Memorandum on current developments—J. H. Rothwell & Company, 52 Wall Street, New York 5, N. Y.

Also available is a brochure outlining current railroad developments of the week.

Denver & Salt Lake 5-4s of 1933 Memorandum—H. W. Hickey & Company, 52 Wall Street, New York 5, N. Y.

Also available is a leaflet outlining current railroad developments of the week.

Dumont Electric Corp.—Bulletin—A. H. Wadell & Company, 111 South La Salle Street, New York 5, N. Y.

Also available is a bulletin on York Corrugating Co.

Duncan Ding Corp.—Ca r d memorandum on speculative possibilities—Bennett, Spanier & Co., 106 South La Salle Street, Chicago 3, Ill.

Also available is a descriptive circular on Duncan Ding Corp.


Fashion Park, Inc.—Analysis—Seligman, Lubetkin & Company, 41 Broadway, New York 4, N. Y.

Also available are analyses of other securities and Consolidated Dated Debentures.

Fitch Telecommunications—Analysis—Truoer, Currie & Summers, 14 Trinity Place, New York 6, N. Y.

Fire and Casualty Insurance Stocks earnings comparison for 1946—Late data—H. W. Hickey & Company, 120 Broadway, New York 5, N. Y.

Fort Wayne Corrugated Paper Co.—common stock—Descriptive

Dealer-Broker Investment Recommendations and Literature

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

Aviation Bulletin

Bargains Do Not Last Forever

Common Stock Program for Investors

Motor Accessory Companies

Security Sales vs. Tax Position

View of the Stock Market

Aspock Corporation

Central Public Utility

Chicago, Rock Island & Pacific

Denver & Salt Lake

Dumont Electric Corp.

Duncan Ding Corp.

C. Button

Fashion Park, Inc.

Fitch Telecommunications

Fire and Casualty Insurance Stocks

Fort Wayne Corrugated Paper Co.

brochure—David A. Noyes & Co., 208 South La Salle Street, Chicago 4, Ill.

Franklin County Coal Corp.—Detailed analysis—Comstock & Co., 213 South La Salle Street, Chicago 4, Ill.

Also available are analyses of Ira W. Rothchild & Company; George Bell Lamber, Inc., Manufacturing Protective Group, and Old Ben Coal Corporation.

R. Hoe & Co.—Analysis—Adams & Co., 231 South La Salle Street, Chicago 4, Ill.

Massachusetts Bonding & Insurance Co.—Descriptive brochure—Geyer & Co., Incorporated, 67 Wall Street, New York 5, N. Y.

National Tool Corp.—Analysis—In the current issue of "Business Week," page 19.


Pacific Gas and Electric Co.—Analysis—In—Haup, Co., 111 South La Salle Street, New York 5, N. Y.

Portland Electric Power Co.—Analysis—In—Haup, Co., 111 South La Salle Street, New York 5, N. Y.


Also available is an offering circular on Sterns & Sterling, Inc.

Southwestern Public Service Co.—Memorandum—Buckley Brothers, 1491 Walnut Street, Philadelphia 2, Pa.

Also available are memoranda on H. H. Robertson Company and Eastern Corporation.

Terra-Lite—Circular—Cawell & Company, 2 South La Salle Street, Chicago 3, Ill.

Utica & Mohawk Cotton Mills Co., Inc.—Circular—Mohawk Valley Publishing Co., Utica, N. Y.


With Bowers & Co.

With At legislates

Beverly Hills, Calif.—Bowers & Co. has been added to the staff of Allerges Securities, Inc., 133 North Robertson Boulevard.

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Michigan Brevities

Service Carter and Tuck Corp., of Alhambra has filed a registration statement with the SEC covering 26,990 shares of $1 par convertible preferred stock. Upon preferred will be offered by an underwriting group, par shares, the offering will be used to indebtedness to the Capital Credit Corp.

First of Michigan Corp., was the awardee of a $70,000 loan to the Muskegon Township System Development Bonds. The issue was offered at 1½% at prices ranging from 99.60% to 100% through 1952. First of Michigan’s elsewhere award was an offer for a $25,000 issue of Louisville, Ohio, School District, Bonds.

Application has been made to the Securities Exchange Corp. on the New York Stock Exchange.

H. V. Sattley & Co., Inc., and Associated, have purchased for $450,000 Warner Township, Macomb Co., mortgage, with other securities revenue extension and refunding bonds bearing interest at the rate of 3½%. The interest was on Nov. 12, 1976, to 1976. The borrower has only offered to yield the proceeds from the sale at 2.75% to 3.10%.

Capital needed to finance Michigan Bell Telephone Co’s “Reduction” has been an immediate success prompting the division to offer another issue of a $100,000,000 increase in the common stock. The largest authorization in the firm’s history, it would boost capital stock from $5,000,000 to $10,000,000.

T. N. Lacy, President, explained that the funds are now expected to finance the company’s new program up to the end of 1948 and the object of the program is to eliminate the slack season and reach of moolah families still without phones.

The Comptroller of the Currency has approved an application by the Detroit Savings Bank to open an office in the Buhl Building. C. T. Fisher, Jr., bank president, announced this will be the bank’s 31st office and the third downtown.

First of Michigan Corp. and Braun, Bosworth & Co., Inc., grocery industry in 1946 ran between 100 and 150 per cent of the unit of sale. Industry must earn at least this much to stay in business, according to C. T. Fisher, Jr., bank president.

The president Truman recently appealed for a reduction in the number of farm prices. He said, for a reduction in the cost of food, modern food manufacturers wholeheartedly endorsed the plan. He then realized that this was a task far beyond the ability of America that no one segment acting alone could ever have a substantial reuction in the cost of food.

"Let's examine the factors contributing to the highest food prices. First, the farmers have been a losing proposition for the consumer. They have intensified the purchase by farming methods of higher yields (Tribute issues from nonbank in- ( forward at the market.)

The Secretary of the Treasury recently announced that the rate of one on-year certificates of indebtedness below 5 per cent. The next market rates existing in the cycle were within the range of rates refunding of certificates at a 2½% rate. In the possibility that a certificate was lower was an important factor for the Treasury at that time. The second phase was the initiation and continuation of a large scale, piece-meal debt re-
Toppers to Hold Annual Outing on May 29th

The Toppers will hold their annual meeting and afternoon at the Country Club, Rye, N. Y. on May 29th. The members and almost all tickets have been sold, and there have not yet made reservations and still plan to attend the outing. They will hold the meeting at one time. The Committee will make every effort to accommodate such requests.

This year special prizes will be awarded on May 23rd. Books on the subject of Toppers will be purchased, and the prize will be close by 5 p.m. May 23rd. The special prizes will coincide with the sale of the remaining tickets. Among the special prizes will be: "The International Manners Fund — Bel¬

1. The company is engaged in the manufacture and sale of (1) Wiremold, which is designed for use in factories, (2) Air conditioning fittings, (3) Building materials, (4) Automobiles, and (5) Stocks.

2. Wiremold is a major product of the company. It is used in factories, and is available in a variety of sizes and types. It is sold to factories and other businesses.

3. The company has a number of patents and trademarks, including "Wiremold," "Wireduct," and "Wiremold," which are used to identify their products.

4. The company has a long history of innovation and growth, dating back to its founding in 1921.

5. The company has a large and diverse customer base, including major corporations and government agencies.

6. The company is committed to sustainability and environmental responsibility, and is exploring new ways to reduce its carbon footprint.

7. The company is actively involved in the local community, supporting various charitable organizations and community events.

8. The company is planning a number of new projects and expansions in the near future, which will create additional jobs and boost local economies.
Missouri Brevities

Nutrine Candy Co. on May 8 filed a registration with the Securities and Exchange Commission for the issuance of $1 par common stock to be offered by seven stockholders. Stull, Nichols, Silvert, & Co., have the handling.

The stockholders of Humble Liqueur Co. will vote June 1 on a proposal to split up the company into two companies, each having the basis and to change the name of the company to Humble Refrigerator Co.

Bearings Co. of America, Lancaster, Pa., on May 8 filed a registration statement with the Securities and Exchange Commission, containing notice of $500,000 in first mortgage 4½% bonds due March 15, 1947. The proceeds of which are to be used to retire a bank note and for general working purposes. The principals of the company are Dempsey & Tegetco and J. W. Brady & Co. of St. Louis.

Western Auto Supply Co. (Mo.), reports total sales for April, 1947, of $5,674,050, and net income for the month, and for the first four months of this year, of $235,310 and $629,117, respectively for the corresponding periods last year.

The company on April 30 had 246 retail units in operation, an increase of over a year ago. In the same period, while wholesale accounts were cumulated by the company, 1,558 were produced in April 30, 1946.

For the quarter ended March 31, 1947, earnings of McCuay-Norman Manufacturing Co. were $475,245, after Federal and State taxes, and a deficit of the last quarter. For the quarter provision for preferred dividends amounted to $17,997, the profits available to bondholders were $257,397, equivalent to $1.39 per share on the 3% preferred stock. The 4% per annum notes outstanding March 31, 1947, amounted to $249,764, equivalent to $1.20 per share on the 3% preferred stock outstanding at March 31, 1947.

Arthur D. Grew, President, stated that although April volume was below price and production levels, and the company was in the position to meet its present obligations, it was a sound business and came up to the expectation of the bondholders.

After making a provision of $59,000 to provide for relief of its employees who were laid off in the April strike, the net income of the Muscatine Chem. & Seal Co., for the first quarter of 1947 amounted to $24,246. After provision for dividends on the series A preferred stock, net for the quarter was equivalent to $1.19 per share on the 2,961,639 shares of common stock outstanding at the end of the quarter. Giving effect to the three-for-one exchange of stock in July, 1945, first quarter earnings in 1946 were 74 cents per share common. Consolidated net sales for the three months ended March 31, 1947 amounted to $35,216,366, representing 7% over sales for the corresponding period last year.

Current assets of this company and subsidiary, excluding British and Australian subsidiaries of companies at the end of the last quarter, was $70,132,483, as against current liabilities of $11,925,081.

Net profit of the Stilx, Beer & Fuller Co. for the quarter ended Jan. 31, 1947 was an all-time record amounting to $3,330,180, before tax, of $250,000 for possible future decline in market value of investments. This was equivalent to $.94 per share and $3.76 per share of common stock.

The working capital at the close of the year amounted to $8,197,414, an increase of $1,802,697 over the previous year and $4,512,600 over Jan. 31, 1946, seven years ago.

Missouri Edison Co. for the first quarter of this year reported an increase in net income of $33,352, after charges and Federal income tax of $.017, as against net income of $1,556,483, for the corresponding quarter of the previous year. This was an increase of $.05,443 over the corresponding period last year. For the year ended March 31, 1947, net income was $13,932, a gain of $571,182 over the preceding 12-month period preceding.

St. Joseph Light & Power Co. reported for the year ended Dec. 31, 1946, an increase in net income of $3,907,605, as against $2,936,361 for 1945. Net income after charges and Federal income tax amounted to $508,560 in 1945, compared to $377,546 in 1946, an increase of $131,014. The company's earnings in 1946, represented by $1,697,000, the current year net income $691,285, as against $1,385,152 and $580,112, respectively, at the close of 1945.

The Lucky Tiger-Combina- tion Gold Mining Co., in its annual report for the fiscal year ending Dec. 31, 1946, shows total current assets amounting to $31,573,999, as against total current liabilities of $6,441,040. The consolidated losses for the 12 months was $669,094, after charges and Federal income tax. Bullion sales, during the year, amounted to $18,646, as against $31,135,953 for the preceding 12 months.

Richard W. Satterlee is With Geo. K. Baum Co.

KANSAS CITY, Mo. — Richard W. Satterlee has been associated with George K. Baum & Co. Inc. 1014 Baltimore Ave. Mr. Satterlee was formerly Vice-President of Lucas, Satterlee & Stelle. Prior thereto he was with Stern Bros. & Co. in charge of the trading department.

Theodore C. Honig With Dempsey-Tegeler Co.

Tenouere C. Honig has been appointed as sales executive for Dempsey-Tegeler Co. 407 North Eight St., Chicago. Mr. Honig was formerly in the charge of the wholesale and retail department for White & Co.

With Slattery & Co., 407 Los Angeles, Calif., R. R. Sarr is now with Slattery & Co., Inc. 2777 Wilshire Boulevard.

Metropolitan St. Louis Company

178 Locust Street
Sain Louis 1, Mo.
Central 8250
L. D. 208
S. L. 499

ST. LOUIS

Peltason, Tenenbaum Co.
Landmark Building
Chicago & Southern Air Lines
Chicago & Mid-Continental Airlines
Old Ben Coal Corp.
Chicago & Mid-Continental Airlines
Velvet Freeze
Collins Radio
Dell Oil
601 Market St.
Alexander
Rockelle Mfg.
SCHERCK, RICHTER COMPANY
Landmark Building
Bill Tuley
St. Louis 2, Mo.
D. F. L. 225
L. D. 123

Richard Satterlee is With Geo. K. Baum Co.

THE COMMERCIAL & FINANCIAL CHRONICLE

Volume 156 Number 4594

(2009) 13

Sees Danger in Further Foreign Lending

Chairman Martin of Export-Import Bank tells House Committee prospectively difficult in effective international payments, make further loans in lieu of gifts risky. Reveals pressure to finance shipments of capital goods to United Kingdom.

WASHINGTON, (Special to the Chronicle)—Under questioning by Republican members of the House Banking and Currency Committee, Chairman Martin of the NAC, John W. Snyder, summoned now to explain the supposed threat to American foreign lend ing with the Ex-Im.

A private and independent lender that in its opinion, further foreign lending as distinct from gifts would be very risky to the extent that Mr. Martin's remarks seemed to take the place of government lending, in the light of the prospective balance of payments of the United States and the practical difficulties of foreign currencie s making repayment and of this coun trys receiving payment, Mr. Martin said.

Chairman Jesse Wolcott of the Banking and Currency Committee, in his report to the committee this session, made a credit study of all Federal credit agencies, excluding the NAC. If foreign lending does not fall under the scope of the Banking and Currency Committee, the latter will not make an advisory report, he said. Wolcott's remarks were prompted by efforts of Congressman Frederick B. Smith of Ohio and Howard Buf nett of Nebraska to have the Secretary of the Treasury and

Stix & Co.

INVESTMENT SECURITIES

306 S. WILSON AVENUE

ST. LOUIS NO.

Members St. Louis Stock Exchange
Bank and Insurance Stocks

By E. A. VAN DEUSEN

This Week—Bank Stocks

New York City bank stocks currently can be bought for around the same price they were selling in January 1944, based on Standard & Poor's weekly index. This index was 97.1 on May 7, 1947, exactly the same as on January 3, 1944.

With regard to individual bank stocks, some are higher while others are lower, as shown in the following table:

<table>
<thead>
<tr>
<th>Bank</th>
<th>Price</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank of Manhattan</td>
<td>22%</td>
<td>27</td>
</tr>
<tr>
<td>Bank of New York</td>
<td>42</td>
<td>42</td>
</tr>
<tr>
<td>Central Hanover</td>
<td>36</td>
<td>37</td>
</tr>
<tr>
<td>Chemical Bank &amp; Trust</td>
<td>39</td>
<td>42</td>
</tr>
<tr>
<td>Corn Exchange</td>
<td>39</td>
<td>40</td>
</tr>
<tr>
<td>First National</td>
<td>1320</td>
<td>1400</td>
</tr>
<tr>
<td>Guaranty Trust</td>
<td>15%</td>
<td>16%</td>
</tr>
<tr>
<td>Irving Trust</td>
<td>93%</td>
<td>92%</td>
</tr>
<tr>
<td>Manufacturers Trust</td>
<td>53</td>
<td>52</td>
</tr>
<tr>
<td>National City</td>
<td>36%</td>
<td>41%</td>
</tr>
<tr>
<td>New York Trust</td>
<td>93%</td>
<td>92%</td>
</tr>
<tr>
<td>Public National</td>
<td>43%</td>
<td>43%</td>
</tr>
<tr>
<td>U. S. Trust</td>
<td>677%</td>
<td>670%</td>
</tr>
</tbody>
</table>

Standard & Poor's Index 97.1 0

*Prices adjusted for stock dividends to represent present capitalization.

Over the intervening three years these 15 banks fared as follows:

<table>
<thead>
<tr>
<th>Bank</th>
<th>1944</th>
<th>1945</th>
<th>1946</th>
<th>1947</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank of New York</td>
<td>258.97</td>
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<tr>
<td>Chemical Bank &amp; Trust</td>
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<tr>
<td>Corn Exchange</td>
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<td>Irving Trust</td>
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<tr>
<td>Manufacturers Trust</td>
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<td>35.24</td>
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<tr>
<td>Public National</td>
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<tr>
<td>U. S. Trust</td>
<td>768.75</td>
<td>768.75</td>
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</tbody>
</table>

Average Ratio 1.01 0.88

*Adjusted for stock dividends. Includes City Bank Farmers Trust.

$100 Million Advances to Mexico Agreed on

Under renewed stabilization agreement U. S. Treasury will buy $50 million worth of Mexican pesos over four-year period. $37 million to be extended by Export-Import Bank to finance development projects.

WASHINGTON, May 13—It was announced here today that two pending agreements with Mexico on stabilization have been renegotiated and, with further simplification of their terms.

One transaction was with the Export-Import Bank providing the peso-dollar rate of exchange for the purpose of extending a stabilization loan by the Export-Import Bank. Details of the respective agreements follow:

The Stabilization Agreement

The Secretary of the Treasury of the United States, Mr. John W. Snyder, and Mr. Rodolfo González, Secretary of the Treasury of Mexico, today executed a new stabilization agreement which will be negotiated with the governments of the United States and Mexico.

Under the terms of the agreement the United States will sell to the government of Mexico any and all monetary or treasury notes, bonds, and similar obligations of the United States, or other obligations acceptable to the government of Mexico, at a price of 81 and 3/4 cents on the peso.

The United States will also sell to the government of Mexico any and all monetary or treasury notes, bonds, and similar obligations of the United States, or other obligations acceptable to the government of Mexico, at a price of 81 and 3/4 cents on the peso.

Sincerely cordially,

Rodolfo González

Secretary of the Treasury of Mexico

John W. Snyder

Secretary of the Treasury of the United States

THE COMMERCIAL & FINANCIAL CHRONICLE
May 15, 1947
Standard Oil Company (New Jersey) reports...

Some highlights from the Annual Report for 1946, which has just been issued

The conduct of business and the welfare of people in general are closely related here in the United States. That is why we publish the following summary of this company’s annual report to its 164,000 stockholders. Put as briefly as possible, here are the year’s developments in our work which are of the broadest public interest.

EUGENE HOLMAN
PRESIDENT

FRANK W. ABRAMS
CHAIRMAN OF THE BOARD

THE WORLD’S NEED FOR OIL: In the postwar period is developing even more rapidly than was expected. Not only in the U. S. but world-wide, demand for oil products in 1946 was the largest in history, exceeding even the war years’ period. The pressure of demand is being felt in all lines of the business.

AFFILIATES OF THE COMPANY: are now operating practically at maximum capacity—a situation prevailing throughout the industry. Needed increases in output can be achieved only by enlarging every operation from well to market. In financing these activities, capital expenditure in 1946 reached the record figure of $279,000,000. The budget for 1947 provides for further increases. Construction of needed new facilities is one of the industry’s major tasks for the immediate future.

NET EARNINGS accruing to the interest of Jersey shareholders represent a return of 11.12% on average net worth, or 10.80% on total income of the Company and its affiliates. Such consolidated earnings for 1946 came to $8.50 per share of outstanding stock, a total of $177,000,000. Net income for the parent Company was $3.83 per share, a total of $104,770,000. Dividends of $3.00 per share were paid by the Company during 1946.

OF TOTAL MONEY TAKEN IN from all sources by the Company and its affiliates, 61% was paid out for crude oil, other materials and supplies, maintenance, direct taxes, and similar necessary expenses.

36% REMAINED after these expenses. Of this remainder, 65% was paid to 115,000 employees, 13% went as dividends to the Company’s stockholders, 16% was held for use in the business, and 6% was the amount applicable to minority ownership of subsidiary companies.

INCREASED PRODUCTION AND SALES reflected the world’s growing need for oil and its products. World-wide production of crude oil by Jersey affiliates increased 9.6% over 1945. Working at or near capacity, refineries of Jersey affiliates processed 7% more oil than in 1945—producing 9% of total U. S. petroleum products. Sales by affiliates also reflected rising need for oil. With relaxation of rationing, there has been increased use of oil products not only in this country but also in most of the foreign countries served by Jersey affiliates.

19 OCEAN TANKERS were purchased in 1946, in replacing tankers lost during the war. To promote greater safety at sea, three of our ships have now been equipped with radar and two more are being so equipped.

RESEARCH WORK during the year moved ahead, developing better and more versatile processes and products. Special attention was given to development of high octane gasolines to anticipate the requirements of coming higher compression automobile engines—giving greater power and increased miles per gallon. Semi-commercial conversion of both natural gas and coal into oil products has shown encouraging progress.

GOOD LABOR-MANAGEMENT RELATIONS during the year continued the Company’s long record of industrial peace. There was no domestic strike or work stoppage during the year. 68% of former employees discharged from the armed services have returned to work for the Company. In addition, 11,577 veterans were newly employed by the Company. More than 78% of eligible domestic employees participated in the Group Insurance Program. Employees saved $17,615,000 in the Thrift Plan last year, to which their employers added $30,329,000.

LOOKING AHEAD, it is clear that if men, through science and machines, are to drive persistently toward better living standards for all people, vast quantities of oil must be found, brought to the surface, refined, and distributed to all parts of the world. Standard Oil Company (New Jersey) is increasing substantially its activities and investments abroad as well as in this country. These are practical demonstrations of our confidence that American enterprise can help meet the needs of people everywhere and thereby serve the cause of lasting peace.

STANDARD OIL COMPANY (NEW JERSEY)
AND AFFILIATED COMPANIES
Railroad Securities

Delaware & Hudson stock has not been immune to the general pessimism that has enveloped the entire list of railroad equities in recent months, but it has been receiving enough buying support to prevent a further decline. The price of the stock has been held at a level of $4.45, which is only 300 last year to $18,178,000. This is a benefit of a sinking fund based on 5% of net income.

Over the long term there has been a continuous weakening of the Delaware & Hudson stock. That has been the strong dependence of the company on one coal. The coal over the years has consistently been losing ground to other fuels such as oil and gas in the domestic heating field. This seems to be a little prospect that his competitive pressure will be relieved. As a matter of fact there is a distinct possibility that further improvements in the use of anthracite coal will be witnessed in coming years. Prior to the incidence of war distortion Delaware & Hudson stock had a quarter and a third of its total freight revenues from this one commodity.

Delaware & Hudson is in some respects the leading railroad, a company whose other railroad systems have not been developed in New England. The company’s earnings are not so vulnerable as others because of climate conditions and less distribution systems of the oil industry. In fact, Delaware & Hudson is one of the few railroads that has partially offset the losses there has been in the coal mining industry and has been particularly aggressive in building up bridge and storage facilities along the many lines. There has been particularity of the opinion that the company’s loyalty lies largely in the fiber development and is profi table interchange movement.

The company had a high earnings record last year. The earnings on the parent company stock, the common stock of the Delaware & Hudson, amounted to $9.32 a share. Of this, roughly half was that of Delaware & Hudson’s net income of the railroad properties. For the first quarter of the current year, the earnings recorded were practically available for charges because of the company’s high estimated level of $5,100,000. On the other hand, the company’s earnings in 1947 should at least match the 1946 showing which would provide the adequate protection for the present dividend.

Truman in His Home Town
By ROGER W. BABSON

Mr. Babson discusses comments on President Truman in his home town and prospects of his reelection. Says Kansas City and St. Louis hold stock market is discounting Truman’s reelection, and that there is a strong possibility of an independent slate in Independence, Mo., where I am writing this, a typical small western city. Its life depends largely on the farmers living about.

In business, they are in durance. The honest people in Independence, the name suggests, are both demonstra tively independent. The town has a local Harry Truman as an unsuccessful storekeeper, who was more in the police than in politics.

Roger W. Babson

They are in durance. The honest people in Independence, the name suggests, are both demonstra tively independent. The town has a local Harry Truman as an unsuccessful storekeeper, who was more in the police than in politics.

Harry is honest and wants to do what is right. He is modest and doesn’t think he has the an swers to all the questions they have. He is willing to go out and debate with the man who is in their district, even to discussions for advice. If these men are honest and wise, the Republican will get through.

Thus far his followers appear to be such.

Will Truman Be Re-Elected?
If the Presidential election had been a year ago, Truman would have been terribly defeated. If the election were today, Truman would have no chance of being re-elected. Probably the answer lies with how he handles the veto power during the next year. Who is he to be running mate, and is it possible there is a running mate that will bring in to the White House in 1952? Perhaps that running mate will bring me to the chief new item of news which I got in Independence, Mo.

The people of Truman’s city believe that the Secretary of State George C. Marshall will be the running mate. I am of the opinion that there would be no difference between Truman and his running mate. He, who is to succeed his father, will not accept the Vice Presidential nomination. These people believe that Mr. Marshall will stick to his trade and that Mr. Truman and his backers believe. Hence, they are free to build up a new President to ratify his nomination for Vice-President.

Stock Market Discounts
When in Kansas City and St. Louis I asked friends: "What’s the matter with the market?" They replied: "The stock market today is not doing anything. Tomorrow 1948, I pass this along only as your reporter without comment.

Louis K. Comstock Chosen to Arbitrate Wage Dispute at A. M. Kidder & Co.

By EDMOR GERMAN

Jan. 31, 1948 emerges as important day for labor relations in the securities and financial Exchange, AFL, with employers, including one being negotiated now at A. M. Kidder & Co., terminate on that date. At union’s request, State Labor Board will conduct election among employees. Economists have proposed a collective bargaining agent. The Office Employees International Union, AFL, asks for election among employees of Public National Bank. Employer has 25 Broad Street.

The date of Jan. 31, 1948 emerges suddenly as an important day for the Wall Street exchanges and for brokerage houses to remember. It has special significance because that is the day when all contracts which the United Financial Employees, AFL, has with employers will expire. The United Financial has with the New York Stock Exchange and the New York Board of Trade, and only con tract it has with the New York Stock Exchange that expires that day. The contract which the r.m. is now negotiating with A. M. Kidder & Co. will expire that day. The r.m. is now negotiating with A. M. Kidder & Co. will terminate then. A pattern for possible industry-wide bargaining of wages and other issues would thus seem to be evolving out of the union’s attempt to organize the brokerage industry on the basis that if the union grows, the particularly the NYSE, are the unions which all else is to be based.

The union claims now to be largely unorganized. The 30-day cancellation clause from the contracts with the NYSE and
Boyan Heads Board of NY Stock Exchange

At the annual election of the New York Stock Exchange the following officers were elected:

Chairman of Governors: Robert P. Boylan

Seven members of the Board of Governors were elected:

Mr. W. A. B. Hutton, Mr. W. C. Pepper, Mr. J. H. Hagey, Mr. W. J. chimney, Mr. W. F. Whipple, Mr. B. D. Clark, and Mr. D. D. Co.

A statement issued by the Bank summarizing the details of the agreement, follows:

SUMMARY STATEMENT OF THE LOAN GRANTED TO FRANCE

The $250,000,000 loan granted to France was first to be made by the Bank. It initiates its operational phase. The loan is one of a type which is empowered to grant by its Articles of Agreement.

Terms and Conditions of the Loan: The loan has the full guarantee of the French Government. The loan is for a period of 30 years. It is to carry interest at the rate of 4% to be charged from the date of disbursing. In accordance with the Articles of Agreement of the Bank, the French commission of 1% is to be charged on the entire amount of the loan to build up a permanent fund for the national recovery program.

The national recovery program calls for expenditure of funds during the next five years. The national recovery program is scheduled for four and one half years from the date of the agreement begins at a modest rate and increases in amount until the loan is completely amortized by 1935.

Purpose of the Loan: The loan is being made to assist France in the post-war recovery of its economy and to finance the import of specific goods and equipment necessary to its economic rehabilitation. The Bank will obtain a 10% margin on the proceeds of the loan and about their destination and utilization. France will be free to purchase in whatever markets are most advantageous. A portion of the proceeds will be devoted to the modernization of the steel industry. For example, the French are purchasing a number of the latest continuous strip mills. The transport of iron and steel products to market is by the purchase of locomotives and freight cars, and through the use of canal barges, and commercial airplanes. Coal and oil, essential to the export trade, are being imported in quantities largely in the prospective market, as the French have been purchasing at the lowest possible terms, including semi-finished and non-ferrous products. Under the loan agreement, the Bank will obtain full information concerning the goods to be purchased with the proceeds of the loan and their destination and utilization.

The Request: The loan is the result of an application by the French Minister of Finance, dated Oct. 9, 1918, for a loan of $250,000,000 to be granted to the

(Continued on page 34)

Significance of French Loan

France's chagrin over loan's amount, effective interest charge and eventual prospects of another credit in October. Some clauses serving as future pattern. Correspondent reports laxity in supervisory provisions, and existence of doubt over use of proceeds.

World Bank Grants First Loan to France

Credit of $250 million initiates institution's operations. Maturity is 30 years, interest rate 4 1/2%, plus additional 1% to reserve fund. Repayment of principal begins after 5 years. Money will be used to import specific goods for nation's rehabilitation.

The International Bank for Reconstruction and Development announced on May 9 that it had advanced $250 million credit to France. The credit is issued to Credit National, a semi-public financial institution of the Republic of France.

The loan agreement was signed for the Bank by John J. McCloy, President, and on behalf of the French government by Wilfrid Baun-
gartner, President. The guarantee agreement was signed by Henri Bonnaire, Ambassador of France.

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(Continued on page 34)

It won't be long now!

The medicine men say June 29th will see an exciting addition to the famous Hiawatha fleet. The new Con train will greatly extend the service of Milwaukee Road Speedliners.

Olympian Hiawathas

Faster schedule... new features... no extra fare

SPEEDLINERS NOW ON THE TRAIL

Hiawathas

THE FISHERMAN'S FRIEND

SERVING THE BEAUTIFUL

UPPER MISSOURI AND PLatte valleys

MONAGHAN OR Woodbury

A MENINGEN ROAD

Chicago • Yellowstone • Pacific Northwest

PHILADELPHIA • CHICAGO • MILWAUKEE • COLUMBUS • WICHITA • CHICAGO • SAN FRANCISCO • SEATTLE • MINNEAPOLIS • CHICAGO • St. Louis • Dallas • PHILADELPHIA • New York • St. Louis • Boston • Boston

Hiawatha

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The Milwaukee Road Speedway of the Speedliners
**Mutual Funds**

**BY HENRY HUNT**

Portfolio Changes During the First Quarter

An analysis of first-quarter statements of leading mutual funds discloses the following interesting facts:

(1) Oil stocks, particularly Standard Oil (N.J.), Gulf, Phillips, Socony-Vacuum, Continental, and Standard (Indiana), are heavily bought.

(2) Rubbers, particularly Goodrich, Goodyear, U.S., and Firestone, were sold.

(3) Other leading issues that were sold on balance include Kemeny & Co., Paramount Pictures, Montgomery Ward, Allied Stores, Sears Roebuck, Pennsylvania RY, and Great Northern.

(4) Individual issues that were purchased on balance by style included Securities, your Bond on Investment particularly Inc.

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**No Recession Until 1948?**

The current issue of the abstracted publication of Underwood & Underwood, Inc., with the title "No Recession Until 1948?," quotes the comments of Mr. E. G. Welsh, president of the Westinghouse Electric Corporation, concerning the business outlook as follows:

(1) We see no reason to expect a cyclical depression in 1947. On the contrary, we look for stability throughout the year, accompanied by a rise in employment, production, and national income during 1947.

(2) We expect manufacturing and consumer goods industries to be fairly active in 1947, with the relative positions of perishable and semi-perishable commodities on the one hand, and durable goods and durables on the other. As compared with 1946, beef goods will decline, but the demand for the group as a whole is relatively small. The durable goods industries are the basis for our entire industrial and major cyclical levels.

(3) From 1940 to 1947 we expect that new orders for durable goods will decline below production.

(4) This natural and to-be-expected development in the heavy goods industries will set the stage for some mild recession in 1948, possibly extending into 1949.

(5) But business can look for relative stability over the next half-dozen years comparable to, if not better than, the stability of the years 1922-28. Fluctuations may be larger than they were during that period, yet not as large as during 1920-22.

It seems to the writer that in certain lines, notably soft goods and luxury items, a business recession has already set in.

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**The Investor's Dollar Goes Further**

The present issue of "National Notes," written by Henry Ward Abbot of National Securities & Research Corporation, contains comments on what your dollar buys today in relation to the amount your dollar bought in 1929. A household wife knows that butter, beef, and eggs cost much more than as much today as they did before the war. In most instances, as much for half as much of a dollar when she buys her meat and groceries. Yet, the average manufacturer and retailer will admit that, in terms of earnings and dividends, he can obtain substantially more for his dollar today through the purchase of seasonably stocks than he could have in 1929.

For that matter, he obtains an amount which is at least 30% more than he did in 1928, 1927, 1926, 1925.

A chart shows that in percentage of the amount a dollar bought in 1930 to 1929, 1926, 1925, 1922, there is an average of 20% more in dividends and 15% more in earnings than he did before the war. On the other hand, he obtains far less than all leading producers and manufacturers.

---

**Time to Buy Insurance Stocks?**

The recent increase in fire insurance stocks in New York, Massachusetts, which will probably continue in the near future, as the remainder of the states, has focused the attention of investors on fire insurance stocks.

In a recent pamphlet, Hare's Life Insurance, it is stated that although fire insurance stocks may still be for sale at a good price, they are still a good investment for the average investor. With some of the stronger issues currently selling below liquidation value and yielding 4% or better, they would appear to offer attractive yields for long term holdings.

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**Szymczak Interviewed on Germany**

"By Our Washington Correspondent — OCCUS Trade Chief, in interview, emphasizes the need of currency reform for German economic stability. Asserts labor movement fears price rise.

WASHINGTON, May 14—Upon his return from Germany, where he served temporarily as chief of the U. S. Mil¬
itary Government, Mr. John M. Szymczak, dis¬
tracted with H. E. M. B. and the Federal Re¬
servation Board, discussed with this paper the Ger¬
man currency reform. He stated that in Germany the need for currency reform is imperative. He said that the currency reforms in the United States of America which have been made during the war have been successful. The German has been a dollar when the Federal Reserve Bank of San Francisco, and the Federal Reserve Board, have been able to control the money supply. He said that if the German Government were to make a similar plan, it would be successful.

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**Kuhn, Loeb Offers Bds. Of Southern Pacific**

A banking group headed by Kuhn, Loeb & Co. has offered a new issue of $225,500 Southern Pacific Co. San Francisco Terminal first mortgage bonds, series A, 3% (at a price of 101.62%) and accrued interest. The bonds, maturing June 1, 1975, are available for purchase on a competitive sale May 13 at a bid of 99.30. The proceeds will be used for the construction of a new yard, located in the area of the San Francisco Terminal property, to become subject to a government loan under the first mortgage loan, which is a project under the San Francisco-Oakland Bay Bridge act.

Charles A. Parncells Co.
Admits Chas. Exley DETROIT, Mich.—Charles E. Parncells Co., the firm of Chas. A. Parncells & Co., and Detroit Building & Loan Exchange, the new partner, who was born in 1889 in San Francisco, is a native of the United States in 24 years, and has been associated with Parncells for 17 years in the capacity of bank manager.

The firm is the oldest local money market of the Detroit Stock Exchange.

U. G. Roman Joinss Adams & Co. Staff CHICAGO, Ill.—U. G. Roman, well known on the Salle Street for more than five years including eight years as a member of the Chicago Stock Exchange, has become associated with Adams & Co., 231 South La Salle Street; specialists in over-the-counter sales and purchases.

Hentz 25-Year Club

The Twenty-Five-Year Club of the New York Stock Exchange will hold its annual dinner meeting at Chateau Tav¬

The Twenty-Five-Year Club of the New York Stock Exchange will hold its annual dinner meeting at Chateau Tav¬

May 12. Three new members were admitted, whose length of membership of the club is to 26.

Joel L. Huey Staff

(Special to The Commercial Financial Chronicle)

OMAHA, Neb.—Mr. Huey W. Brath¬

crown has become associated with L. A. Huey Company, Omaha Na¬

tional Bank Building.
Our Reporter on Governments

BY JOHN T. CHIFFENDELL, JR.

The government market continues to be fairly active, with good tone, as prices move in a narrow range. . . . Although there are some signs that the market is beginning to form opinion about future developments, that could have a bearing on prices of Treasury bills, there is much confusion about what might happen in the future. While it is not clear whether they are not particularly bearish, with a few exceptions. . . . On the whole, it seems likely that, although some structural conditions have changed, and this is responsible for the desire to purchase only the most liquid obligations, the market is not much changed.

Because earnings are still on the decline, some of the long-end bonds are still being taken on selected government issues in moderate amounts. . . . These purchases, along with the absence of large offers, have helped to raise the market for either pretty much on an even keel. . . . There is also some switching from the intermediates into the longest bank 2½'s.

Reports indicate that the heaviest selling by "Federal" has been in the restricted obligations, which are still the best actively traded issues.

LARGE DEMAND

There is no doubt a large potential demand for these issues, which could become very important market-wise if economic conditions are to determine future price action in the secondary market of the social district. . . . This leads to the opinion that there will be diversification of the buying limits and the restricted obligations, with the latter securities in the favored spot. . . .

BILL REDEMPTIONS

The announcement of the redemption of $100,000,000 of Treasury bills within the next few calls of $200,000,000, gave the market a minor fillip, but the action is not likely to be repeated so far as the Federal Reserve is concerned. Although there apparently is not too much significance attached to it yet, it does bring to mind the thought that the demand for short-term paper-carrying costs, if not too considerable, may be much increased by the weekly redemption of bills, as contrasted with the large amounts that might have been adopted, which could not be altered as easily or as quickly.

It is the opinion of many well-informed government market followers that the funds that are not being used to pay off weekly bills will be applied toward the redemption of the January certificates, . . .

DEFROSTING

It seems as though there are some who believe that short rate money will be unpegged before the month is over, and it would not be surprising if this were the case if this sector were to take place any day.

This is the reason for their bearish view of the market, because they are of the opinion that lower government security prices will result from the defrosting of the bill and security certificate rates. . . .

While there is no doubt that the monetary authorities are adopting a holder policy toward the money market, because they are not dependent upon them as they were during the war, there is no reason to believe that the monetary authorities will not be followed now as in the past. . . . This should mean that credit policies will be dependent largely upon business conditions.

Commodity prices appear to have paused the peak, and are on the down grade. . . . Business loans are declining, with New York City bank borrowing dropping from figures for the last five weeks. . . . The recession that has been so highly publicized is now here and many maladjustments have developed, some of which are resulting in unemployment. . . . How far this business decline will go is problematic, although the general feeling is that it will not be too long or too severe and will not turn into a depression.

THE OTHER SIDE

Because of adverse economic conditions and declining commodity prices and loans, is there likely to be an immediate defrosting of short-term rates? The monetary authorities are inclined to adopt measures now that would have an unsettling effect upon prices of Treasury bills. The Federal Reserve has taken that might accelerate deflationary forces and add to those already distorting the economic system. . . . Assuming that the adjustment period is short, it is thought that the market might drift to lower rates.
Taff-Hartley Bill Is Slave Labor Legislation

(Continued from page 7)

tion to curb the effectiveness of unions. If we examine this claimed "mandate." Undoubtedly, the President's friends wanted to disturb at high prices, by post- uring the failure of the government to cur- curring labor-management strife. If they wanted to hammer- current and weaken the public. But if the Taft-Hartley pro- gram passes, the people will not get confused in the na- tion. The President is depending on the most effective methods of peaceable collective bargaining, by themselves, to keep the gold, the employer derives the advan- tages of a soldier, efficiency and friendly relations with the workers. In the public at large ben- efits by this production, efficiency and good labor-manage- ment relations result in lower prices and better service.

Employers, in growing numbers, supported the Taft-Hartley Bill. The first large business to call the business will never press for its own. They either let or don't get a ticker's—"I don't care what you do in your life, but you do this often enough to make a good living year in and year out, then, as Kipling said, 'you'll be a man, my son,' and no fooling!"
Not an Anti-Labor Bill

(Continued from page 7)

discouraging between reasonable and unreasonable tendencies to put unions out of business.
After hearing the evidence, the members of the committee, when they were
listened, not only to the employees, as they were quite willing to give their statements who came forward with substanti-
ated facts, they were free to discuss the situation.
The National Manufacturers Asso-
ciation had nothing to do with it in the alargation of the vari-
able labor and this respect in pure

demagogy.

Equal Bargaining Power
When this perfect world shall ever-

We are the employees, of smaller
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Holland Plans Sale of $20,000,000 Bonds

The Kingdom of the Netherlands has announced the intention of offering for subscription in the United States a bond issue of $20,000,000, the proceeds of which will be used in connection with the development of the new transatlantic air-routes.

The bond sale is to be made through American Underwriters of New York, and the bonds will be sold to the public in lots of $100,000, with interest payable semi-annually. The bonds are due in 1963, and carry a rate of interest of 4 per cent. The proceeds will be used for the construction of new air-ports and the development of the new transatlantic air-routes.

Two Pressing Uncertainties—Labor Strife and Inflation

(Continued from page 5)

Two Pressing Uncertainties—Labor Strife and Inflation

(Continued from page 5)

green shirt and necktie was ready to take ten-thousand a week as much as you expected. But we are transferred to the more important things that war involves. We have just entered a new epoch in human history, and time war morals as we have known them to be. If we all of us, we adjust ourselves to the situation in which we find ourselves, we shall find that nations have not found better way of adapting themselves than by keeping their wits about them and not learning to live in the same world as the British. We must all of us keep on fighting on all fronts until we get to that point. It is absolutely necessary for me to make a statement that will sound like, and be, an abrogation of the fiduciary responsibility which the National Import Bank for such purposes.

Readily marketable securities in the United States held by Netherlands nationals in the latter part of March 1947 are estimated in the registration statement at approximately $20,000,000. The registration statement provides for an official estimate of the Netherlands Government in 1946. During the Great Depression, the general index of industrial output in the United States was 40, down from 1929, and the general index of industrial output, for which considerable data are available, was 70, down from 1929.

The outbreak of World War II, which began in 1939, had a profound effect on the economy of the Netherlands. The country was forced to divert a large part of its resources to the war effort, and this led to a severe economic depression. The Netherlands was occupied by Germany for the duration of the war, and this occupation led to a further deterioration of the country's economic position. The occupation also led to the introduction of a number of economic measures, which had a significant impact on the country's economy.

During the period after World War II, the Netherlands experienced a period of economic growth and prosperity. This growth was aided by the country's location, which made it a major center of trade and finance. The Netherlands also benefited from the technical experience of both Britain and this country. As a result the
body is dragging his feet, to just this extent you get less goods.

In the meantime, the railroad strike was denounced as a show of weakness, and the workers were told they would have to return to the rails or face serious consequences.

The strike was settled, but the labor movement was weakened by the experience. The railroad companies were more powerful than ever, and the workers had learned that they could not depend on each other to fight for their rights.

In the meantime, the war with Mexico was coming to an end. The government was faced with the problem of what to do with the huge army that had been raised.

The army was disbanded, and the soldiers were sent home. The government was left with a huge debt, and the people were left to fend for themselves.

The government was forced to raise taxes, and the people were forced to work harder than ever before. The war had left the country in a state of economic depression, and the people were struggling to make ends meet.

In the meantime, the railroad companies were doing well. They had a monopoly on transportation, and they were able to charge high prices for their services.

The workers were left with no other choice but to accept the situation and try to make the best of it.
Regulation of Labor Organizations by the States

Several States have enacted laws during the past two years to prevent strikes (including each day of every closed shop strike) against workers on the basis of race or creed. These laws have been challenged on constitutional grounds in the United States Supreme Court. The Court has held that the laws are constitutional, and the laws are therefore valid. The laws are known as the "anti-strike" laws.

A number of the States have adopted regulations that require labor organizations to file reports with the State labor department. These reports must include information about the organization, its members, and its activities. The reports are used by the State labor department to enforce the anti-strike laws.

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The governor may appoint a conciliator either in response to a petition from one of the parties to the dispute or when the Governor, if he finds that interruption of service is likely to result in any hardship upon a substantial number of persons, determines that such services would be impaired or that national security or public interest demands that such services be continued.

Governor, arbitration is in session, which its number of employees and members of their families, who are engaged in transportation for hire, other than for public service, may engage in any lawful employment, to be defined by the accident, or is engaged in any lawful employment, to obviate the necessity of carrying on the strike or to agree from any place of employment. This agreement is to be effective with the free and uninterrupted use of public highways or in violation of the rules other ways of travel and conveyance.

Regulations Pertaining to Boycotts

A number of states have placed statutory restrictions on certain boycotts. The Wisconsin law, for example, prohibits the use of boycotts to effect the withdrawal of service. If any employer fails to do so, he may be subject to a fine of five thousand dollars for each violation.

Union Requirement of Excess Labor

According to a recent survey of state laws by the writer, Colorado appeared to be the only state regulating union practices intended to require the employment of excess labor. In April 1943 Colorado became the first state in the union to pass a statute that would require an employer to hire or pay any strikebreaker or to relieve the employer or necessary for the work of the employer.

Conclusion

The history of the regulation of labor organizations indicates the need for comprehensive legislation. The development of labor legislation has not been easy. It has been the subject of long and bitter controversy. The courts have been asked to interpret the law and the legislative branch of government has been asked to change the law. The result has been a patchwork of state and federal laws that are often conflicting and difficult to apply.

ABA Has Course for Bank Customer Relat.

To meet a growing demand from its member banks, the American Bankers Association has just completed a sound slide film in color titled, "It's Up to Us," which is made up of 66 cartoons in full color. To be used with the film is a recorded narration which demonstrates the good and bad of customer relations and emphasizes the importance of each bank's public relations.

Accompanying the slide film is an 11 by 17" bulletin that is to be used as a follow up for the training course leader in cooperation with the film. The subject for the first session is "It's Up to Us." The next five phone calls are made on the second week, followed by the entire slide film is shown while members of the staff group discuss the film and the bank's relationships to the community. At the end of the first five phone calls the group is asked to focus attention on the subject of customer service. The next five phone calls are made as the fourth week of the program, and the entire slide film is shown in full color. By the fifth week, the telephone calls are made to the bank's public relations.

No Loss to Depositors of Insured Bank in U. S.

M. T. Harl, Chairman of Federal Deposit Insurance Corporation, has announced that in the beginning of the fourth quarter of 1943 it declares to be an unfair labor practice for an employer or the management of any "standstill" employer or to require an employer to fire or hire any employee in order to enforce any strike or any other of any labor organization.

The effects of the strike are likely to be quite important, also, in determining the rights of labor and management in future labor disputes. The employer is not protected in any way. The employer may be protected by the law for any acts of terrorism, but he is not protected by the law for any acts of violence, intimidation, force, coercion, or restraint in his efforts to force the employees to vote against the union. The employer is not protected by the law for any acts of violence, intimidation, force, coercion, or restraint in his efforts to force the employees to vote against the union.

The laws of a number of states are more comprehensive. Wisconsin is the state that contains the most comprehensive legislation on the subject of labor organizations. The Wisconsin law of 1943 requires that the state labor board be appointed, and the state labor board is authorized to hold elections for the purpose of determining the wishes of the employees of a particular employer or group of employers in order to determine if the employees wish to be represented by a labor union, or if they wish to be represented by an employer or group of employers.

ABA has a comprehensive plan to train its members in the field of customer relations. The plan includes a series of workshops and study sessions. It is designed to teach the members the proper way to deal with the customers and to make them aware of the importance of customer relations. The plan is a comprehensive one and it is designed to be used by the banks in their own organizations.

ABA's comprehensive plan includes the following:

1. A series of workshops and study sessions on customer relations.
2. A series of workshops and study sessions on customer service.
3. A series of workshops and study sessions on customer satisfaction.
4. A series of workshops and study sessions on customer retention.
5. A series of workshops and study sessions on customer acquisition.
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10. A series of workshops and study sessions on customer satisfaction.
11. A series of workshops and study sessions on customer acquisition.

Union regulation laws of the more comprehensive type have been in effect in a number of states, including Texas, Alabama, Florida, Louisiana, Wisconsin, and New Jersey. These laws are designed to prevent the use of force or violence to achieve the object of the union, and to require the employer to adhere to the terms of the agreement as the arbitrator has made it.

The New Jersey law, for instance, allows the closed shop except where there is specified by law that the closed shop or shop or union is not to be used. The Iowa law is similar in that it provides that the closed shop or shop or union is not to be used for purposes of restraint trade or lead to monopoly.

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A Look into the Future

Farm Production Inelasticity

Now here is the main thing that the country is going to have to face, and it is, on the whole, rather inelastic. The late war drives prices far down more than production. In fact, the American people have the money to purchase more than they will do, and the demand for meat is going to be encounters in the agricultural fields. At the same time, however, the drop in farm product prices so far has only very partially the prices of farm land. With the basis of one dollar, in mind, may I re-

Long or Severe Depression

Teasing the foregoing, and on the basis of this conclusion, that despite the bally-

Heavy Backing of Business Failures

Undoubtedly we have a heavy back-up of failures. During the war all kinds of waste and inefficient production happens. If we get out of the "ersatz" phase and take to straight business, we shall have a large crop of failures. We are always in the habit during the war of passing their results on to the consumer, and to get the public to buy things which they may not have to buy more expensive. We have to make them get back to the good old days of individual enterprise. They must learn to use their heads and not have to stay in business to do the business. And, a large number of the businesses that are going to go down if conditions are not improved.

Summary

1. The credit of money and credit has to be considered in the light of our enormous productive capacity, and the income and our folk psychology.

2. Our present abnormal conditions, will actually have a beneficial effect on the cost of production. The increased efficiency through stimulation of demand; it will make the coming re-adjustment of the price level much easier than that just a little more serious.

3. The outlook for business is not good compared to any other level. The national income in 1947 should be twice as great as in 1929. Nonetheless, we face declining prices and declining volume as the recession develops. Furthermore, business activity is declining, and the income of the government.

4. Our price structure is unstable because prices have not yet reached a truly normal level. In particular, higher prices are on a higher index than basis other prices and, furthermore, a large part of the increase in prices in recent months has been due to the large increase in the cost of living. We have a large increase in the cost of living.

5. Sellers' markets are changing, with the exception of the few most savage competition American. The situation known as the "aftershock." 

6. Commercial loans and real estate loans following World War I, and have not been fully appreciated.

7. The high prices of old houses indicate the desirability of studying the

The Economic Consequences of the Revolutionary" although not over-emphasized, they also should not be understated, and still be an enormous

mous volume of unfilled demand in the country, particularly for food products. People have the money and can buy, if prices are effective. In this connection, I should like to add that the credit volume is only a small fraction of what it will be in the spring, when we are not quite as high as we were last year. At the same time, the present level of purchasing power if the people want to store away the food, clothing, and other goods are especially large, and particularly agricultural prices.

Not to mention the fact that declining prices both directly and indirectly have a mighty effort in keeping people from spending. This is, in other words, the tendency to withdraw from the market is being held back by the very fear of how fast liquidation and price declines will go on if they get under way.

Fortunately for all of us, the re-

cess will not come if we have not yet discovered more what an important role will play in the future in our affairs.

Quantity Theory Over-

I say this because, while the economic consequences of the "revolutionary" may still be of the utmost importance, they should not be over-emphasized, they also should not be understated, and still be an enormous volume of unfilled demand in the country, particularly for food products. People have the money and can buy, if prices are effective. In this connection, I should like to add that the credit volume is only a small fraction of what it will be in the spring, when we are not quite as high as we were last year. At the same time, the present level of purchasing power if the people want to store away the food, clothing, and other goods are especially large, and particularly agricultural prices.

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Recession Now Under Way!

business activity, a considerable increase in the total number of bankruptcies will result. And if this recession becomes moderate, a great many of these companies will have already been formed, will enter a new phase of life.

In my humble opinion a repetition of the business panic of '21 is out of the question, for the following reason: One, before the labor situation today is entirely different from that of 1920. In 1920 labor was not organized. Under any normal conditions, therefore, a decrease in wages was an impossibility for the small manufacturer. This is not the case today. I doubt very much whether any manufacturer can afford to cut wages in order to cut production in money wages. The reducing of wages is, in fact, the great cause of increased productivity. Two, the farm situation today is entirely different from what it was in 1920. In 1920 we could see the price of cotton drop to 40 cents a pound and cut production. This is impossible as long as we have floors. Floors are here to stay. In 1920 we cut wages more, those of you with European connections, wage cuts, and that kept the world short of money. The Great Depression of 1920, however, never really got going because of increased productivity.

Three, speculation with borrowed money was never more popular at any time in the past, and every public official, including the Federal Reserve Board, is now on the alert. Everybody engaged in the favorite indoor amateur sport of speculation on borrowed money. These are factors which will prevent an actual recession at the present time.

Supplementary: We have a huge supply of liquid assets in the hands of individuals. According to the official figures, the amount that individuals own is over $10 billion. Ten billion dollars is a very large supply of liquid assets under any circumstances.

Some foreign countries, particularly those with great market values, are able to export their goods. The International Bank for Recon¬struction and Development begins to operate in the next few weeks, and will sell its obligations to the American public.

All these sums, plus the newly increased balance of payments and the only country capable of importing goods, we will ask what will they use for the dollars we send them? the United States Government alone has placed at the disposal of the Federal Reserve Board $500,000,000,000.
Says Fund and Bank Will Cost Americans Billions

(Continued from page 2)

transferred for little or no consideration.

That the matter may be presented without confusion of thought, let us establish some established principles respecting money and its functions:

(1) The irredeemable paper currencies now supplied their population and their foreign exchange requirements by means of governments are without intrinsic value. Thus the present price of any paper currency is derived from and measured by its capacity to meet the demand for its emission.

(2) The worth of the total supply of irredeemable paper money is equal to the sum total of all services that the paper currency can perform. Whether, therefore, its purposed value, can never be greater than the worth of the services and things, which are at any time and under any conditions of demand, capable of being bought at it.

(3) The open market price of the irredeemable paper currency of any given country is the price of that paper currency in terms of another currency. This is another of the result of the interplay of the forces acting among which are the domestic price level, the international price level, and the foreign exchange requirements of the country for which the currency in question is needed.

(4) Important among the sovereign powers of state is the power to coin and mint money. This power is a prime attribute of a government. It is a necessary condition of all sovereign control; and the control of the central bank.

The practice of issuing irredeemable paper money in settlement of foreign debts and foreign exchange restrictions or the foreign exchange requirements of a country, is a complete abandonment of the reality but an adjunct of the for- eign debt and foreign exchange requirements of the country. Thus the public expenditure unaccompa-
nied by a corresponding decline in the services of government, is merely giving away a time of value for nothing, for which they are not required to pay, it meets with little or no resistance, and may temporarily prove politically popular because of the time in which it is spent.

But because of the correlative demand on the part of the people of that portion of the people being secretly disposed through its efforts in which their salaries, pensions, and wages, rents, or receivables, are payable, or their savings accumulated in such paper currency are invested by such paper currency in the purchase of goods, will not be of more value at any time than at any other time. Hence, the approximation of the paper currency to the value of the services and things it can command.

(5) The two most flagrant and shameful abuses of the sovereign power to issue money, are the practice of issuing irredeemable paper money in settlement of foreign debt, and the practice of issuing irredeemable paper money in settlement of foreign exchange restrictions or foreign exchange requirements of a country. Thus the public expenditure unaccompanied by a corresponding decline in the services of government, is merely giving away a time of value for nothing, for which they are not required to pay, it meets with little or no resistance, and may temporarily prove politically popular because of the time in which it is spent.

But because of the correlative demand on the part of the people of that portion of the people being secretly disposed through its efforts in which their salaries, pensions, and wages, rents, or receivables, are payable, or their savings accumulated for the purposes of the services and things it can command.

For a long time the open market price of the French franc had been in the neighborhood of 5,000 dollars. Notwithstanding this market price, the stabilized or pegged price has been fixed at 85 francs to 100 dollars. The French paper franc is at a discount, and the Bank of France is at a discount. The fact that these hidden subsidies are hidden barriers at the core of the French franc is fairly apparent to any one traveling or trading purposes in foreign lands.

The outline just concluded presents certain principles in the light of which the Bretton Woods Agreement may be viewed. As a basis for illustration I have selected the French franc. This selection is based on the point of arbitrary over-valuation of the French franc is fairly apparent to any one traveling or trading purposes in foreign lands.

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patent consideration underlying all the complications imposed on its, the honor and stability of the government, and which the commitments and contraints of the government necessarily forced. To assert that all the gov- ernments of the world are alike is by no means to assert that the same effects will be brought to utter that which all informed people know that the same government is at the moment undergoing. The imple- mentation of certain existing types of government within foreign states has either been accompanied or en- trusted with the loanees of the political char- acter and observable policy of the government on the subject of both parties respectively how the one the government and the property must exist and the laws of which both borrower and the type to itself to a policy which disagrees with mass, reasons, and the spirit of human ex- perience. It is a policy to lead to difficulties and disaster.

But it is less obvious, though equally certain disasters in store for its funds. It is very hard to direct your particular atten- tion to the fact that the thing which is likely, and the part of both borrower and his government these dollar notes have on the other hand, will be no less impossible of re- ported from our shores are being charged with the government is puzzled with the same states and nations, the same national income, and the same nature of the same. We are, in short, to become victims of the same old proverb... which has been and and the part of the Congress after its nature had been taken, and the part of the people. It is a fact that for the importance of a man in business and that it may be less rea- sonably recognized the world is discerned in the same way. But behind the concealing facade of a man's nature, to which the truth that American dol- lar loans to foreigners, be it remembered, do not exist in the foreign lands become fixed capital within the countries to which it is lent, and the reason their depreciation or the repayment of the loan must be obtained, if at all, as profit realized from the sale of goods and services to the citizens of the loaning countries. Since the capital loans is a commodity, it can be repaid only through sales of goods and serv-

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The COMMERCIAL & FINANCIAL CHRONICLE

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Great transportation system, the univer- sally held, serve industry as an instrument of ac- tivation of American production. The American production of the product of many factorsis the product of many factors of the demand for the tariff protection, in the interest of the manufacture of the metals or the proximity to raw material, to which the government of the country of origin of the industry of this season. By such means a very large number of measures non- lare concept is already being emphasized. The fact that it is possible to sell in our market, the proposed measures to either in whole or in part remain un- drawn. The latter must submit to great pressure, the former should be the more.

Legislative changes have been made from political considerations exists only in the rafter atmosphere of un- informed debate. The two are not found in public office capable of such action they face swift removal by inducement constitutions are not very effective, or even legislator knows. Yet the possi- bility of payment of foreign cred- its by the Bank or Federal Reserve System is a political and states- matic political considerations. It will require exploration to deter- mine the precise influence of the political action predicated upon forces brought to bear by the legislature. In a word, Congress, it remains that, if necessary and as a matter of policy, our foreign loans and payment for our foreign exports make the industrial patterns of America be those that are ever desirable from the standpoint of the long view will be exceedingly difficult to imagine from that of the short. Fail- ing in 1925, by offering subsidies or other matters, politically disastrous task, our present loans like those of the past must go unaided. To man- ufacturer or producer A the government subsidy or other benefit that is not payable, you must henceforth submit to this answer, to A's inquiry as to the reason, if you desire to be soothed, sacrifice the answer must be "in- order that B may receive pay- ment provided C make only this foreign loan and C for his own account. In his account or by his own act, producer facing grave losses, the gain of the farmers or the wages or loss of employment; to farmers and planters facing low- ered prices, the farmers may be observing the declining value of their assets, the world's economy, threatened with loss of industry and of population as well as a de- crease in the public revenue, this answer will prove far from con- vincing. To assume that men and women who will not only submit under a bitter struggle to forced sacrifices at the hand of government under the circum- stances of the depression, as a result of the entire history of democratic action. Orators and commen- tators may do their best to make the world to emerge from a recession of the old. Those to be immedi- ately benefited will be convinced and those who are to be immediately harmed will remain unconvincing. The American world has been built to be a world of self- discipline. A high standard of living has been achieved and to the people claim vested rights. Cities and areas great industries and the long-time fiscal policies of states and their subsidies are beautifully illus- tration is manifesting itself. It is this very cure now manifest- ing itself throughout the world where economic enterprise is. This is the natural economic.
The International Bank and World Trade

(Continued from page 2)

The International Bank and World Trade, on which the Bank of the payment of its members is legal and essential, and the combined effects of all the obligations of the Bank, the effects of the financial war, the war against foreign exchange for the short-term and long-term foreign exchange, the effect of the Bank's obligations abroad, may be described as the long-term and short-term obligations of the Bank, the obligations of the Bank, the obligations of the Bank, and the obligations of the Bank.

Third: It must promote private investment, or provide a new source of funds and supplement it where necessary.

The International Bank for Reconstruction and Development

The International Bank for Reconstruction and Development was established in 1946, and is the Bank of the members which, by the terms of its first charter, was to be used for the purpose of Reconstruction and Development. The Bank was established to provide a new source of funds for the reconstruction and development of the member countries and, if possible, to assist in the reconstruction and development of the member countries in war-torn regions.

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In this way “advances” will be made to a borrower successively; a loan is made, interest is charged on the use of the loan, and funds will not sit unused but will flow from the service, instead, more rapidly than the supplies of goods can be used. In this way the funds are utilized.

Loan Policy

In studying an application for credit, Mr. Lucas would consider many questions:

(a) The urgency and usefulness of the project. (The aim of the Bank is to make the greatest possible results from each dollar loaned; it must be clear, for instance, that the break-ins by profiteers in the meat-packing industry will usually produce more rapid and beneficial effects on a project for developing a latent economic potentiality.

(b) Whether the purposes for which the proposed loans are to be used are constructive and practical, and will be beneficial both to borrower and to world trade.

(c) Whether there exists in the country the willingness and the ability to use its own resources to the best advantage.

(d) Whether the loan is likely to be repaid on the terms on which the borrower anticipates.

(e) Whether the borrower will be able and willing to maintain the service of the loan.

The Making of the Loan and the Draws of the Bank

If the Bank decides that it can usefully and properly make a loan to a borrower, a loan agreement will be made available to the borrower only on condition that it be used for a purpose that the loan has been granted. But the Bank’s responsibility for the loan does not end with the making of that loan. Looking back on the period of its existence, the Bank finds that a large part of private lending has been, on the part of both lender and borrower, responsible for its own failure to repay the Bank. The Bank’s responsibility for maintaining its service rested with the borrower, and the failure of the borrower to make cooperation, or even consultation between the Bank and the borrower. It is the aim of the adviser, in maintaining the service, to remedy this defect by the development of a relationship with it.

The Bank, as the government’s agent in continuous consultation and examination, will do its utmost to work out the whole of the time that the loan is to be given. It will also maintain a proper interest not only in the plans or projects for which its credit has been advanced, but in the whole situation of the borrower, in order to affect the security of the loan.

The Bank’s Loans and the World Trade

We come now to a more general consideration of the relation between the Bank’s loans and world trade. When a devastated economy is restored, and when the world is carried over to recovery, it is not only the country concerned which benefits. Markets are re-opened, fresh opportunities for trade are possible. In trade, as in all human affairs, the interests of all; the health of one member contributes to the health of the whole.

International Bank loans, therefore, cannot be considered in isolation. They will produce the articles of trade, but they will have a wider effect than that. At the time, which in the last resort, trade depends on the demand for the goods. As new industries on their feet again, we can give them a place in world trade, and thus tend during their convalescence or the development of their economy, in order to make the Bank a contributor a great deal to the recovery of the whole. We require business integrity and experience may again receive their proper place.

The world has been through such suffering, and faced with such problems, that the restoration of economic strength will be the greatest contribution that could be made to recoveries. We see as a faith that the International Bank has an important mission to perform.

I need hardly remind you that the Bank’s primary mission is not to make loans to the world trade; what it can do is to help create conditions favorable to a return to normal business. This will itself always be dependent on a free flow of private credit closely related to the movement of trade. My picture of how the Bank would get loaned to the commercial banks and the borrowers would be: they would be able to get the money at interest rates that the International Bank 

I believe it is of the greatest importance for all of us that those who understand the Bank’s aims closely the aims of the Bank and its uses and who wish to push those aims, so that their conditions, in it may grow and so that the whole of the whole force of their influence, with advantage to everyone.

No Drastic Recession!

(Continued from first page)

Index will remain constant. On the other hand, a very high level of 188 to 190, which is the level of last year, would allow the government to maintain a record of 1947 calendar year is the most significant in 1948 calendar year is $172 billion and 1949 fiscal year is $170 billion.

Prices

Testifying before Congress, Mr. Edie told the Senators that prices levels will be moderated lower than at the present time. He foresees a substantial stabilization of the whole index since the wholesale index will be stabilized at about 10% below the peak.

Mr. Edie: If I may go on to the question of credit, I would like to start with the new credit in what we are going to do and the purposes that we are going. We give everyone a clear idea of the fact that the monetary index is going to do its part in economic recovery and what is normal? Why, normal is 10% less in the peak. If you look at the OPA, went off and prices have to go to go from say 120 to 112 or something like that, which is what some people think. But as you can see, you do not think it is going to happen.

Senator Milliken: That would assume, would it not, that the OPA price levels were reasonable in 1948? Mr. Edie: That is right. That is, they assumed they were realistic and in tune with this new money supply, which they were not.

Senator Milliken: That raises the whole argument as to whether it is realistic to think of it in 1948? Mr. Edie: That is right. My own point in bringing this up is that we are in a serious situation, a highly pessimistic view of business which would give a more realistic assessment of the economic situation than is given by discounts and sales prices that are very much lower. Down around 110 to 112 or something like that, but we cannot go from 149 to 110 or 112 is pretty optimistic.

Senator Milliken: That would take us back to when—to what point?

Mr. Edie: To about February 1947, when the price index was at 10. So we have come up fast and we have a long way to go.

Senator Lucas: What do you think?

Mr. Edie: I attribute that mainly to the money supply that was created in the early days. The OPA created the demand deposits of the banks, the currency in circulation by a little over 200%, the war, when the OPA was lifted, the prices were free to seek their own level, they came down to a considerable extent and should regard as high enough to meet the OPA price levels, the new money supply. I think it was not a new money supply created during the war.

At the matter of what we created, I think a little more money supply during the war. It was not.—I say it is a money supply question primary.

Senator Lucas: You know there were those who said that the prices would come down only in the year or the first quarter of next.

Prospective Unemployment Not Dangerous

Senator Milliken (Chairman): What is your estimate of unemployment at the present time?

Mr. Edie: I estimate that there are those who said that our problem is, and we do not think they are taking into account the amount of the money supply factor. They were looking only at that one or two element of a natural basis. We had the money supply factor. I think that I was there.

Senator Milliken: I think, Mr. Edie, there were some one who said that the price lines of the OPA being arbitrarily simply served to make sure that OPA was revealed itself.

Mr. Edie: Yes, I recall such comments. Senator Johnson: And I recall at the time that it was said by the opponents of OPA that when that line of OPA was eliminated that the prices would go to the black market level which was the supply-demand level, and that of course was a sensable observation at the time and it has proved itself. Mr. Edie: I think that is correct.

Senator Johnson: They have not gone up above them. Mr. Edie: I think that is correct, but there seems to be a danger of prices rising. But although I do not myself, I think that prices, now have got to get up to say, say, 10 or 12 or something like that, which is dangerous, but I do not think it is going to happen.

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Price Advices

A major influence on foreign demand, the price change, is, of course, the current trend of European prices. In Germany, the present situation is very similar to that in the United States at the beginning of World War I. There the cost of living was 50% above the pre-war level; the cost of living in Germany is now about 200% above the pre-war level, and it would not be surprising if it were as much as 300%. In the United States the cost of living here was 50% above the pre-war level; the cost of living here is now about 200% above the pre-war level, and it would not be surprising if it were as much as 300%. In the United States the cost of living here was 50% above the pre-war level; the cost of living here is now about 200% above the pre-war level, and it would not be surprising if it were as much as 300%.

In view of this outlook for business, it is clear that the present comfortable state of business in the United States is not likely to be maintained. The outlook for business is not good, and the outlook for the United States is not good. The outlook for business is not good, and the outlook for the United States is not good. The outlook for business is not good, and the outlook for the United States is not good. The outlook for business is not good, and the outlook for the United States is not good. The outlook for business is not good, and the outlook for the United States is not good. The outlook for business is not good, and the outlook for the United States is not good. The outlook for business is not good, and the outlook for the United States is not good. The outlook for business is not good, and the outlook for the United States is not good. The outlook for business is not good, and the outlook for the United States is not good.
Some Comments on the Question: ‘Is the Money Supply Too Large?’

Continued growth of deposits on the one hand, occurred in the ownership of government securities by the banks and to a large extent a general assumption that the rates of interest should be kept down not only on deposits but on other forms of loans. This was due to the monies left in the banks.

It is certainly true that bank assets had to increase for deposits to grow at a rate much in excess of the national income. It is interesting to look at the available space for the growth of deposits in this country and elsewhere. There is a great deal of evidence to support the assumption that the monetary growth of deposits at the year-end in 1936 with the highest deposit at the year-end of 1949.

Many facts contributed to the necessity for corporate capital to use larger cash balances, as that 10 percent of the profit of the company is not to be thought of by the beginning of that decade. One other example was the very heavy accretion tax on reserve requirements. Another would be the great growth in both their total tonnage of production and the dollar value of business done.

In 1936, the aggregate total cash appearing in 45 of these 50 largest corporations was $2,333,000,000. Although the profits were down considerably, they were still substantial and the national income had grown to $2,333,000,000. Are the banks in a position to hold this cash for speculative purposes? How much of this corporate cash increase really represented a retrenchment of their business and the substitution of such capital?

If the present balances in Bank today individuals and corporations is expendable in the usual amount of the way, for commodities, and how much of this cash is likely to be lost?

Individuals have the same need today for larger balances in Bank for the same reason as the above plus the increased need for money to pay taxes. There is a severe shortage of commodities and the public is faced with the situation in which they have no money to spend.

A meticulous analysis of what portion of the cash held is in Banks is for future investment purposes and therefore not being the type of money which is likely to remain idle in the hands of people. This money is not going to be spent. Many people are not being paid their salaries and wages and are not going to spend this money.

The rate of interest is not being affected in any way and people do not have the cash to spend. The only way this money can be spent is by increasing wages and prices. With the present high prices and wages, people are not going to spend this money.

If we consider the situation that may arise if this money is not spent, we must remember that the money held by people is not being spent. The only way this money can be spent is by increasing wages and prices. With the present high prices and wages, people are not going to spend this money.

In conclusion, the money held by people is not being spent. The only way this money can be spent is by increasing wages and prices. With the present high prices and wages, people are not going to spend this money.

There is a force which man creates but does not control which again and again curbs our wills, a force which we must yield to. So the phrase is “If we hold still, stumbling.” You get another chance.

Let us go back to the days of the stage-coach and the sailing ships. The coming of the steamboat and then steam trains increased the velocity of the turnover of goods and services. As expanding economy completely dwarfed the debts and problems of the stage-coach and train times, the money supply was reduced and hence the interest rate was reduced.

In order to prove that we have no excesses in the present civilization, it is said that many more people are earning more money for each dollar of its increasing national income, and he produces figures to show that although in 1927 our money supply (deposits plus currency) was 130% of our national income, it had risen to 50% by 1900 and to 50% by 1910. The average rate of increase in the money supply is 3% and by projecting this trend it is concluded that today we have an amount of money equal to 95% of our national income and $317 billion in income, exactly what we have. If the excesses are to be removed, it will be necessary to remove too much money, and the removal of too much money will tend to increase the ratio of money to income.

But then Mr. H. H. Bowen insists that there was no excess of money in the public refused to buy bonds with it. Almost any bond would have been justified on that argument.

There is danger in juggling ourselves into false security about inflation. With stock market and similar activities, we get ourselves into sound financial condition. Also to a degree not previously known, we are in a position where the price of our money is the same as the price of our goods. Federal contributions and many other activities have been reduced to $4 billion. Federal contributions and many other activities have been reduced to $4 billion. This deflationary pressure is not cumulative. Once these employed are reemployed and a lot of them have been--into private industry, then it is easy to say that they were out of work--no longer is the deflationary pressure and such new cuts must be made or new taxes must be imposed. To do is politically difficult, but a moderate and non-partisan course of action is imperative to raise interest rates and to give a stimulus to the economy.

On these arguments Dr. Bowen’s article tends toward a false sense of security and a false sense of security about deflationary risks at the present time.

1. ALBERT HANH

Basically, I agree with Dr. Bowen’s views. Money not spent is money wasted and they ways that people spend their money is an important part of an inflationary threat. What you have to consider is that the combined purchasing power of the gold standard was not over-

inflation, it had been allowed to operate normally, we would not have had a depression. (See my article on the Gold Standard in the “Commercial and Financial Chronicle” article on the gold standard would have been continued.)

(3) Dr. Bowen also insists that the need and want of the country today is to increase the money supply is proved by the fact that deposits in the banks have been increasing much faster than the demand for money and, incidentally, credits and balances have been increasing much faster than the demand for money.

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The Need for Financial Aid to the World Bank

The World Bank, in its 1945-1946 National Income, Development, and the World, said:

"The World Bank is indispensable because it provides essential materials and equipment. Exports, though important, are of secondary importance in providing the foreign exchange necessary for the reconstruction of European countries. Hence, the country was compelled to draw heavily on the United States and on European countries and on Japan for domestic production and to raise loans abroad. Consequently, the heavy insufficiency of foreign exchange holdings were reduced from $2 billion in the summer of 1945 to $1.2 billion at the beginning of 1946. In 1946, the reparations and the liquidation of international obligations by European countries, and the increase in the use of foreign exchange for capital, were considerable. In addition, the United States has reduced its repayment of the equivalent of $2,600 million. In 1947.

According to official French estimates, the foreign exchange from the countries and equipment amounted to more than $250 million in 1947 and nearly $500 million in 1947. Even figures assume the liquidation of the foreign exchange held by the commercial and the bank of France. It is estimated that in the fiscal year 1947 and 1948, the French will be able to produce only half of the domestic production and the modernization of the industry of its past.

The Importance of Economic Recovery in France

France is one of the most industrialized countries in the world. In 1939, before the war, France was the fifth largest producer in the world. In the fiscal year 1947 and 1948, the French will be able to produce only half of the domestic production and the modernization of the industry of its past.

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Money Management and Bank Investments

(Continued from page 117) 

of the first time a Board which was endowed by law with the power to create credit and charged with the responsibility of using these discretionary powers for the general welfare of the nation. From that point of view, the concept of flexibility. It depended not simply on the interpretation of banking laws and regulations but also on the concepts of monetary policies of the Federal Reserve System.

During the 23 peak-time years from the end of World War II to the end of World War II, the avowed over-all responsibility of the Federal Reserve was that monetary policy was to contribute to the stability of prices and to the prosperity of the United States. The Federal Reserve Board was at all times attempting to keep the rate of interest down to a point where the level of credit in the economy, the level of interest rates, and the level of credit in accordance with the needs of the economy as a whole.

Federal Reserve Has Altered Money Management

Since the end of World War II, there has been a dramatic change in the character of money management in the United States. First, the huge expansion of the public debt means that "Treasury financing," which up to this time was an owner of the Federal Reserve. The monetary authority has been a major influence upon economic policy and money management; money management is no longer the exclusive domain of the Federal Reserve Board; nor need it be for many years to come.

Yield on the Public Debt

Secondly, money management policies have been altered. Whether for better or for worse, this fact is bound to have important implications for money management in the future. The Federal Reserve is not a bank in the traditional sense of the word; it is not a bank. But it is a bank. It is not a bank, but it is a bank. It is not a bank, but it is a bank. It is not a bank, but it is a bank. It is not a bank, but it is a bank.

As a result of these three revolutions, the role of the Federal Reserve as a major influence upon the economy has been greatly altered. The Federal Reserve is now a major influence upon the economy. The Federal Reserve is now a major influence upon the economy. The Federal Reserve is now a major influence upon the economy. The Federal Reserve is now a major influence upon the economy.

Chances of Change in Policy

But this, of course, is not the entire picture. What are the chances that a different President, a different Congress, a different Federal Reserve Board, and a different Chairman of the Board will change the monetary policy? We may have a different attitude toward money rates, but we would still have those who argue that monetary policy should be directed toward maintaining a stable money rate. We may have a different attitude toward money rates, but we would still have those who argue that monetary policy should be directed toward maintaining a stable money rate.

Increasing Liquidity

The problem, therefore, as we would view it in the Treasury Department, would be whether the total liquid assets of the public, the Treasury, and the Federal Reserve will have increased or decreased. There is a general belief that the Federal Reserve has not increased the supply of liquid assets, and certainly not the supply of money. There is a general belief that the Federal Reserve has not increased the supply of liquid assets, and certainly not the supply of money.

Loans in Long Term

Interest Rates

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Belgium's Remarkable Recovery

(Continued from first page)

The main cause of the large-scale shortages of all kinds in Belgium, therefore, was the steep rise in the price of the dollar, which started in 1937. This caused a sharp rise in the price level, which, after a temporary decline in 1938, continued to rise until the October 1944 level. Since January 1944, the wholesale price index had fluctuated around 80,000,000,000. However, in February 1944, the Belgian government at the time, the government of General de Gaulle, took steps to reduce the prices of goods at the moment of the liberation. De Gaulle also reacted in the sense expected by the Belgian government. The Belgian price level has remained high and is now again more than three times its prewar level.

The new increase in circulation of money was deflated by the French government as Guiti expected originally. But, at the moment of the liberation, the government was able to balance the budget without asking credits from the Bank of Belgium or the French government. The government, however, has not been able to reduce the Belgian public debt by 1943: Bfrs. 80,500,000,000, excluding the National Bank has now run up to Bfrs. 90,000,000,000. The public debt of the Belgian State increased from 1938: Bfrs. 20,500,000,000, to Bfrs. 45,000,000,000. Moreover, the capital of the central bank is still less than that of the United States and the Federal Reserve System.

The Budget Balanced

"Moreover," Mr. Minister of Finance and Budget, Mr. Guiti, told this correspondent, "the Belgian financial situation has thus been solved to a very large extent. When the deficit of 1946 could be calculated at 3,000,000,000,000, while in 1947, the ordinary budget will be completely balanced. The extraordinary budget, however, will increase by an extraor dinary budget of Bfrs. 3,500,000,000, which will be covered by regular receipts. But the extraordinary budget is most expensively used for long-range investment purposes and it is, therefore, necessary to reduce the extraordinary budget. The extraordinary expenses of the government will, for example, be reduced in view of the fire-seven billion francs presently nor will we let the government run into the hands of the Bank of France. On the contrary, we intend to continue the floating of interests, in order to raise the total of the public debt from Bfrs. 260,000,000,000 in 1947, to Bfrs. 220,000,000,000 during the current year. We will, for the same reason by tax of Bfrs. 5,000,000,000 and are carrying out a general conversion of government securities. The conversion of the public officials will be distributed in high personal expenditure."" Belge.  

Belgian现行MoneS

Mr. Eykaens' financial policy has been approved by the Chamber and Parliament and has greatly helped to cure the Belgian economic future. The Belgian government has been able to standstill and goods were exported. The measure of the output, due to the expenses of the occupation power, had climbed up to 27,500,000,000 in the average of Bfrs. 20,000,000,000 in the month of October 1944. Prices were almost the same as those of the preoccupation period, war, while the wage index was on a steady increase, although at the time of the liberation, was still at a very high level. 

But Minister of Finance Guiti, in accepting the proposals of the 'Comité de la reconstruction' under no hesitation to impose on a superior agency, was able to resign from the function of a deflationary policy. This was actually a surgical intervention, designed to combat this disease at the time, but even "the opponents of Mr. Guiti's policy have been forced to admit that it has been an almost complete success."

Mr. Guiti's plan consisted of two stages: to immobilize temporarily the excess of the goods, and to release progressively the goods which are essential or indispensable to the resumption of the country's economic recovery. With this operation, beginning on February 1, 1944, goods have been enabled to be one of strict government control. From the beginning, the distribution of goods has been successful and distribution of small supplies is available according to the needs of the country's economy from the moment we can see indications of an end to the war at the earliest possible moment. Already on March 27, 1944, the Belgian government has increased the number of goods which are subject to controls. Some of the abrogations of government control on certain goods have been premature, but, on the whole, this policy has succeeded in maintaining a stable price level and a stable market stabilization by the government.

Today, production and distribution policies are in operation. The government has taken over a large number of goods, such as coal, iron and steel, timber and soap are government controlled and only a few essential foodstuffs are rationed. We have taken over the import of goods from abroad and we admit it or may not admit it, that we have no necessary luxury goods have been imported. But these imports had a deflation effect on the domestic market. We have succeeded in reducing the market shortage of goods by demands by asking out a general price reduction by 10% of all domestic goods. 

The Belgian policy of relaxation of production and consumption was the country's industry found its cilia space for expansion. When more than 89 articles were taken from the government control, the government decided to replace these restrictions for these goods with controls, which are a lower, more flexible, more adequately used for long-range investment purposes and it is, therefore, necessary to reduce the extraordinary budget. The extraordinary expenses of the government will, for example, be reduced in view of the fire-seven billion francs presently nor will we let the government run into the hands of the Bank of France. On the contrary, we intend to continue the floating of interests, in order to raise the total of the public debt from Bfrs. 260,000,000,000 in 1947, to Bfrs. 220,000,000,000 during the current year. We will, for the same reason by tax of Bfrs. 5,000,000,000 and are carrying out a general conversion of government securities. The conversion of the public officials will be distributed in high personal expenditure."
A Few Facts About the Over-the-Counter Securities Market

(continued from page 7)

course, all municipal bonds, none of which, by the way, are New York City issues, are listed. Next, the bonds of invest¬
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The increase of 0.25 per cent in the country's great railroads, utility

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**Self Praise**  
(Continued from page 3)

Association offers a pattern for business-government cooperation, based solidly on the democratic principle of self-regulation which is in full accord with the spirit and genius of free enterprise.

The whole effort smacks not of an impartial account but of paid pros. tamination. 

You will, therefore, not be surprised to learn that this one-sided type of indoctrination has found sponsorship by the Treasury, and that somehow within the sanctimonious portals of the NASD, this paragon of "fair practice," machinery was set up for mailing Miss Frazer's product to the membership and a majority of the members have already read the same for free.

Let us wade through the murky stream of this book, murky because one-sided, and attempt to appraise it for what it says and what it fails to say. The author tells us that the Maloney Act contains the following provision:

"The rules of a registered securities association may provide that no member thereof shall deal with any non-member, broker or dealer, except at the same price, for the same commissions or fees, and on the same terms and conditions as are by such member accorded to the general public."

Then she continues:

"The net result of this provision is that every one in the country who deals unless he does only a Stock Exchange business, or engages exclusively in Government or Municipal securities, finds it profitable to be a member of the Association."

In other words, the enforcement of the mandatory rule of the NASD enforcing it, how—and apparently with a straight face—can the author use such terms as "self government" and "self regulation," giving the impression throughout that the NASD is an entirely voluntary organization, a membership in which implies a complete act of free will and nothing else?

Doesn't she know that there are in the NASD many members who are opposed to its principles and who believe that the NASD is a forced membership? Doesn't she know that this membership is based upon the compelling necessity to realize the commissions and trade discounts referred to by the statute and that in the absence of such membership these individuals and firms could only deal with NASD members on the same conditions and terms accorded to the general public?

Isn't she aware that with many, membership in the NASD is a foregone conclusion; it is not put-up or take-it and that, clearly, the statute so intended it to be?

Why haven't we been given a true portrait? Why hasn't this provision been painted for what it really is—a monopolistic enactment contrary to good conscience which gives NASD members the advantage as compared with other securities organizations which in the true sense are voluntary and self-regulatory?

In our opinion, this shocking monopolistic privilege is violation of our principle of free enterprise completely the Maloney Act of that provision and there would be no National Association of Securities Dealers. While it is the bulwark of the existence of that Association, it is also the batting ram that is being used against the continuance of free, open and liquid markets.

The author quotes Wallace Fenton at length. That is a grave mistake. Doesn't she recognize that his job, as Executive Director of the NASD, is dependent upon NASD's continuance? Did she expect lack of bias from him? Her investigation should have been more in the field, where she would have learned something of the militant opposition to the prying activities of the NASD, of the burdens that have been placed upon its members by over-regulation, of the periodic and unnecessary annual inquisition conducted through the medium of questionnaires, and of the inconsistency which is apparent upon some facts that have been arrived at by the Business Conduct Committees in different districts.

Miss Frazer speaks of pricing policies and profits and shows her obvious lack of investigation and knowledge on these subjects in her book. Of course, she didn't know of the NASD. We prefer to adopt that view rather than believe that there has been a willful withholding of information.

The promulgation by the NASD of the iniquitous "3% spread philosophy and interpretation" completely the element of profit unless we adopt the impossible view that all security dealers operate with the same overhead.

This interpretation, by placing upon the membership the duty of being price takers and not price makers, and with a spread of less than 3% a spread was taken, by putting the membership under such circumstances on the defensive, carried with it the implication of fraud.

It took a decision of the Securities and Exchange Commission to negate that implication and to point out that the mere size of a spread standing alone is no evidence of fraud and, further, that where one is charged with wrongdoing, the burden of proof, in effect, is with the prosecution. 

The author always felt that the NASD was whol¬
ly abortive; and we believe this feeling to be repre-
sentative, as evidenced by the results of a poll which we conducted.

Moreover, the governing body of the NASD must have considered misgivings on this subject because its "5% spread philosophy and interpretation" was never submitted to the SEC. It would have been legally impossible, even by an interpretative fiat. Those behind that fiat must have felt that such approval would never have been forthcoming.

The Association seems to be going from bad to worse. Not content with questionnaires, we are informed that it is now abandoning them and is embarked upon a system of personal visitation and inspection of books. This gives it to the power of error and of taking it out on those members who have refused to be indoctrinated with NASD ideology. They may become some of the victims.

The weakest spot in the author's armor is the sugges-
tion that the Maloney Act and the NASD are worthy of becoming a pattern for business generally. Save us from that.

What we need is a reversion to the system of free enter-
prise upon which our country was founded, a return to free, open, undistorted competition. This becomes particularly necessary and significant in a world wherein there exists a sharp clash of ideology between freedom on the one hand, and government in business on the other.

On the whole, Miss Frazer's effort is a striking example of how not to treat the Maloney Act and the NASD.

"You have received (free of charge, believe it or not) from the NASD) a book entitled "The Security Business Comes of Age."

"Of all the damnable New Deal propaganda, this is it. If any security dealer can read this without becoming nause¬
ated he must be awfully dumb."

"The answer to this book should be that every dealer write his Senators and Congressman, and advise his clients and friends to do the same thing—to repeal the Maloney Act, which is one of the most vicious things in the form of regimentation on the statute books."

"The die-hards in the NASD want to perpetuate them¬
selves in office as the same New Dealers. Even Presi-
dent and Congress are still trying to get the OPA back in a disguised form of price fixing."

**Why the Scare Campaign?**

(Continued from page 6)

the rate of $177 billion—greater than during the peak war years.

(4) The maladjusted state of the individual nation product is at all time peacetime rate per 12 months. The rate of the war years high when 50% of all product went to war. (5) Federal debt is at an all time low of $5 billions.

(6) The U.S. is at terrific level. (7) Unemployment except in special problem areas is virtually non-existent.

(8) Sales are above one year ago. (9) Steel is 96% of capacity. (10) Automobiles are being pro-
duced at the rate of 65 million a year.

(11) Insurance premiums for 1946 up 15%. I include this category because it has been a bit of insurance placement in all income brackets. Particularly significant in this category are the new pro-
munitions in the industrial insurance which were 107% in the first quarter and 121% in the second. (12) Bond redemptions are down.

(13) Taxes, at reduced rates, are $42.5 billion within $4 billion of the wartime peak of 46.5 billion. (14) The President has an-
ounced a balanced budget as of June 30. (15) The President has an-
ounced a balanced budget as of June 30. (16) Signs of Good Business

And we do not need to look to statistics for evidence of the s- we could find them.

I recently returned from a tour of the Southwest and read in "Help Wanted" placards in five different cities. I found white shirts not available in 11 shops. I found no blank in the 112 ranks of the employes. And they are the composite of conditions every¬
where, results of a widespread problem areas.

For we need only to examine our personal experience for evidence, such as, for instance, the fact that nearly 10 men at average wages buy every single newspaper by the million. Mrs. Bob Bosley, who has stood up against the lock and key of communications, I have no doubt about the lack of con-
science makes good times bad and hard.

I do not deny that prices are out of line, but I do say that if we always remember the time when we always expect prices to determine our permitted to insert themselves.

I deplore the lack of statesman¬
ship and the fact that some day one will write it up as it
deserves to be handled.

We have tried to do so in a measure as part of our
editorial policy.

We are against the sponsors of a subsidized effort rather than im-
partial disclosure.

NASD's statute has been diminished by association with it.

Since the above was written, the following letter was received from a Chicago dealer by the Editor of the "Chroni-
" of the "Chronicle" reflecting righteous indignation at the one-sided char-
acter of Elizabeth Frazer's brochure.

"We have received (free of charge, believe it or not) from the NASD) a book entitled "The Security Business

"Of all the damnable New Deal propaganda, this is it. If any security dealer can read this without becoming nause¬
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**Travers With Marache Sims**

(Reprint from THE FINANCIAL CHRONICLE)

Travers with Marache Sims (Reprint from THE FINANCIAL CHRONICLE)

Travers with Marache Sims (Reprint from THE FINANCIAL CHRONICLE)

Travers has become associated with Marache Sims and Company, 23 South Spring Street, member of the Los Angeles Stock Exchange. He is the only really active member with the city.

Revel Miller & Co. Adds

(Reprint from THE FINANCIAL CHRONICLE)

Revel Miller & Co. Adds (Reprint from THE FINANCIAL CHRONICLE)

Revel Miller & Co. Adds (Reprint from THE FINANCIAL CHRONICLE)

Revel Miller & Co. Add has become affiliated with Revel Miller & Co., 650 South Spring Street, member of the Los Angeles Stock Exchange.
Stock Market Operating
On Pendulum Psychology

(Continued from page 13)

ket is much more psychological than business activity, which is a more or less realistic measurement of supply and demand for goods. However, some idea may be obtained by noting the following comparative statistics showing the percent decline in business activity for each of the so-called business depressions and the corresponding decline in the stock market (Dow-Jones industrial average).

CORRELATION OF STOCK MARKET AND BUSINESS DEPRESSIONS

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<th>Date</th>
<th>High</th>
<th>Low</th>
<th>Decline</th>
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<tr>
<td>1893</td>
<td>121</td>
<td>67</td>
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<tr>
<td>1897</td>
<td>115</td>
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<tr>
<td>1907</td>
<td>115</td>
<td>63</td>
<td>45.6%</td>
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<tr>
<td>1918</td>
<td>105</td>
<td>62</td>
<td>41.1%</td>
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<tr>
<td>1921</td>
<td>105</td>
<td>62</td>
<td>41.1%</td>
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<tr>
<td>1922</td>
<td>119</td>
<td>70</td>
<td>42.4%</td>
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<td>1926</td>
<td>138</td>
<td>92</td>
<td>33.5%</td>
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<tr>
<td>1935</td>
<td>129</td>
<td>81</td>
<td>37.5%</td>
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<tr>
<td>1941</td>
<td>131</td>
<td>91</td>
<td>40.5%</td>
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It can be noted further that the foregoing that the percentage decline in business activity has been somewhat larger than the corresponding percentage in the stock market, usually true in the more recent major depressions, such as 1917-1920 and 1893. It is not true of the earlier century. In 1897 and 1902, when business activity declined 45.6%, the stock market, neither true for periods of relatively minor business declines, such as 1923-24, for instance, when business activity declined 20.8%, nor the stock market decline equalled 5.3%. A similar situation obtained in 1929-1931 when business activity was down 28% and the stock market was down 25%.

Skipping to the present situation, we might point out that a year ago, this month stock market reached a peak of 212.50 (Dow-Jones industrial). Sequence in low in this index was reported for October at 163.12 (compared with about 172 now). The TED index which stood at 159 as compared with an estimated 154, May 1946, is now assumed to be peak. The maximum decline to date in the stock market measured by the Dow-Jones index has been about 24%—already more than the extent of the decline in the business forecast referred to above.

This is not intended as a forecast that the low of last October (163) will not be violated but rather to warn against reading too much into the above business forecast, it would appear that further market weakness which would cross the downside penetration of the October lows should be considered as offering longer range buying opportunities.

Black, Jones With Marxer
Special to THE FINANCIAL CHRONICLE

SAGINAW, MICH.—William E. Black and Harry T. Jones, Jr., have been associated with Marxer & Co., Peschel Building, Detroit, Michigan, for a number of years.

With Prugh, Combet, Land

KANSAS CITY, Mo.—Frank B. Anderson, Jr., has been added to the staff of Prough, Combet & Co., 1016 Baltimore Ave.
Pacific Coast Securities
Orders Executed on Pacific Coast Exchanges

Schwabacher & Co.

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<tr>
<td>N.Y. Cotton Exchange Bidg.</td>
<td>NEW YORK 4, N.Y.</td>
<td>CHICAGO DETROIT PITTSBURGH</td>
<td>GENEVA, SWITZERLAND</td>
<td>Established 1896</td>
<td>H. H. HOOVER &amp; Co.</td>
<td>14 Wall Street</td>
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| N.Y. Cotton Exchange Bidg. | NEW YORK 4, N.Y. | CHICAGO DETROIT PITTSBURG...
Securities Now in Registration

**INDICATES ADDITIONS SINCE PREVIOUS ISSUE**

**Acme Electric Corp.** Cuba, N. Y.

June 28 filed 132,740 shares ($1 par common stock. Underwriters—Herrick, Waddell & Co., Inc. and First Chicago Co. $5. Price—$5 per share. Proceeds—Company will receive proceeds from the sale of 80,880 shares and four selling stockholders the proceeds from the sale of 51,880 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 ($202,940) $50,000 will be used for working capital, $25,000 will be used for equipment and machinery, and the remainder for working capital.

**American Broadcasting Co., Inc., N. Y.**

June 27 filed 550,000 shares ($1 par common stock. Underwriters—Estes, Waddell & Co., Inc., New York. Offering—A maximum of 100,000 shares may be sold by company to persons, firms, or corporations with whom the corporation had no negotiation agreements on March 31. The remainder will be offered publicly. Price—by amendment. Proceeds—To refund bank loans. About $200,000 will be used for machinery and equipment, and the remainder for working capital.

**American Body & Coach Co., Cleveland, Ohio**

April 21 (letter of notification) 21,000 shares ($5 par common) offered for subscription. Directors—Announcement amendment. Proceeds—To refund bank loans. About $200,000 will be used for machinery and equipment, and the remainder for working capital.

**American Hydraulics, Inc., Sheboygan, Wis.**

April 2 (letter of notification) 50,000 shares of common. Offering—Offered to stockholders of record April 15 for subscription for one new share for each five that are owned. Price—$5 per share. Rights expire May 15. Underwriter—Philadelphia, Pa. Offering—For general corporate purposes including reduction of bank loans and outstanding indebtedness.

**American Motors, Inc., New York**

May 6 (letter of notification) 99,980 shares of 50 cent par capital stock. Price—$3 a share. Underwriting—For general corporate purposes including reduction of bank loans and outstanding indebtedness.

**American Water Works Co., Inc., N. Y.**

March 30, 1946 filed 2,543,103 sha. of common ($5 par) plus 24,110 preferred, $1 par, at $10 per share. Proceeds—To be used for new facilities, for general corporate purposes and for working capital.

**Arkansas Western Gas Co.**

June 5 filed 16,107 shares of common stock (par $5). Underwriters—Reuvers, Pierce & Co., Inc. and F. H. Hollingsworth & Co., Inc., New York. Offering—Minimum of 100,000 shares may be sold by underwriters at a price of $5 per share. Proceeds—To refund bank loans. About $200,000 will be used for machinery and equipment, and the remainder for working capital.

**Armour & Co., Chicago**

July 12 filed 1,350,249 shares ($5 par) cumulative first preference stock. Series A; 300,000 shares of convertible into common. Series B: 1,050,249 shares common stock (par $5). Underwriting—Cantor, Loeb & Co., New York. Offering—The 300,000 shares of first preference stock Series A may be converted into common shares (par $5) of the corporation at any time, at the option of the holder of each share of Series A, at a price of $5 per share. Shares Series B will be offered to the public. Price by amendment. Shares are being sold by six stockholders.

**Atlantic City (N. J.) Electric Co.**

March 19 133,000 shares ($1 par) common, being offered by American Gas & Electric Co. Underwriters—To be sold for subscribers to the public. Proceeds—To be used to redeem existing 7% bond issue. Shares Series B (50c preferred, $1 par) common, will be offered to the public. Price by amendment. Proceeds—To refund bank debt. About $200,000 will be used for machinery and equipment, and the remainder for working capital.

**Benue Mills, Inc., New York**

Sept. 27 filed (letter of notification) 336,550 shares ($1 par) common. Underwriter—White, Weld & Co., New York. Price—$5 per share. Proceeds—To be used by the company to issue 3,907 shares of $5,000 preferred, $5 par common and 15,000 shares of common stock. Proceeds—To refund bank loan and for general working funds. Proceeds—To be used by the company to issue 3,907 shares of $5,000 preferred, $5 par common and 15,000 shares of common stock. Proceeds—To refund bank loan and for general working funds.

**Beech Aircraft Corp., Wichita, Kan.**

May 2 filed 2,000,000 of 4% convertible sinking fund preferred ($100 par). Due July 1, 1977. Underwriting—Blair & Co., Inc., New York. Proceeds—To be used by company to issue additional stock. Proceeds—To be used by company to issue additional stock.

**Benrus Watch Co., Inc., New York**

April 24 filed 150,000 shares ($1 par) common. Underwriter—Henday, Stone & Co., New York. Price—$1 par. Proceeds—Shares are being sold by five officers of the company who will receive proceeds. Proceeds—To be used by the company to issue additional stock. Proceeds—To be used by the company to issue additional stock.

**Berbigei, Inc., Kansas City, Mo.**

Sept. 12 (letter of notification) 41,000 shares of 5% cumulative convertible $6 par preferred. Offering price—$6 per share. Proceeds—To be used in payment of dividends and expenses and to open five additional offices in Kansas City. Offering-postponed indefinitely.

**Boatman Gump, Philadelphia (2-19-23)**

Sept. 30 filed 10,000 shares ($25 par) common. Underwriter—Van Alstyne, Noel & Co., New York. Proceeds—To refund bank loan and for general working capital. Proceeds—To be used by the company to issue additional stock. Proceeds—To be used by the company to issue additional stock.

**Braunstein (Harry), Inc., Wilmington, Del.**

Sept. 25 filed 12,500 shares ($25 par) 4% cumulative convertible preferred ($100 par) common stock. Underwriter—C. K. Platell & Co., Inc., New York. Proceeds—$25 a share for preferred and $11 a share for common. Proceeds—To be used by company for working capital and for general corporate purposes.

**Brayton Flying Service, Inc., Robertson, Mo.**

March 24 (letter of notification) 50,000 shares ($1 par) common, for subscription. Proceeds—To be used by the company for working capital.

**California Pacific Electric Co., Burbank, Calif.**

July 6 filed 1,350,249 shares ($5 par) common stock. Underwriters—Continental Co., New York. Offering—The 300,000 shares of first preference stock Series A, 1946 filed 37,757 shares ($1 par) capital stock. Underwriting—None. Offering—Company said all of the shares are issued and outstanding and the registration statement is to enable holders to effect sales by use of the prospectus.


Feb. 3 filed 773,575 shares ($1 par) capital stock. Underwriting—None. Offering—Company said all of the shares are issued and outstanding and the registration statement is to enable holders to effect sales by use of the prospectus.

**Bremen Motor Car Corp., Birmingham, Ala.**

Aug. 30 filed 118,706 shares (no par) common and subscription warrants relating to 30,000 shares thereof. Underwriting—None. Proceeds—For reimbursement of company's treasury for funds expended in redemption of 3,000 shares of 1% cumulative preferred on April 1 and 1,000 shares for sale on Oct. 1 of remaining preferred shares. Although it was proposed to offer the stock for subscription to stockholders at $10 per share, company on Sept. 20 decided not to proceed.

**Brenner, Peabody & Co.**

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New York Boston Philadelphia Chicago
Carpenter Paper Co., Omaha, Neb.
Mar. 21 filed 10,000 shares ($1 par) common. Underwriting—None. Offering—To officers and employees of the company at $45 a share. Purchase price must be paid within 30 days of acceptance of the shares for a period of five years. Price—$40 a share. Proceeds—To be added to general funds for purchase of additional equipment.

Carson-Carrington Gold Mines, Ltd., of Toronto, Ontario
June 24 filed 40,000 shares of common stock. Underwriter—None. Offering—To the public at $1 a share in Canadian funds. Proceeds—For a variety of purposes, including development of shafts, diamonds drilling and working capital.

Central Mills, Inc., Dumbidgee, Q.
March 23 filed 8,000 shares of first mortgage bonds. Price—$350 per unit. Underwriting. For redemption of preferred stock, for purchase of two alfalfa dehydration units and for general purposes. Price—$20 per unit. Proceeds—For retirement of 5% preferred stock.

Central Soysa, Inc., Fort Wayne, Ind.
Aug. 21 filed 10,000 shares of common stock. Underwriter—None. Offering—Common shares initially will be offered for subscription to common stockholders at a price of one share for each 7% share held. Unsubscribed shares will be sold to underwriters. Price—by amendment.

Chemical Electric Recovery Corp., Reno, Nev.
May 5 (letter of notification) 1,000,000 shares of capital stock. Price—tends a share. Underwriting. For working capital.

Chillwood Consolidated Corp., Joplin, Mo.
May 9 (letter of notification) 5,000,000 shares of common stock. Price—$10 a share. Underwriting.

Cincinnati & Suburban Bell Telephone Co.
April 17 filed 38,525,954 shares of common stock. Underwriter—None. Offering—Common shares are offered for subscription to common stockholders on basis of one share for each 10 shares held. Price by amendment.

Claude Neos, Inc., New York
March 28 filed 223,954 shares of common stock. Underwriter—None. Offering—The shares are being offered for subscription to common stockholders on basis of one share for each 10 shares held. Price by amendment for subscription of the shares. Proceeds—For expansion of the Company's business.

Cleveland (O.) Electric Illuminating Co.
Feb. 21, filed 1,847,906 shares (no. common. Offering—The shares of the shares are owned by The North American American, which is offering 1,714,524 shares to common stockholders of North American of record March 19 at $15 per share to the extent of one Cleveland Electric Illuminating Co. share for each 15 shares held. Rights expire May 27. The remaining 153,383 shares are to be sold, probably through compete selling. Price—$22 3/4 a share. Proceeds—For use in the acquisition and development of oil properties. Company also plans advanced capital in its bank, Airway Airways, Inc., of whose stock it owns 61%.

Cleveland (O.) Electric Illuminating Co.
Jan. 22 filed offering of 1,847,906 shares (no. capital stock held). Offering—The shares are to be offered for sale to the public. Price—$22 3/4 a share. Proceeds—For use in the acquisition and development of oil properties. Company also plans advanced capital in its bank, Airway Airways, Inc., of whose stock it owns 61%.

Coal Refractories Co., Louisville, Ky.
Mar. 28 filed 182,520 shares ($5 par) common. Underwriter—First Boston Corp. and Lazard Freres & Co., both of New York. Price by amendment. Proceeds—The shares are being sold by Corning Glass Works, New York, and represent 88.3% of the outstanding common of the company.

Consolidated Gas Electric Light & Power Co.
April 3 filed $16,677,100 15-year 2½% conv. debentures due May 15, 1962. Underwriters—Harriman Ripley & Co., New York. Proceeds—Partly for working capital and partly for investment in new equipment and for general improvements. Underwriter—None. Offering—To the public at $100 a unit. Proceeds—Proceeds, estimated at $15,907,162, will be used to reissue its 4½% $100,000 5-year debentures due May 15, 1947. Proceeds—Proceeds, estimated at $15,907,162, will be used to reissue its 4½% $100,000 5-year debentures due May 15, 1947. Proceeds—Proceeds, estimated at $15,907,162, will be used to reissue its 4½% $100,000 5-year debentures due May 15, 1947.

Continental-United Industries Co., Inc.
Mar. 28 filed 152,500 shares ($1 par) common. Underwriter—None. Offering—To the public at $10 a share. Proceeds—Proceeds, estimated at $1,525,000, will be used to reissue its 4½% $100,000 5-year debentures due May 15, 1947. Proceeds—Proceeds, estimated at $1,525,000, will be used to reissue its 4½% $100,000 5-year debentures due May 15, 1947. Proceeds—Proceeds, estimated at $1,525,000, will be used to reissue its 4½% $100,000 5-year debentures due May 15, 1947. Proceeds—Proceeds, estimated at $1,525,000, will be used to reissue its 4½% $100,000 5-year debentures due May 15, 1947. Proceeds—Proceeds, estimated at $1,525,000, will be used to reissue its 4½% $100,000 5-year debentures due May 15, 1947. Proceeds—Proceeds, estimated at $1,525,000, will be used to reissue its 4½% $100,000 5-year debentures due May 15, 1947. Proceeds—Proceeds, estimated at $1,525,000, will be used to reissue its 4½% $100,000 5-year debentures due May 15, 1947. Proceeds—Proceeds, estimated at $1,525,000, will be used to reissue its 4½% $100,000 5-year debentures due May 15, 1947. Proceeds—Proceeds, estimated at $1,525,000, will be used to reissue its 4½% $100,000 5-year debentures due May 15, 1947.
Federal Reserve Bank of St. Louis

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THE COMMERICAL & FINANCIAL CHRONICLE

Volume 165  Number 4594


To purchase machine and equipment and for working capital.

Federal Electric Products Co., Newark, N. J.

Feb. 26, filed 150,000 shares ($1) common class A.

Underwriters—E. F. Gillepie & Co., Inc., New York. Proceeds—$25,000,000, to be used for working capital.


Jan. 20, filed 1,900,938 shares (no par) common.

Underwriters—McKee, Dill & Co., New York. Proceeds—Net proceeds of $1,000,000 will be used for purchase of additional plant and equipment.

Ferguson (Harry), Inc., Detroit

Mar. 9, filed 30,000 shares ($5) cumulative preferred and 250,000 shares ($1) par common.

Underwriters—F. W. Brand & Co., New York, and Hartford, Conn. Proceeds—To equip and improve recently acquired Cleveland, Ohio, property.

Films Inc., New York

June 25, filed 100,000 shares ($5) par class A stock and 300,000 shares ($10) par common stock, of which 200,000 shares reserved for conversion of class A. Each of shares of same class is initially convertible into 2 shares of common stock.


Franklin Mining Co., Denver

May 7, (letter of notification) 50,000 shares ($1) common.

Underwriters—New York & Philadelphia. Proceeds—To be used for general corporate purposes.


Aug. 26, filed 435,000 shares (par) common.


Aug. 10, (letter of notification) 110,000 shares (par) common.


Glendener Textile Corp., New York

Apr. 15, (letter of notification) 55,000 shares ($5) common of which $5,000 shares are reserved for issuance upon the declaration and payment of dividends. Underwriters—Van Alstyne, Noël & Co., New York. Proceeds—to purchase additional equipment.


May 9, (letter of notification) 100 shares ($2) par common on behalf of John S. Bechel and Freda R. Bechel. Proceeds—For working capital.

Hawaiian Electric Co., Ltd., Honolulu

Mar. 1, filed $5,000,000 first mortgage bonds, series F, due 1985, and $10,000,000, due 1950, to file Feb. 25, filed 1,000,000 shares ($5) par common of which 500,000 shares are reserved for issuance upon the declaration and payment of dividends. Underwriters—DeCoursey, Brown & Co., New York, and Dean & Witter & Co., San Francisco. Proceeds—To finance an expansion of the company's generating facilities.

Helicopter Air Transport, Inc., Camden, N. J.

March 14, filed 270,000 shares of capital stock. Underwriter—New York & Philadelphia. Proceeds—To be used for the purchase of additional helicopters.

Hy-Grade Supply Co., Oklahoma City

Dec. 3, (letter of notification) 54,500 shares of cumulative preferred and 11,000 shares ($10) par common.

Underwriting—F. W. Kutter & Co., New York. Proceeds—To be used for the purchase of additional equipment.

Illinois Power Co., Decatur, Ill.

Apr. 23, (letter of notification) 250,000 shares ($10) cumulative preferred stock and 600,000 shares (no par) common stock.

Underwriters—Blyth & Company, Inc., New York. Proceeds—To be used for the purchase of additional equipment.

Inland Steel Co., Chicago, Ill.

The shares (par) common will be sold as of Jan. 1, 1949, common stock of the company at $11 a share. Proceeds—For working capital.

International Dress Co., Inc., New York

Aug. 28, filed 140,000 shares (common stock) of company.


International Newspapers Co., New York

Mar. 31, (letter of notification) 7,000,000 shares ($4) par capital stock.

Underwriters—Gloug & Co., New York. Proceeds—To be sold as of June 1, 1949, at $5 a share. Proceeds—Net proceeds of $3,500,000 for the conversion of $1,000,000 of 5% cumulative convertible preferred stock into common stock. Proceeds will be used to retire certain long-term obligations.

Jahn & Oller Engineering Co., Chicago

Jan. 20, (letter of notification) 200,000 shares ($5) par common.

Underwriter—Sills, Minton & Co., Inc., Chicago. Proceeds—To be used for the purchase of additional equipment.

Jefferson City Mining Co., Denver, Colo.

May 2, (letter of notification) 100,000 shares ($1) par stock. Proceeds—$10 a share. No underwriting. To develop mining properties.

Jewel Tea Co., Inc., Harrington, Ill.

Mar. 4, (letter of notification) 50,000 shares ($5) par common. Proceeds—to be sold at market price. No underwriting.

Kentucky Utilities Co., Lexington, Ky.

May 9, filed $24,000,000 of first mortgage bonds, Series A, due 1970, and 130,000 shares ($10) par cumulative preferred stock. Underwriters—Morgan, Keegan & Co., New York. Proceeds—To be used for the purchase of additional equipment.


Apr. 28, (letter of notification) 30,000 shares ($5) par preferred stock. Underwriter—White, Noble & Co., Detroit. Proceeds—to be used for the purchase of additional equipment.

Leaf Front Realty Corp., Chicago

April 14, filed 100,000 shares ($10) common stock. Underwriting—The underwriting will be handled by Lake & Associates to carry out the proposed transactions. Proceeding—To borrow $50,000 on Lake & Associates loan to purchase the property.

La Plant-Chase Manufacturing Co., Inc., Cedar Rapids, Iowa


Lerner Stores Corp., Baltimore, Md.

May 2, filed 100,000 shares ($100) common. Proceeds—To purchase property presently leased.

Libby, McNeill & Libby (6/2)

Apr. 30, filed 100,000 shares (no par) preferred stock.

Underwriter—Gloug, Forsor & Co. Offering—Stockholders of the company are authorized to subscribe to the new stock at the rate of one share of preferred stock for every 50 shares of common stock held. Underwriter—Merrill Lynch, Pierce, Fenner & Beane, New York. Proceeds—$5 a share. No underwriting.

Lithium Corp. of America, Minneapolis (5/21)

Apr. 2, (letter of notification) $5,000,000 of common stock and 125,000 shares ($100) par preferred stock. Underwriter—L. & A. New York. Proceeds—To be used for the development of the company's lithium properties. Proceeds—$5 a share. No underwriting.

McCormack & Co., San Francisco

Apr. 14, (letter of notification) 25,000 shares ($1) par stock. Proceeds—Part of the proceeds will be used to purchase a locomotive for $105,000 and balance will be added to general fund.

National Rubber Company, New York (5/15)

Miner & Co., New York (5/15)


Bethlehem Steel Co., New York (5/15)

North German Lloyd AG, London (5/26)

April 26 filed 95,000,000 shares ($1 par) capital stock. Underwriters—William J. Ewelt, New York.

Newfoundland Oilfields Ltd., Fredericton, New Brunswick (5/15)

April 26 filed 470,000 shares of debentures, of which $25,000,000 will mature in 1967 and $50,000,000 in 1977. Underwriters—Baring Brothers, London.

New England Electric System (5/26)

April 23 filed 530,000 shares of stock. Underwriters—Doolittle, New York.

Nepco Chemical Co., Harrison, N. J. (5/26)

May 9 filed 25,000 shares ($100 par) cumulative preferred stock, of which 6,500 shares will be sold. Underwriters—William Halsey, New York.

Mission Apparatus Corp., Los Angeles (5/26)

Missouri Edison Co., Missouri, Mo. (5/26)

Newfoundland Oilfields Ltd., Fredericton, New Brunswick (5/15)

Morgan Plan Corp. of America, N. Y. (5/26)

Newspaper: The Econ. Chronicle.

Mylar Securities Co., Inc., Sheboygan, La. (5/15)

March 26 filed 50,000 shares ($20 par) capital stock. Underwriter—Lester & Co., New York.

National Piano Pottery Co., N. Y. (5/16)

National Purchasing Corp., N. Y. (5/16)

North American Oil Corporation, N. Y. (5/16)

National Security Corp., N. Y. (5/16)

National Security Corporation, New York (5/16)

National Security Corp., N. Y. (5/16)

National Security Corporation, New York (5/16)

National Security Corp., N. Y. (5/16)

National Security Corporation, New York (5/16)

National Security Corp., N. Y. (5/16)

National Security Corporation, New York (5/16)
Solar Manufacturing Corp.

March 19 (by amendment) filed 110,000 shares of 5% convertible preferred stock, due 1992, and 100,000 shares of common stock, at par ($1) per share. Underwriters—Van Alstyne, Noel & Co., Inc., Philadelphia. Price per share $100.

South Carolina Power Co. (5/19)

Mar. 1 filed 200,000 shares (no par) common and $4,000,000 first and refunding mortgage bonds, due 1977, and 100,000 shares of common (50% preferred) convertible preferred stock, at par ($5) each. Underwriters—Van Alstyne, Noel & Co., Inc., New York, and Maxwell, Marshall & Co., Los Angeles. Price per share $100. Proceeds—to pay off $3,250,000 of bank loan notes; purchase of two issues of $500,000 of common stock of the company, and for working capital. Offering date indefinite.

Texton Inc., Providence, R. I.


Toledo (O.) Edison Co.

Oct. 25 filed $30,000,000 first mortgage bonds, due 1977, and 160,000 shares of ($100) cumulative preferred, at par ($5) each. Underwriters—First Boston Corp., New York, and Blyth & Co., Inc., New York. Proceeds—to refunding first mortgage bonds of the company, and for working capital. Offering date indefinite.

Tri-United Plastics Corp., Irvington, N. J.

April 3 filed 30,000 shares of common stock (par $5). Underwriting, none. Price, at market (above $10). Proceeds—To sell out outstanding debenture stockholders.

Tucker Corp., Chicago

May 6 filed 4,000,000 shares ($1 par) Class A common, convertible into convertible preferred stock. Proceeds—Sale of common stock for working capital. Underwriting discount will be 70 cents a share. Proceeds—To lease and equip manufacturing facilities and at Chicago, and for operating expenses. Business—Manufacture of automobiles.

U. S. Television Manufacturing Corp., New York

Nov. 4 filed 200,000 shares (par $1) 5% convertible preferred stock, with first preference for five years. Underwriters—Blyth & Co., Inc., New York. Proceeds—to sell out outstanding stockholders.

Sussex County Distillery Co., Inc.

Quarryville, N. J.

May 7 (letter of notification) 7,000 shares common stock. Price, $1.75 per share. Underwriter, J. Arthur Warner & Co., New York. Proceeds to sell out preferred holders. (This letter of notification cancels previous filing of May 2 which was intended to cover offering of stock not exceed $10,000 in the aggregate.)

Strass Fasteners Inc., New York

March 25 filed 25,000 shares 60 cents cumulative convertible stock, at par ($1) per share. Proceeds to sell at $100 a share. Underwriting. For acquisition of buildings and machinery and other general corporate purposes.

Sterling Corp. of America, Philadelphia

May 12 (letter of notification) 7,000 shares common stock. Price, $1.75 per share. Underwriter, J. Arthur Warner & Co., New York. Proceeds to sell out preferred holders. (This letter of notification cancels previous filing of May 2 which was intended to cover offering of stock not exceed $10,000 in the aggregate.)

Sussex County Distillery Co., Inc.

Quarryville, N. J.

May 7 (letter of notification) 180,000 shares common stock (par $1). Underwriter—C. K. Fitchel & Co. Inc., Offering—Company is selling 45,000 shares, and eight selling stockholders are disposing of the remaining 150,000 shares. Proceeds—to be applied to working capital initially. Offering date indefinite.

Texton Inc., Providence, R. I.


Vauze Dufault Mines, Ltd., Toronto, Canada

Mar. 21 filed 500,000 shares ($1 par) common. Underwriter—Name to be filed by amendment. Price—50 cents a share. Proceeds—For general operating expenses.

Venezuela Syndicate, Inc., New York

May 8 (letter of notification) 35,000 shares of common on behalf of Edgar W. Lord, a stockholder. To be sold at market through brokers on New York Curb.

Victory Gold Mines Ltd., Montreal, Canada


Weber Showcase & Fixture Co., Inc. (5/26/29)

May 1 filed 116,763 shares ($5 par) common. Underwriters—Cerf & Cerf & Co., New York. Proceeds—Shares will be offered for subscription to Weber's stockholders, if such shareholders have waived subscription rights. The unsubscription shares will be offered publicly through underwriters. Price by amendment. Proceeds—To retire preferred stock and for working capital.

Western Air Lines, Inc.

Nov. 27 filed 1,200,000 shares ($1 par) capital stock. Underwriter—Dillon, Read & Co. Inc. Price by amendment. Proceeds—Offering consists of an unsold number of shares being sold by the company and by William D. Gatty & Co. (Jointly). The amount being offered by each will be stated definitely by amendment. The total number of shares presently stated will be reduced if the offering consists of a smaller number of shares. Company will use its proceeds estimated at $25,000,000 to refund existing bank loan, toward payment of its promissory notes and enhance company's equipment and facilities expansion program now under way.

Western Electric Co., New York

April 18 (letter of notification) 1,500,000 shares ($1 par) common. Proceeds—To be sold at competitive bidding. Underwriters—Names to be filed by amendment. Price—$45 a share. Proceeds—To reduce indebtedness and to reimburse its treasury.

White Transportation Co., Inc., Asheville, N. C.

May 5 (letter of notification) 2,000 shares ($100 par) 5% cumulative preferred. Price—$100 a share. Underwriter: W. J. Terry & Co., Inc., Asheville. Proceeds—To retire preferred stock and for working capital.

Whites Auto Stores, Inc. (5/19/21)

Feb. 25, filed 50,000 shares ($1 par) common. Underwriters—Names to be filed by amendment. Proceeds—To be used for general corporate purposes.

Wisconsin Power & Light Co., Madison, Wis.

May 18 (letter of notification) 9,000,000 shares ($1 par) common. Proceeds—will be sold at competitive bidding. Underwriters—Names to be filed by amendment. Proceeds—To be used for general corporate purposes. Price—Names to be filed by amendment. Proceeds—To retire preferred stock and for working capital.

Utah Chemical & Carbon Co., Salt Lake City

Dec. 15 filed 1,000,000 shares ($1 par) common. Proceeds—to pay off mortgage bonds due 1962, and 225,000 shares ($1 par) common. The statement also covers 112,000 shares of common reserved for future conversion of preferred stock. Underwriters—Carver & Co., Inc., Boston. Proceeds—Debentures 98; common $3.75 per share. Proceeds—For plant construction, purchase of equipment and for working capital.

Arkansas Power & Light Co., Little Rock, Ark.

May 10 filed 10,000 shares ($100 par) 5% cumulative convertible preferred stock. Underwriters—Morgan Stanley & Co.; Halsey Stuart & Co. Inc.

• American Telephone & Telegraph Co.

May 13 company announced that it was preparing a registration statement for filing with the SEC covering a possible international expansion. Subject to the availability of adequate financing and to other market requirements, the SEC is scheduled to consider the registration statement on or about the end of June 1967. Net proceeds from the sale of the stock would be used to provide capital to Japanese subsidiaries of the company with funds for expansions, additions and improvements to their plants; for debt and additions and improvements to its own plant; and for possible future acquisitions. Company contemplates offering the new issue for sale to U.S. corporate purchasers of its common stock and Japanese businessmen. Morgan Stanley & Co.; Halsey Stuart & Co. Inc.

• Arkansas Power & Light Co., Little Rock, Ark.

May 10 company announced raising some $11,000,000 first mortgage bonds to finance construction. Probable bidders include Halsey, Stuart & Co.;

• Blair & Co., New York

Dillon, Read & Co., Inc.; Gleore, Forgan & Co., and Harri¬ man, Rieley & Co.; U. S. Tobacco Co.; Edison & Co., Dillon, Reed & Co. Inc. Proceeds—Part of the proceeds will be used for the acquisition of F. C. Bell, Inc. Proceeds will be used to retire mortgage bonds of the company and for the refinancing of the company's debt. Underwriters—Lehman Brothers and Stone & Webster Securities Corp. (Jointly).

• Baltimore & Ohio RR.

The company will issue invitations shortly for bids to be received on $8,100,000 equipment trust certificates. The certificates will be designated as 1967, 5% serial notes, 80% of the purchase of new equipment. Probable bidders—Name to be filed. Proceeds—Names to be filed. Proceeds—Business—Acquiring and developing mining properties.

• Carbon Power & Light Co.

The SEC has approved the proposal of Electric Bond & Share Co. to sell under competitive bidding conditions all (Continued on page 46)
Attention, Mr. Dalton!

(Continued from page 6)

The British-Indian Argument

Space does here permit examination of more than a few aspects of this troublesome question, which in the eyes of many appeared at one time or another to wind on to an unending page of the "Chronicle" of May 8, p. 8. One of the arguments between Britain and India is over the British contention that the so-called Financial Settlement between the two reached in November, 1939 was overgenerous to India. This was the agreement which allocated between the two the war expenditure. The Indians strongly deny that this was a "hard bargain" on India's part; the statesman may differ. But as to the two parties India was in no possible position to resist this offer, and it had been so inclined. But in any case, the Indians will tell Dalton in the face of this new agreement for its own defense, and it is their own case India's defense was just as important to Britain as Britain's defense to India. On the ground, the Indians may present British acts of aggression as further "claims," in the light of the recent Daladier-Chamberlain assurances.

The British current argument that the Indian military situation is unstable and that the cancellation of a large part of the sterling balances is necessary is answered in the present issue of the "Observer." It is not a case of any British financial inability to pay, but rather of their own conscious policy. If India's defense had been of no concern, the British would have been overambitious. If India's defense is of concern, then there is a war situation which makes it necessary to hold back this war danger and to give India some defense.
frogs or other limitations on venture capital.

"Two: Mismanagement by the government. This means an unwise credit system, including the public ownership of banks, which in turn means the government's money and its bonds being used asImprove the market for productive service vehicle to move goods.

The third cause of depression in America today is the attempt at the inflation of special privileges. This means the government's effort to carry agriculture or to agriculture, or to industry, distin-

All three causes for depression have existed in America in ex-
treme form in the last thirty years, and it is not and it never was within the power of the industry to create in America what it has just been created only by government mis-

The greatest contrib-

ute weakness of American industry can give to the postwar period in its solvency—not its bankruptcy. Except industry remains solvent even if there are none or few. The burden of all will be upon those of us who remain solvent. The stock market is an example of production to climb on red ink and enterprise.

Entrepreneurs cannot hire men un-
til the demand comes. And the demand comes next. The salable products for use come last. The man who has learned how to lose the art of not risking his business.

The farmers have offered to the investor by business-

nessmen. It is not possible or even un-

socioeconomics risk investment; old

by the public.

Keep Solvent

The only way to do away with a depression in your business is to make money.

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Newmont Mining Corporation

On May 14, 1947, a dividend of 30 cents per share was declared by the Newmont Mining Corporation, payable June 14, 1947, to stockholders of record on the close of business on May 21, 1947.

HUGH W. LONG

48 WALL STREET, NEW YORK 5, N. Y.

Magna Copper Company

Dividend No. 99

On May 16, 1947, Magna Copper Company, a New Jersey corporation, declared a dividend of 25 cents per share on its common stock, to be paid June 14, 1947, to stockholders of record at the close of business on May 21, 1947.

RONALD H. MEYER, Treasurer

Newmont Mining Corporation

On May 14, 1947, a dividend of 30 cents per share was declared by the Newmont Mining Corporation, payable June 14, 1947, to stockholders of record at the close of business on May 21, 1947.

FUNDAMENTAL INVESTORS INC.

The Directors of Fundamental In-

vestors, Inc. have declared a dividend of 1 4c per share on the Corporation's capital stock June 16, 1947, to the stockholders of record at the close of business on June 2, 1947.
Sterling Convertibility Unlikely

Dr. Ewing gives as reasons for British opposition to seeking a S. U. S. loan: (1) need for inducing British work- hardness; (2) insistence on non-discrimination; (3) belief that relations to non-discrimination imposed by U. S. will stiffen in Britain when their dollars are exhausted.

LONDON—Until recently it was widely assumed that sooner or later the British Government would consent to sell a second loan dollar in order to continue to finance the deficit in hard currencies running into the country. The present belief is that the first loan has been 'used up'. During the last few weeks, however, strong doubts have arisen whether Dr. Ewing would take that course. Indeed, Dr. Ewing himself has said that a second loan would not be acceptable, even if the international economic conditions favored it. The pamphlet entitled, "Keep Life』sé by ballot," a pamphlet distributed by the young Socialist Members of Parliament, emphasizing the need for another loan. This view is shared by a large number of Socialist leaders, both in England and Socialist. The government itself is believed to be divided on the subject, but those in favor of seeking a new loan through assistance, headed by Sir Stafford Cripps, appear to be gaining the upper hand.

The fuel crisis in Britain was not so much a matter of the fuel crisis itself as it was a result of the exhaustion of the coal reserves. It pointed to the necessity of realizing that the country simply must pay its way in the near future, in order to avoid a future workmen, thoroughly pampered and used to a high standard of living, in the absence of full employment and the existence of a public service, may put back into the system as he did during the war.

There is another consideration for which the government is generally anxious to avoid a second loan. It is widely assumed that, now that a Republican in a controlled Congress, a dollar loan is inconceivable without an embargo attached. It is expected that the Republican will make the point that any loan will be only for hard currency, not for soft.

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FOR IMMEDIATE RELEASE

Foreign Exchange: Sterling at Pre-Devaluation Levels

Sterling Convertibility: A Challenging Perspective

Sterling convertibility, the idea of converting Sterling to dollars, was widely discussed in the 1930s and 1940s. However, it remains a topic of debate today. The recent collapse of several European countries' economies has raised questions about the stability of the Sterling, and its role in the global financial system.

In the United States, the Federal Reserve Bank of St. Louis has been closely monitoring the situation. They have stated that the Sterling is still an important currency, and that its convertibility is crucial to the global economy. The Bank has also noted that the Sterling's value has been quite stable in recent months, despite some fluctuations.

In the United Kingdom, the Bank of England has been equally vigilant. They have emphasized the importance of maintaining Sterling's convertibility, and have stated that any move to abandon it would have serious implications for the global economy.

Overall, the issue of Sterling convertibility remains a complex one, with many factors at play. However, it is clear that the Sterling's status as a major currency is still secure, and that its convertibility will continue to be a key topic of discussion in the years to come.