Battlefronts of the Cold War
By HAROLD E. STASSEN®
President of the University of Pennsylvania

Ascertaining our country, due to cold war, has lost most of what it fought for so valiantly and victoriously in World War II, prominent Republican leader ascribes this to present policy of waging a cold war on defensive basis, together with failure of Administration to follow up bipartisan foreign policy program. Urges President promptly put foreign policy on bipartisan basis by calling conference of both Republican and Democratic leaders to consider battlefronts. Stresses need of reaching minds of people to counteract Red propaganda and says Truman must be willing to meet in peace conference.

We meet in the fifth year of the cold war. Beginning with the ending of the hot war with the Nazis of Germany and the militarists of this, this cold war with the Communist rulers in the Kremlin needs re-analysis in America today. These facts stand out. The cold war is worldwide. It involves a fundamental clash of economic, social and political systems and a basic difference of philosophies between the people of America and rulers of Russia. The cold war objectives of the rulers of Russia, in essence: Bring every nation under a national Communist dictatorship; with a centralized socialist economy, with a godless materialistic philosophy, and backed by a Tommy-gun police force; keep each national dollar subject to the central control of Moscow; and above all, keep the Russian people under the same kind of dictatorship.

The cold war objectives of the people of America are these: Assist the peoples of every nation to live under representative governments of their own choice, with individual human rights, with economic freedom and immunity.

An address by Mr. Stassen at the John Marshall Club, St. Louis, Mo., March 13, 1950.

The Fight for Economic Sanity in Europe
By DR. WILLIAM ROEPKE
Professor at the Graduate Institute of International Studies, Geneva

Dr. Roepke holds Europe's economic insanity continues because of failure in overlooking fact that basic problem really national, not international. Assists present national policies are following Hitler-Schacht pattern. Declares retention of exchange controls, rather than need for a Clearing Union. It is his opinion. Concludes voluntary European integration is incompatible with national collectivism, and instead requires the Market Economy.

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BOSTON CHICAGO

PUERTO RICO TO BE FEATURED IN NEXT WEEK'S ISSUE—The "Chronicle" of Thursday, March 22, will include a series of articles concerning various phases of Puerto Rico's growing economy and the prospects for further enhancement.

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M. F. BEAL
Analyst, Peter P. McDermott & Co., New York City

Monarch Machine Tool — the company is in the machine tool industry as a result of the merger of Monarch Tool and Stock Exchange. It has a strong record of earnings and a history of dividend payments. The stock has shown a steady increase in price in recent months.

W. EVERETT BURNETT
Partner, W. E. Burnett & Co., New York, Chicago, and St. Louis

(St. Louis, Chicago, and St. Louis)

The stock I like best in Chicago, St. Louis, and Chicago RR. common. This stock has shown a steady increase in price in recent months. It is a well-established company with a strong earnings record.

In the past three years. In addition, payment of $6.50 per share has been made so far in 1948. Giving effect to these, there are now paid at $6.50 per share.

It seems probable a solution of the so-called business risk that is created in the preferred and common stockholders will be made by a mutual agreement. The stock in its present level appears outstandingly attractive for those who are willing to assume the so-called "businessman's risk."

WASHINGTON DODGE
Partner, Roberts & Co.

(Henry Holt & Co., Inc.)

Fortunately brokers, like all others, have not confined us to one "fait accompli." If such conditions are not met, the market conditions may be more to the advantage of the public investor. Ownership of a single security, that one would be entirely in the hands of the market, like du Pont and not Henry Holt. But since we are still free to pick and choose, to buy or sell as we please, and later to sell, I believe that Holt possesses a much more attractive speculative opportunity.

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OVER-THE-COUNTER INDUSTRIAL STOCK INDEX
11-Year Performance of 35 Industrial Stocks

National Quotation Bureau

Incorporated
46 Front Street
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A Test of Speculative Behavior

By O. K. BURRELL*

Professor of Business Administration, University of Oregon

Prof. Burrell describes an experiment conducted with 40 students to measure and evaluate the special response to dividends, to price level, and to price changes of individual stocks.

Concludes there is no evidence of preference for low-priced or high-priced stocks, but there is strong tendency to buy dividend paying stocks for stock tend to establish its value in mind of buyer, who is inclined to lose lots of stocks and cut all profits. Says there are no provisions to appear to be inherent in the speculative losses in trendless market.

This is a report of an experiment designed to throw some light on the nature and basis of investment and speculative behavior. In general the study attempted to measure the relationship of dividends to the dividend rate, to price level, and to price change. Probably the most notable test of the study is the measurement of the impact of specula- tion. The test was not on the study was directed at a very narrow effort to measure speculative behavior. In general the study attempted to determine to what extent an investor will speculate on the "ex-dividend" stock. The purchase of a stock in order to receive an immediate dividend has the effect of converting capital into income and, in general, levels the price of a stock at the payment of a higher income tax.

(3) That a dollar of earnings paid out as a dividend will be translated into a greater market value of stock than a dollar of earnings retained in surplus. Stated in another way, if two stocks are equated in earnings and general quality, stock buyers will prefer the one that pays the larger dividend.

(4) That the price paid for a stock tends to reflect the value in the mind of the buyer and regard less of subsequent developments it is relatively more significant in the initial valuation. This general tendency may be considered a result of the following:

(a) He tends to let losses run but cut profits short, i.e., when the price moves below his purchase cost he is not likely to sell but if the price moves even a little above his purchase cost he is likely to sell. (b) When the price of a stock moves below the investor's cost, he is likely to buy more and even to sell other stocks which have not declined in order to obtain funds to purchase the stock which has declined.

(c) When the price of a stock moves below an investor's purchase cost, the investor is likely to sell when the price approaches purchase cost. (d) When the price of a stock moves upward from an investor's purchase cost and the invest or does in fact continue to hold the stock for substantial rise, he will sell quickly in the event of a decline in the price of a stock which provided the break does not carry the price below his average cost. 

(e) Because of the above traits and reactions, the average investor or speculator is unable to show a profit in a market in which stocks are.

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*Condensation of study by Prof. Burrell to be published by Bureau of Business Research of the University of Oregon.
Investment Planning for Women

By GEORGE F. SHASKAN, JR.

Partner, Shaskan & Co., Members, N. Y. Stock Exchange

In opening lectures of investment series, Mr. Shaskan defines and describes various categories of securities. Urges appraisal of special issues in light of general classification.

This is the first and second part in a series of lectures entitled "Investment Planning for Women." I am George F. Shaskan, Jr., talking with our guest lecturer. We hope that you will find in these series enjoyable, educational—perhaps even profit-making.

It is interesting to note that although women are in the money economy—hey every day—more than two-thirds of all men's clothing—and although they are reported owners of a little of the total wealth of the country, that the number of individual companies they have definitely let the men take the lead. We must be aware of this must be an oversight on your part and that over the coming years women will benefit from developments in this field from the male species.

Women have already gotten together as Women Stockholders which has been very helpful in attending companies meetings. It is hoped that you will be able to attend at least one company meeting in the near future and bring it with you this phase of the field.

There will be no formal examinations in these series, but in order for you to know what is going on, and all of you know, and all of you can be informed of the proceedings, we have distributed a brief list of questions which you may use to test your work. We also urge you to get in touch with Mr. H. Hentz & Co., our broker, to learn more about the proceedings of the meetings.

We have limited the number attending each session which is appropriate when discussing the proceedings of the meetings, that is the news on the subject. We hope that you will be able to attend a company meeting in the near future and bring it with you this phase of the field.

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Observations . . .

By A. WILFRED MAY

Company Reporting Over the Half-Century

The annual report (booklet) of the large corporation today portrays many important phases of American finance. Additional representation are the dramatic changes which have occurred during the past half-century.

Highlight, first, is a restatement of the post-war exhibits of corporate annual reports over the past half-century, at the New York University's School of Commerce, Accounts, and Finance, as a feature of its Golden Anniversary celebration. Comparing the current and past reports of 200 companies, much light is shed on the progress of stockholder-management relations, on stockholder attitudes and on the public relations experts' estimate of every stockholder attitude and viewpoint.

Two Distinct Periods of Change

The somewhat surprising conclusion one gets from the NYU exhibit as well as from critical examination of the reporting process in the past two periods of historic changes have occurred in two distinct stages: (1) from the mid-1920s, and (2) between the 1960s and the late 1980s.

Horse-and-Buggy Method Lasted Through 1930s

Even many of us who were around to witness the spectacularly steaming 1920s have not realized that those years saw little change in the giving of company information to the public stockholder from what it was in 19th century. Thus the National Cash Register report of 1907 was not much different from the sensational newspaper reports made by the stockholder during the last century. The whole pamphlet occupies only six pages, with the total income information included in seven brief lines.

Eisenhower Deplores Atom Bomb Fears

Warms students journalists against defalcation and pessimism, and urges them to defend our freedom and national work, keep what you earn and to make a profit.

General Dwight D. Eisenhower, now President at the Ligget and Myer University, in addressing a luncheon meeting of the New York City on March 11, of the Columbia University Press Association, delivered a message about 3,500 journalists, urged his listeners to be free themselves from fears and furs and terror of the bomb. Eisenhower seems to enjoy the terror for ourselves in the face of more and destructive weapons.

D. D. Eisenhower

* * *

STATE AND MUNICIPAL BONDS

CORPORATE BONDS

LOCAL STOCKS

With R. S. Dickson

(Special to The Financial Chronicle)


Walston, Hoffman Adds

(Special to The Financial Chronicle)

LOS ANGELES CALIF.—How and M. Reid has been added to the staff of Walston, Hoffman & Goodwin, 550 South Spring Street.
Farm Surpluses Passing Their Peak

By JULIUS and EDITH HIRSCH

Members of the Faculty of the New School for Social Research

Ascertaining farm production is on way to better adjustment, authors point to increased livestock as enlarged market for 1949 feed grain crops. Foresee relaxation of corn acreage restriction. Broader market will be needed for government parity payments to livestock products. Predict egg surplus will take care of itself, and look for Brannan Plan to be applied first to cattle and dairy products. Recommend waiting a year before plan is put into effect.

We wonder whether we have not been over-pessimistic about our agricultural surpluses. Following the high demand of the war and postwar period, the rise in demand has caught the country unprepared. High support prices had caused farm production to go on at full speed without regard for the improvement in the world food situation. Thus, high productivity on the farms, due to research, to the increased use of fertilizer, and to further farm mechanization in the wake of the farmers’ improved financial situation, had made the terrific surpluses in 1949 and for a few consequent years look like a healthy state of the economy. Three things have happened to relieve the situation in the not too distant future.

First—Animal numbers, which had been cut down in the postwar years due to insufficient feed supplies, started to rise again in 1949. As feed and cash income improved, our feed supplies did not seem to be too large any more.

Second—Controls for farm production and marketing, which were reinstated in all the agricultural acts since 1933, were put into effect, first for minor products such as milk and eggs. For such important crops as wheat and cotton, there were no controls, which are likely to decrease production.

Third—Some agricultural prices which had been completely out of line with actual costs and had therefore tended to increase production far beyond all needs, have been cut. This was the case for flaxseed and eggs. In the case of flaxseed, we saw the results already in 1948. For eggs, where lower support prices became effective, the situation is reversed, prices have come down and the effects on consumption and production are expected to become evidential in the second half of the year.

The Farm Income—How to Alleviate It

Farmers’ cash receipts from farming were in 1949 10% below those of 1948 and 1947. Farmers' net income went down more than cash receipts, because farm prices received more than the goods and services which the farmers had to buy. We don’t think, however, that the 1947 net income can be taken as a normal basis. Farm prices had gone up sharply in 1947 and 1948, mostly due to what was regarded as poor world food shortages and the relative shortage of meat in this country. In 1950, the rate of decrease of the farmers’ income is likely to slow down, though still to continue. While the volume of farm marketing will probably decrease, due to acreage restrictions and marketing quotas, prices may not decrease much further because of the government price support. For the efficient farmers in the greater part of the United States, 1950 is still expected to be a profitable year.

Increased Livestock Numbers to Utilize Most of the 1949 Feedgrain Crops

Most encouraging are two statistical reports which the Bureau of Agricultural Economics has just published: “Stocks of Grains, Jan. 1, 1950” and “Animals on Farms, Jan. 1, 1950.” These reports have given us ideas about too large feed grain supplies.

In the 1949/49 crop year about 440 million bushels of corn were finally put under government ownership and in addition about 100 million bushels of other feed grains.

Will the 1949 Corn Acreage Be Allocated Better Than in 1948?

Under these conditions we expect the Secretary of Agriculture to proclaim in the near future a corn acreage allotment for 1950. Cuts in acreage will probably be not insufficiently smaller than originally intended. But the Secretary may consider calling for a crop of 2.6 to 2.7 billion bushels. If the weather is good and sufficient, even though definitely uncon¬clusive, then the corn carried away by only 255 million bushels, which is less than the weather is a very uncertain fac¬tor. Truly for the next crop year and if there should be a drought, the Secretary of Agriculture would be blamed. A relaxation of the order.

Continued on page 32

From Washington

The pressure is on leaders in Congress and the Administration to approve a package of bills that would create a new “sacrifice zone” for 1950 — a way for them to get what they want at a price. The bills are being proposed as a way to avoid the enormous shipping and marketing costs that would result from a new and more detailed type of control. The Department of Agriculture is now considering a plan for allocating feed grain to meet the needs of the livestock industry.

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BARGERON

The helplessness of a people in the hands of Big Government is accentuated by the muttering of little men in suits with the like of what is going on. One of the strategies of the early New Deal was to maintain so much prosperity that the people would be won over to more of the party’s beliefs. The same thing is happening now for the Republicans to draw up a thorough indictment against our rulers of the past 17 years and to alert the country to the dangers of our sole and uncertain power. They are now using the same tactics, including the threat of a sustained attack on any one point because they have not been able to get a majority in one other avenue has opened up and they find themselves lost in a wilderness. If they are not allowed to do this we will soon see commonplace before they could do anything anywhere near to developing it.

With Vandenberg’s vote too much health, or maybe it is just his indisposition, the Republicans have been moving more and more boldly against the Administration’s conduct of our foreign affairs, something that has been sorely needed for many years. They are reflecting, or certainly they think they are, their anxieties about our position in the world against the pouring of money into Europe to “contain Communism” and to a lesser extent, the squall of American business interests that foreign imports, subsidized by American generosity, are beginning to erode profit. They can’t be hurting more than a fraction of what they will hurt in a few years time if they present them of our Master Planners, of course, but they are hurting some, nevertheless.

So we have a serious propaganda effort up from the State Department and one that conceivably can have more purpose than the “containment” propaganda.

First gun in this new barrage is Dean Acheson’s call, not to arms, but to a mobilization. This all out struggle which he is to lead, we must be prepared, he says — not just for the squall of our advertising, or the propaganda, of course.

We do not yet know the full extent of the sacrifices we are to be called upon to make. They very probably are to be developed one by one. But it’s a risk to contest the Secretary himself, and the propaganda, during the next few months.

But we have this ticking from what the Secretary has recently been sending to our various admirers. It lists the various private audiences that the sacrifices may involve considerable economic readjustment. For example, in order to “contain Communism” we’ve got to take the exports of Europe regardless of what this does to the world economy. We’ve got to do this because we will be in the economic orbit of the European nations instead of Russia.

Then, we must provide relief, presumably something on the order of the potato subsidy plan, for the distressed industries which the increased imports bring about; for the industries and the displaced workers.

ECA’s Paul Hoffman, pointed it up a little more graphically before the Senate last week. As long as we continue to receive foreign funds, he said, we must reeducate the displaced workers to new skills and to provide unemployment relief for those who can’t be re-educated.

All of this is to be done to a high patriotic pitch and anyone who doesn’t cooperate is looked upon as unpatriotic and, I assume, dealt with accordingly.

Old Cordell Hull, now living in contemplative retirement, must be enjoying the instant mind of a man who for so long ago, and in the original evolution of his free, trade idea which he harbored upon in Congress for a good 20 years and then succeeded in foisting upon the country after the advent of the New Deal. He never foresaw that it would some day be used to “contain Communism.” Indeed, in his day he never gave Communism a thought.

It was simply his contention that it was enlightened economics. Foreign trade, he held, was essential to our national well-being—and foreign trade constituted 7 or 8% of our economy and spelled the difference between depression and prosperity—and other nations could not be expected to carry their share of the world’s burdens.

So load did this refrain become among our “intellectuals” that the Conservatives, the just plain manufacturers, the tariff-protectionists, gave up or went long ago. Undoubtedly they would not have been so silent these many years if they’d had an opportunity to work. Abnormal world conditions prevented the test.

After the war it turned out, of course, that the European nations had nothing to sell us. But our “intellectuals” and planners were not to be outdone. They devised means of giving the European nations a chance to sell us, and thereby carry the burden to us. But now, this “foreign trade” is not necessarily enlightened economics or to maintain our national well-being, but to “contain Communism.”

And as I said before, we do not know what other “sacrifices” are involved in this “total diplomacy.” It looks very much as if the Administration, on the defensive in its conduct of foreign affairs, is going to outdo itself in the way of world emergency. We can expect shortly to hear the warship parroting the famous war bromide and asking, “Don’tcha know there’s total diplomacy out?”
More Sterling Devaluation Talk

By PAUL EINZIG

Dr. Einzig deplores talk in U. S. of further devaluation of sterling as preventing restoration of confidence in British currency. Denies costs and prices have substantially increased in Britain since devaluation and still stand above American levels in British report.

LONDON, ENGL. — The statement made by Mr. W. John Kenney, head of the ECMA mission in Britain, in the course of his evidence before the Select Committee on Foreign Relations concerning the possibility of another devaluation of the sterling, is causing much concern in London. And Mr. Churchill's more recent statement in Parliament on the same topic has been less disconcerting. Although no one doubts that Mr. Kenney's statement was made with the best and most statesmanlike intentions, it is criticized on the ground that it opens possibilities for misunderstanding and unwarranted distrust in sterling.

The passage concerned reads as follows:

"If costs and prices [in Britain] are permitted to rise in order to absorb the disadvantages of British goods in dollar markets which have been high costs --- the adjustment will render itself and the trading advantage gained by devaluation will have been lost. Any inflationary bias could only very quickly recreate the situation which required devaluation. Therefore, adequate steps were and are required to prevent the British Government from a recurrence of these conditions. The necessary corrective measures complementary to devaluation must be taken immediately."

Dr. Einzig points out that this is necessary to be borne in mind that the devaluation of sterling last year was not made necessary by the high level of costs in Britain, but for the widespread anticipation of a devaluation abroad. Generally speaking, higher prices were not unduly high, though they tended to be somewhat high after the fall in American prices during the first half of 1949. And the cut of the dollar value of sterling by full 30% has failed to improve the balance of trade in relation to the dollar area, because the change in the volume of exports was offset by the decline of the yield due to the lower dollar price of the same volume of exports. Up to now the sole benefit of devaluation to Britain has been the devaluation of sterling has been due to the elimination of fears of devaluation. Payments and purchases deferred in anticipation of devaluation have been gradually reactivated since Sept. 18. It remains to be seen whether, once this temporary factor has spent itself, there will be in a substantially better position than she was, and in 1949 before devaluation the fear began to cause a drain on her gold reserve.

It is not so much an inflationary increase of costs that threatens Britain as a recurrence of devaluation which, by undermining confidence in sterling, might considerably re-create the situation which required devaluation. Britain was driven to devaluation, not by high costs but by devaluation talk. History might easily repeat itself unless those in responsible position take care to provide, even unintentionally, material for devaluation rumors conjuring.

Having said all this, one must heartily endorse Mr. Kenney's exhortation of the British Government to complete the necessary corrective measures supplementary to devaluation. What is not realized is that, had such measures been carried out a year ago, there might have been no need for devaluation. They might have saved Britain the need for the painful operation, not so much through their material effect as through their favorable psychological effect. What mattered then, and what matters now, is not so much a reduction in costs or a prevention of a moderate rise as a restoration of confidence in sterling. The measures required to ensure the success of the devaluation are exactly the same which could have been carried out in anticipation, and which now would still need for devaluation in the second year.

It is to be hoped that Americans in responsible positions will be able to strike a happy median between eulogy and defeatism in their public statements on Britain's economic position and policies. While it is well to continue a great public service in spurring on the British Government and using every effort to build confidence, it should take care to avoid encouraging devaluation talk. Although to say that an inflationary increase of costs might eventually make devaluation inevitable is more stating the obvious, a frequent repetition of such statements by Americans in authority might easily create an atmosphere in which a second devaluation would become necessary even in the complete absence of such an inflationary increase.

F. W. Dodge Reports

January Building Rise

Contracts awarded for building and heavy engineering works in the states east of the Missouri Mountains last month totaled $779,500,000, showing an increase of 7% over January, 1946, and a 37% rise over the January total. This was reported by the F. W. Dodge Corporation, fact-finding organization for the construction industry. All classifications, residential, nonresidential and heavy construction, were greater last month than in the preceding month. Only heavy construction fell behind in February compared with the corresponding month in 1949. The two months' construction total for this year was $1,510,380,000, an increase of 44% over the February aggregate.

Oglesby With Hays

John Oglesby, Commercial Director, DURHAM, N. C. — David E. Oglesby is now with R. S. Hays & Co., Inc., 112 Congaree Street. Mr. Oglesby was formerly King representative for Griffin & Vaden, Inc.

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The above Bonds are offered, subject to prior sale, for delivery when, as and if issued and paid for by us and subject to the approval of legality by Messrs. Vanderlip, Sikes, Hickler and Gallaway, Attorneys, New York City.

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*Yields on ten-year call date

*Approximate yields to maturity

The above Bonds are offered, subject to prior sale, for delivery when, as and if issued and paid for by us and subject to the approval of legality by Messrs. Vanderlip, Sikes, Hickler and Gallaway, Attorneys, New York City.
Doubtless new, the old—committed to the campaigns left in preference campaigns. Utilities haranguing the stump not B. Leach Street, I, it owned a business, and oftentimes in these securities campaigns many ways has invested. The investment business is of vital concern, the average investor has more professional standing than the average securities salesmen. Upon the entrance of the United States into World War II, many highly experienced investment men apparently more found income security in the war effort, and the result in being in the investment business, laying aside the question of patriotism. And it was one common to find men simultaneously holding down jobs in the investment business and in the war plants. The investment business found itself still in a slump following the 1937 depression of stock prices, whereas the whole national economy was booming, so that investment business, as has been suggested, was overpriced. In a poll conducted during the last four-month period, the preference of the graduates, as recently reported in the press, the Continued on page 29

This announcement is not an offer to sell or a solicitation of an offer to buy their securities, The offering is made only by the Prospectus.

$15,000,000 New Jersey Bell Telephone Company Forty Year 2% Debentures

David March 15, 1959

Price 102.457% and accrued interest

The Prospectus may be obtained in any State in which this announcement is circulated from only such of the undersigned and other dealers as may lawfully offer these securities in such State.


March 15, 1959.

Dealer-Broker Investment Recommendations and Literature

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

Over-the-Counter Index—Booklet showing an up-to-date comparison of prices on over-the-counter industrial stocks used in the Dow Jones Averages and the thirty-five over-the-counter industrial stocks used in the National Quotation Bases, both as of November 7, 1949—National Quotation Bureau, Inc., 46 Front Street, New York 4, N. Y.

Put and Call—Booklet—Fillmer, Schmidt & Co., 62 Pine Street, New York 5, N. Y.

Steel—Review of trends in the industry—Vince 1, du Pont & Co., 1, Wall Street, New York 5, N. Y.

Also available is a leaflet of switch suggestions.

American Trust Co.—Circular—William A. Stotts Co., 60 South Spring Street, Los Angeles 14, Calif.

Arkansas Natural Gas Corp.—Circular—Macon & Co., 6th Street, Little Rock, Ark.

Cenla Corp.—Circular—Sills, Fairman & Harris, Inc., 309 South La Salle Street, Chicago 4, Ill.

Central Public Utility Corp.—Memorandum—New York-Hamme- atic Corp., 120 Broadway, New York 8, N. Y.

Central Public Utility Corp.—Card memorandum—F. S. Yantis & Co., 122 South La Salle Street, Chicago 3, Ill.

Walt Disney Productions—Analysis—Elkin & Co., 20 Broad Street, New York 4, N. Y.


Electric Bond & Share Co.—Analysis—Gruntal & Co., 25 Broad Street, New York 4, N. Y.

Emery Air Freight Corp.—Circular—Reynolds & Co., 120 Broadway, New York 5, N. Y.
COMING EVENTS
In Investment Field

March 29-30, 1950 (Chicago, Ill.) Central States Group of Investment Bankers Association of America annual conference at The Drake.

March 29, 1950 (New York City) Board of Governors of New York annual dinner at the Waldorf-Astoria.

April 21, 1950 (New York City) Securities Association of New York annual dinner at the Waldorf-Astoria.

April 28-29 (Greensboro, N. C.) Conference. Following popular sentiment, they too often are forced to buy when they should sell and when they should hold. To protect clients against these errors, we developed our 27 Safety Rules for Investors and Traders.

Today, we realize we have reached a condition in our economy that puts many investors under destructive pressure and so have no growth futures. Investors should not seek "inflation hedges" at the expense of fortunes-building growth.

Often, before the fifty-point break in 1946, we warned against a drastic decline. We advised getting into cash by cash selling situations, long-term capital independent.

Now, to help you in your personal problems, we have created our special protective and investigative Service to replace our newspaper comments. The fee (for 52 weeks) is only twenty-five dollars, or five dollars for advising covering the next seven weeks of the current capital period. These same weekly bulletins cost you only five dollars for seven weeks, go through the trusting mind to the impossible when the public is including those paying one hundred dollars a year for personal guidance and to bombastic.

What the Weekly Bulletin Said at Market Top
May 31, 1946, before the 50 point drop
The market is now in the zone of distribution, positively dangerous.

In 1940, when the averages 138 and Wall Street was widely eyed over inflation, we alone were positive the averages would go down to 96. They did. Now you are just as helpless as the average investor's knee, everybody is most confident.

Remember, knowing what we know to buy is the secret of safety and success in fortune building in Wall Street. When you send your check for $500 or $1,000, let us also send you the 27 Safety Rules for Investors and Traders. W. H. ROYSTONE, Forest Hills 10, Long Island, N. Y. (Instituted 1931), Midtown consultation appointment available.

FEODER, Guinn Corp.—Analy¬
ysis, ray. H. & Co., 30 Pine Street, New York, N. Y.

Globe-Unic, Inc.—Circular of Financial News, 44 Wall Street, New York, N. Y. Also available is a circular on Electric Bond & Share Corp.

Greer Hydraulics—Descriptive analysis—Raymond & Co., 148 State—Coburn Block, New York, N. Y.

Iowa Illinois Gas & Electric Co.—Research bulletin discussing the outlook for the gas and electric field & Co., 40 Wall Street, New York, N. Y.

James & Lord—Circular—Shields & Co., 44 Wall Street, New York, N. Y. Also available is a circular on Electric Bond & Share Corp.

Manufacturers Trust Co.—Analysis—Laird, Binsell & Moors, 120 Broadway, New York, N. Y.

Mexican Light & Power Co.—Analysis—Brown & Co., 260 So. La Salle Street, Chicago, III.

Mid Continent Airlines—Bro¬

Midland & S. L.—Analysis—Milan, Tex.—The Frank Guenther Law, 5, N. Y.

New England Public Service Co.—Booklet available for institutions—Ira Fleck & Co., 111 Broadway, New York, N. Y.

Paramount Pictures Corp.—Study—Newburger & Co., 1342 Walnut Street, Philadelphia 7, Pa.

Phillips Petroleum—Memorandum—American Reo Bank Corp., 9, N. Y.


Southern Pacific Co.—Study—Smith, Barney & Co., 14 Wall Street, New York, N. Y.

Tales Inc.—Memorandum—Boening & Co., 1066 Walnut Street, Philadelphia 3, Pa.

United Gas Improvement Co.—

United States Steel—Analysis—Eastman, Dillon & Co., 15 Broadway, New York, N. Y.

Albert Frank Elects
Kyle and Cullinan

The election of Milton T. Kyle as a director and Richard A. Cullinan as Executive Vice-President of the Reuter-Gratner Law, Inc., advertising agency, was an¬
nounced by Emmett Corrigan, Corrigan & Co. Mr. Corrigan is in charge of the firm's Philadelphia office, has been with the agency since 1925. Mr. Cullinan, a director, has been with the firm since 1929.
More Risk Capital or Catastrophe!

By CLEM D. JOHNSTON

President, Branson Public Warehouse, Branson, Va.

U. S. Chamber of Commerce Director, asserting essentially we are living in expectation of a catastrophe that impairs planning and compels us to take no lack of action. Denounces government loans and guarantees to business as sapping strength of our economic system, and points out continued trend of price reductions and depressions. Pictures a creeping recession, the more so since the meagre gains in a few industries seem to be living in expectation of a catastrophe, which, if it does not come, means anti-imperial planning and progress.

Someone has well said: "Make up your little plans—they have no magic to still the storms of the future." Today in the field of Service Industries I find few plans of business stability and progress. Condolent, I find it, progress is found—business stability is replaced by new and modern equipment, buildings are being erected for use in the building, rebuilding, methods and techniques and services. The building of new and improved enterprises are less and the individual good is getting better and is more efficient at it. But in general this progress is an anti-imperial progress and not a bold leap into new fields and new conditions.

This condition is a logical outcome of the anti-imperial business philosophy of many in government, and of the inadequately high rates of corporate and individual taxation which discourage venture capital and lessen incentives for risk-taking.

Before we properly answer the question "What of Today's Market for the Service Industries in coming days?" we must know what to expect in the formation of new or expanded business.

It is a hard but inaccurate fact that, because of deaths, retirements, dissolutions, failures, and the increasing population American industry requires $100,000,000 per week of new venture capital to keep up an even keel. We need more than that if we are to expand.

Can our American industry, accustomed to surge forward by grants and during wars, do it by itself to this new process of inching forward, feeding on increasingly larger sales and profits of undistributed profits when it grew up on the profits derived from sales, and the mosaic of speculative investment and growth which returns in the event of success?

With Soviet opposition and with world economic problems, it is unquestionable whether we can effectuate the changes in the superior Holt of our American system. While we continue to provide these provisions, the era of speculative profit of great bodies of risk capital that is necessary to change the rough-and-tumble of the market place. That just won't come unti-...
Earning Power and Merger Trend Of New York City Banks

By MORRIS A. SCHAPIRO
President, M. A. Schapiro & Co., Inc., New York City

Bank stock analysts, noting comparatively lower ratios of earnings to book value of common stock of City banks, describes this to: (1) slower growth of deposits in a capital (2) greater competition, and (3) higher reserve requirements. See realignment of banks resulting from mergers and consolidations creation of larger reserves as cushion against stocks and adjustments in bad times.

The New York City banks with 25% of the country's banking assets have earnings an average of 5¼% on stockholders' equity; banks outside New York City, 9%. Why? The reason is more im-

* A talk by Mr. Schapiro before the National Federation of Financial Analysts Societies, New York City.

New equity.

The New York City banks with 25% of the country's banking assets have earnings an average of 5¼% on stockholders' equity; banks outside New York City, 9%. Why? The reason is more im-

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Buy $2 Billion Yearly From Europe and Save Marshall Plan

By LELAND STOWE

European Editor, "The Reporter" Magazine

Holding Marshall Plan ad is only a blood transfusion, Mr. Stowe contends, if cut off in 1952, it may cause dangerous col- lapsed something we call economic crisis and economic de- cession and too few customers," and advocates increase of our annual imports from Western Europe by $2 billion. Says we have been taking away competitive cash and favors more U. S. foreign investment.

Once again, I do not speak as an advocate of any party, govern- ment or the like. I have been in Washington has ever honored by asking my opinion on General Electric and Baltimore Gas and Electric, and we proceed to demand that we shall build it.

We are at the beginning of the great fivling line; second phase of the Marshall Plan which will be marked by a revision in its administrative attitude, a revision in Washington's public's ideas and conception of how to produce and which will mark a complete change in strat- egy in the minds and actions of the people who have seen Europe from Communion.

Why is this so? Let's look at the crisis of the western world, the western Europe. Our whole western world is in a very profound crisis. We have lost the war, we have forgotten it, and we do not have a clear concept of what happened.

In the western world we will have to work out a new system before we bring the ratio of customers up to some where near the ratio of the past and whose are now their experience and production. That is where you have the problem, that is where the west is, because it is not like the First World War when it was a collapse of the markets of the world, while we were creating a central authority of more and more. Now there are certain differences of thought, of which I think have escaped most of us, but as in some respects they had escaped me until I went back to Europe this last time.

One talk about the Iron Curtain. But there is a curtain ar bigger than that. There is a curtain which is the free trade from Vienna to Vladivostok, from Singapore to Cathay, China. Nearly one-third of the world's trade is cur- tained off from the rest of the world in the process of free trade, and that area concerns the People of the earth.

Now there has been a second and a minor change of weather. We here in America have been through the necessities of war, this second one. Since 1933 the productive capacity of the United States has been doubled in 11 years—doubled. And now we are shrinking off the markets of the world? What does it do to our chances of earning enough profits, selling enough, making our standard of living high where it is, and down where it is? A very profound and upsetting change, to make our capacity in 10 short years.

Finally, there is a third enor- mous change, and yet deeply penetrating. It is the political uncertainty, the uncertainty until it becomes disciplined and channel- led, and that is the fact that the only political activity left, the only great creditor in the world, is Russia, and now China. We are sitting on billions of dollars that are floating in the air, in the atmosphere, rather than a market set- tle, alone mankind’s. And we cannot sit on these billions and let them pile up and become more and more years without finding our- selves in a political and economic situation that we cannot cope- lated. And that, too, is one of the main problems which we face.

Do you read much about it in the papers? Do you hear much about it on it? I don't think we do.

For we have got to discover how to make our future pay. And our system can't pro- duce a future unless we can pay ourselves. Why any other until we discover an entirely new way to create consolidated wealth and which to buy. Now I have seen a lot of people who are very wise and much and much too simplified, perhaps, making a lot of noise and knocking the crisis of the western world, Eu- rope's and ours combined.

We have been looking at a situation of a great crisis in the world with most of us here at home think of their devaluation, 'That is fine; but that solved that problem. But the fact is that the real crisis in the world is the area is ahead of us and it is com- ing next spring or next summer, but before next autumn anyway, and that crisis when it comes, it is going to knock an awful lot of people out in the world and the manifesta- tions of solutions already reached. The figures have been reached. This is the basic best is only a shot in the arm, and that is all it could be. And the sharp edge is going out in a few months. Britain's situation is going to become very serious and the future remain very great, and then the world's going forward, and that is not going to be easy to handle.

Already it seems that the Lon- don market is going to take the advantage of the shot in the arm. We have a very, very imperative that it should do. And that adds to the likelihood of a crisis, a very serious crisis next year, 1950. In that year with a deflated currency, a deflated standard of living of the world, you are going to go back to London after a very difficult war, is it going to be filled with a great mass of jobless and the tragedy of man, and the German people—people that I have for the British people, the way they have to live, the little they have to do with, the prospects of so little to come to the significant courage of 10 long years.

But the British standard of liv¬ ing is still, still being maintained. Of which, we have been hearing, that we have asked these American friends of theirs about the British social security, the civil service, the govern¬ ment's Labor Government—and you get the same kind of answers in many respects, it is true. But if we think that the British social security is so good, ask them, "How would you like to be out of work for three or four million people in the British people, the way the life for, the millions of people?"

How much of it is going on with them, do you think we would be thinking? I don't know what salt the steady falling standard of living of Brit- ain will do to the political think¬ ing of the British people. It brings me to another question, it is going to much farther, it is going to be a political question. Englishmen have come in the past and in the present, right wing or left wing. So the real downfall of a country somewhere in '50. It will affect our whole relations with the other countries, with the country, matters, many, many, many.

The decisive years, as I see it, are going to be the worst of the years, the most difficult, perhaps, the most critical in the world. And the channel of the Marshall Plan did not re¬ solve all the questions or sought; fact, it did not get much. It did not require much more cleverness; no more than one can do. Certainly, many, many, many, many, many. If we have that yet displayed any great amount of perception. No.

The necessity for perception comes before Kin, because now we are

Continued on page 34

Connecticut Brevities

Southern New England Telephone Co. has applied to the State Public Utilities Commission for permission to increase rates on 400,000 shares of its $25 par com- mon stock. The increases would be used to pay off notes incurred in the company’s construction pro- gram and to finance additional construction. There are presently outstanding 34% of common stock on which the quar¬ terly dividend rate was recently raised from $0.40 to $0.45.

Stockholders of Cod’s Manufac¬ turing Co. will meet on March 29 to vote on a proposal of the di¬ rectors that the company invite tenderers of its own stock at not more than $33 a share. A maxi¬ mum of $7,000,000 would be spent to buy in stock. There are presently outstanding 195,000 shares.

The 1949 annual report of The Stanley Works in New Britain for the year were $60,018,390, about 11% above the 1948 fig¬ ures were equal to $2.27 a share on the common compared to $2.30 the previous year. The company has fol¬ lowed an active policy of charging against earnings a reserve for the amounts allowed for Fed¬ eral tax purposes. In addition to the allocation of $35,148,598 in 1958, the company appro¬ priated a reserve amounting to $500,000 for 1959 includes expendi¬ tures of $3,000,000 for plant im¬ provements, largely for the Hand Tool and Steel Divisions. Of this total allocation, $1,000,000 was from depreciation charges and the remaining $2,000,000 must come from earnings or new capital.

In 1949 Rockwell Corp. earned $70.75 a common share, down from $82.02 the previous year due to moderately lower sales volume and increasing costs. Dur¬ ing the year dividends of $3.50 a share were paid. The balance sheet at the yearend disclosed that the company has common stock and government securities equal to $260.28 a share and a book value of $40.72 a share.

Rice-Tow Sanford Carpels Co. has announced its intention to pro¬ duce a line of carpets made with self-adhesive backings that has been experimenting with acrylic, vinyl, and other synthetics. It is at present in the testing of a number of other synthetics.

At their annual meeting on March 8, stockholders of Tarrin¬ ton Manufacturing Co. voted to approve production in the author¬ ized capital stock by cancelling the authority to issue 4,000 shares of $25 preferred. The only pres¬ ently authorized stock consists of 120,000 shares of $6.35 par com¬ mon.

The Connecticut Power Co. re¬ ported earnings for the year 1949 of $23.81 per common share. The improvement over 1948 was largely due to lower operating expenses and an increase in revi¬

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Pro and Con of Point IV Program

BY AUGUST MAFFEI

Volume 171: Number 4290
THE COMMERCIAL & FINANCIAL CHRONICLE

Commenting on vague and confused notions of Point IV Program, Mr. Maffei points out problems fielded by the conception and practice. Says rules of Export-Import Bank and World Bank in this field are controversial, and holds loans rather than equity capital is wrong method of development. Calling for improvement of each element in program: (1) technical assistance; (2) investment guarantees; (3) tax concessions; (4) bilateral investment treaties; and (5) private foreign investment. Says it is time for action, not words.

Somehow, someone has said that President Truman "hail the jackpots of the world's policy-makers when he announced the Point Four Program in the inaugural address in January, 1948. Since then there has been a flood of written and spoken words on Point Four, most of which were devoted to saying what the Point Four Program ought to be. Now, a year after the President's first annual message the position of the issue has not been clarified. It is time to take stock and find our own territory, wherever and whatever it is that seems to be going on.

The variety of reactions to Point Four at home and abroad is a measure of the confusion and vagueness of the concept. It appears that, under the stipulated cooperative program between the United States and foreign countries, the United States and friendly countries are expected to cooperate in alleviating problems of food and energy throughout the world. It is possible for almost any group to find in this formula the justification for what it is seeking in its own interest or thinking, or believing, or to improve its own state in the world in general.

First of all, there are the humanitarianists who welcome Point Four because of the promise that it is an organized effort to carry American knowledge-and American capital without underdeveloped countries of the earth. They think of it in terms of relieving suffering, eradicating disease, and raising levels of living. No one would disagree that this is a good thing. However, there is another view. Some say that the Point Four Program is a way to market the surplus goods of the United States. However, I do not propose to dwell on the humanitarian aspect of the Point Four Program. I am more interested in the economic aspects.

"Another Government Prop?"

Then there are the economists who welcome Point Four because of the promise that it is an organized effort to carry American knowledge and American capital to the underdeveloped countries of the world. It appears that almost anyone can find in this formula the justification for what it is seeking. It is possible for almost any group to find in this formula the justification for what it is seeking in its own interest or thinking, or believing, or to improve its own state in the world in general.

I am not interested in the economic aspects, but in the economic aspects of the Point Four Program. I am more interested in the economic aspects of the Point Four Program. I am more interested in the economic aspects of the Point Four Program. I am more interested in the economic aspects of the Point Four Program. I am more interested in the economic aspects of the Point Four Program.

The professional and amateur strategists in the cold war have taken advantage of Point Four induced by the Western Powers and Russia also welcomed Point Four. They fitted in a promise that at least last the United States is turning its attention to the world outside its borders.

Pro and Con of Point IV Program

BY AUGUST MAFFEI

http://fraser.stlouisfed.org

50,000 Shares

Jamaica Water Supply Company

Common Stock

Subscription Price: $25.00 per Share

Blyth & Co., Inc.

Creditors of the Prospectus may be obtained from the undersigned only by persons to whom the Prospectus may be offered or sold in accordance with applicable law.

March 13, 1950

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fraser.stlouisfed.org
We Have the Best Of Gold Standards

By E. M. BERNSTEIN*

Research Director, International Monetary Fund

International Monetary Fund expert maintains that domestic monetary standard, in the United States and Federal Reserve Banks in 1933, conforms to the gold standard in all essentials.

Denies gold standard prevents misuse of monetary system, and stresses need of a wise policy in monetary administration.

For the past few weeks the writing of writers of New York of a couple of months ago—just before the gold standard was clamored for—has been largely confined to the subject of the gold standard. I told them that I know it is easy to say that we are the only country that should adopt it. But this is nonsense. I am a rich man, I am at a desk talking with a gold standard in my pocket, but so is he. We are not alone. How does the Democratic and New Dealer and all this talk of a new gold standard. But don't underestiimate your mitigating influence on gold. I do not regard myself as the gold standard. I think the biggest trouble with the Republican Party is that they think we are the gold standard. I think they are the gold standard. I asked for it, and it nearly brought our system to disaster because I am going to give you a model of a gold standard, I have added a second source of instability and voluntary. I should say a gold coin standard. When you do that, you have added to the economy a new, additional bullion market and volatility.

In theoretical terms, every public converts a dollar of coin gold, and has revenue in the dollar of coin. To the monetary system, this means that we have added to the system.

The Gold Drain of 1931

If, for example, as in 1923 old fashioned gold, people were to sell 10 billion dollars in gold coin from their pockets, they could not be pressed for monetary reserves, and this would not harm the monetary system. Banks would be pressed for gold reserves. Do you realize how near the United States was to being in the position of being in 1931, and therefore the public, to an extent, to the Federal Reserve Bank of New York, in order to get to the Federal Reserve Bank of New York, and attempting to borrow a million dollars in gold coin? If, for example, as in 1923, old fashioned gold, people were to sell 10 billion dollars in gold coin from their pockets, they could not be pressed for monetary reserves, and this would not harm the monetary system. Banks would be pressed for gold reserves. Do you realize how near the United States was to being in the position of being in 1931, and therefore the public, to an extent, to the Federal Reserve Bank of New York, in order to get to the Federal Reserve Bank of New York, and attempting to borrow a million dollars in gold coin?

The two points: We need a gold standard, because it provides a limitation upon the creation of money. If we have a gold standard, we would know that if we have to have gold reserves, we would have to have this gold standard. We have a gold standard, because it provides a limitation upon the creation of money. If we have a gold standard, we would know that if we have to have gold reserves, we would have to have this gold standard. We have a gold standard, because it provides a limitation upon the creation of money. If we have a gold standard, we would know that if we have to have gold reserves, we would have to have this gold standard. We have a gold standard, because it provides a limitation upon the creation of money. If we have a gold standard, we would know that if we have to have gold reserves, we would have to have this gold standard. We have a gold standard, because it provides a limitation upon the creation of money. 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Status of Savings and Mortgage Business

By R. DUNKELRY
Deputy Manager and Secretary, Savings and Mortgage Division American Bankers Association

Mr. Dunkelry reviews the rapid expansion in recent years of savings and mortgage loan business, and points out if banks are in a position to continue in this field they must do a better merchandising job. Notes more pressure of business of mortgage institutions and reports better relations of banks with other savings and loan associations.

The year 1950 is highly competitive with respect to both savings and mortgages. Hence, it would be well to take a look at where we are and where we are likely to be at the end of the year.

As of Dec. 31, 1949, savings deposits in savings banks and in the commercial banks of the United States averaged $51.5 billion, an increase of $900 million, or approximately 1% over the previous year. These $53 billion savings deposits represented an increase of more than double the $26.4 billion savings deposits in 1940.

During the year, the savings institutions have increased their net funds accumulated behind life insurance policies, grew from $81 billion to $90 billion, an increase of approximately $9 billion, exceeding in fact the combined growth for the year of savings deposits in banks and savings and loan associations.

It is estimated that 6,000,000 people have savings accounts in these banks. The average account is approximately $900. The present number of policy holders in the legal reserve life insurance companies is estimated at 20,000,000, or more than half of the population.

Banks have always maintained a loan portfolio without exception. They seem to compare with the billions of dollars involved in savings deposits in the Savings and Loan Associations of the United States Government.

Seventeen thousand of the nineteen thousand banking offices throughout the country are furnishing savings facilities. The general welfare of the country depends to a large extent upon the encouragement of thrift by the savings banks who are the thrift banks to take care of their savings.

Banks Must Do Better Merchandising Job

If the banks of the country are to maintain their leadership in this field, it will be necessary for them to do a better merchandising job. Many do not seem to realize that in a highly competitive period as this it is a matter of considerable effort and to spend sizeable sums of money in advertising and promoting the business.

The United States Savings and Loan League represents 6% of all share funds as a minimum approximation for the total amount of savings. That means that a $10 million institution would spend $500,000 a year to promote its savings fund. They have ever heard of a commercial bank with $10 million of savings spending anything like $2,500 a year to promote its savings fund. It probably would not be necessary for them to spend more money and give more attention to this phase of their business if we are to maintain our position.

A survey just completed by the ABA shows the general trend of interest on savings is slightly upward. A great many of the mutual savings banks have increased their rate as much as one-half of 1%, so that many are now paying 2%, and a few an even higher rate. While the vast majority of all commercial banks throughout the country are still paying 1%, many are paying that rate on a higher amount. Where they pay 1% up to $1,000, income some are paying 1% on all savings.

In New England and on the East Coast, commercial banks are paying 1% and 1½%; and in some of the Pacific Coast states, a few are paying 2%.

Employment of Savings Funds

Now let us consider the employment of savings funds. The case of banks and insurance companies is important. All but one bond is important; but real estate loans are the most important of all. Nearly all of the employable funds in savings and loan associations are invested in real estate loans.

We compared the savings growth of these institutions between 1940 and 1949. That what their real estate loan portfolio during that same period? Mortgages on real estate increased from $9.38 billion to $18.0 billion, or

277,978 Shares

Commercial Credit Company

Common Stock

($10 Par Value)

The Company has called for redemption all outstanding shares of its 3.60% Cumulative Preferred Stock, each share of which is convertible into 1/4 shares of Common Stock. The Underwriters named in the Prospectus have agreed, subject to certain conditions, to purchase such of the above shares (which have been designated for purchase up to the maximum number of shares not so issued) prior to the expiration of the conversion privilege on April 4, 1950.

Prior to and after the expiration of the conversion privilege at the 3.60% Cumulative Preferred Stock, the several Underwriters may sell Common Stock as set forth in the Prospectus.

Copies of the Prospectus may be obtained from any of the several underwriters, including the undersigned, only in such amounts as dealers in securities and in which such Prospectus may be lawfully distributed.

*The First Boston Corporation
Kidder, Peabody & Co.
The Choice Between Retirement Benefits or Superannuation Plans

By SOLOMON BARKIN

Director of Research, Textile Workers Union of America, CIO

Assuming there is no constructive approach in current handling of old age pensions and retirement benefits in collective bargaining, Mr. Barkin describes present Federal old age security system and outlines the economic, social and political pressure for a new pension movement as it is measurable in the present plans. Contents current private pension plans as designed to benefit old workers, and advocates Federal General Retirement system whereby collective bargaining agreements may be acquired through trust funds. Says plans should be made for more extensive employment of older persons.

The current handling of our problems has highlighted the great deficiencies in our basic collective bargaining system and has provided no solutions for the handling of the economic and social demands of the men at the bottom of the scale.

The conflicting parties participate in the bargaining, with the hope that the system in the present state of full will that it will not. They work within the framework of the negotiations with one important change: There is no problem that is necessarily vital to the American employment conditions. Thus there has been (both before internationalization and particularly after) the extension of utilization a tendency toward stability.

The deficiency of this procedure is most manifest in the handling of the problem of old age pensions. A program for retirement must be on the books of the national government and with a scheme applicable to small businesses. Moreover private systems can have varying objectives such as supplementary retirement benefits for its own superannuated workers or the superannuated employees of such systems being developed among the collective bargaining agreements, associated with an agreement on the details of a Federal plan. But the employers resisted stubbornly. They were forced to take their first step under Federal court which established the issue as a proper subject for collective bargaining. They would work on our behalf the details of a plan even when it was a2.15 for the plan a national fact finding board. They took the action of our time as welfare-station.

The absence of a constructive approach has been the result of the times in which the back of the labor movement, where the key men framing in "national relations policy for American industry." They may not be forced to see the causes and the solution to the problem in collective bargaining. In this atmosphere it is essential to have a national plan which will provide for a place for more definite mode of collective bargaining which will show any nature of reversal over the gains or losses from this meeting. They can develop the overall guidance to detailed collective bargaining and munificence that the present plans are at the bottom of the scale.

"An address by Mr. Barkin before the American Resources Association December 29, 1949."
From the Annual Report of Reading Company 1949

Due to work stoppages in the coal and steel industries, as well as mild weather affecting coal demand, revenues were reduced 15% as compared with 1948.

Operating expenses were reduced $10,637,766 under 1948, despite wage increases and changes in working conditions.

Notwithstanding increased costs and reduced traffic, basic operating factors were maintained at a high level as the result of road improvements and the increased use of diesel locomotives.

Taxes charged to railway operations were $8,900,159, or 8.11 cents out of each dollar of revenue.

Dividends paid to stockholders totalled $5,596,290, making the forty-fourth consecutive year in which Reading has paid dividends on all classes of stock.

Fifteen 1,000-hp. diesel switching locomotives, 750 all-steel hopper cars, and 6 multiple unit passenger cars with 6 trailers were acquired.

REVENUES, EXPENSES and EARNINGS for 1949

<table>
<thead>
<tr>
<th>Description</th>
<th>December 31</th>
<th>Increase or Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>REVENUES FROM OPERATION—Transportation of freight, passengers, mail, express, and all other</td>
<td>$109,717,175</td>
<td>$19,569,225-D</td>
</tr>
<tr>
<td>EXPENSES OF OPERATION—Cost of transportation service, maintenance and depreciation of road facilities and equipment and solicitation of traffic</td>
<td>91,266,297</td>
<td>10,637,766-D</td>
</tr>
<tr>
<td>LEAVING AS NET REVENUE FROM OPERATIONS</td>
<td>18,180,878</td>
<td>8,931,459-D</td>
</tr>
<tr>
<td>TAX ACCRUALS—Federal and state income, railroad retirement, unemployment insurance, and other taxes applicable to railway operations</td>
<td>8,900,159</td>
<td>4,382,160-D</td>
</tr>
<tr>
<td>NET PAYMENTS FOR RENT OF EQUIPMENT AND JOINTLY USED RAILROAD FACILITIES</td>
<td>202,166</td>
<td>322,595-D</td>
</tr>
<tr>
<td>NET RAILWAY OPERATING INCOME</td>
<td>9,378,553</td>
<td>13,601,907-D</td>
</tr>
<tr>
<td>OTHER INCOME—Dividends, interest and rentals, less miscellaneous deductions</td>
<td>1,922,286</td>
<td>1,812,136</td>
</tr>
<tr>
<td>GROSS INCOME AVAILABLE FOR FIXED CHARGES</td>
<td>11,310,839</td>
<td>15,412,313-D</td>
</tr>
<tr>
<td>FIXED CHARGES—Interest on funded and unfunded debt, rent for leased roads, and amortization of discount on funded debt</td>
<td>5,121,781</td>
<td>5,323,535</td>
</tr>
<tr>
<td>NET INCOME AVAILABLE FOR DIVIDENDS, CAPITAL EXPENDITURES AND OTHER CORPORATE PURPOSES</td>
<td>5,889,053</td>
<td>10,093,788</td>
</tr>
</tbody>
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DISTRIBUTION OF THE READING DOLLAR • 1949
Some Economic Problems
Arising From Expanded Pensions

BY MARTIN R. GAINSBROUGH
Chief Economist, National Industrial Conference Board

Economist pleading for change in reserve policy, states “jet-propelled” rise in programs has preceded proper analysis. Martin R. Gainsborough, economist for the National Industrial Conference Board, which has long been a leading authority on the subject of investment and financial policy, has warned that the expansion in pension programs is likely to accelerate in the future, with potentially serious consequences for the economy. He argues that the rapid growth in pension programs has been driven by factors such as rising life expectancy, increasing income inequality, and changing labor market conditions. These trends are likely to continue, he says, putting pressure on the sustainability of the current system of social security and private pensions. Gainsborough calls for a more comprehensive approach to pension policy that considers the long-term implications for the economy and the financial system.
Lincoln Caffall With Wainwright, Ramsey

Wainwright, Ramsey & Lancaster, 70 Pine Street, New York City, consultants on municipal finance, announced on March 19, the association with them of Lincoln E. Caffall, who for several years was the Manager of the Municipal Department of Standard & Poor's Corp.

At Standard & Poor's, Mr. Caffall supervised the production of the recently announced municipal bond rating system. For nearly four years, Mr. Caffall has also been a weekly contributor to the municipal section of the "Investment Dealers' Digest." Mr. Caffall is a member of the Municipal Analyst Group and The Municipal Forum of New York.

Prior to joining the Standard & Poor's organization in 1941, Mr. Caffall served with the British Purchasing Commission, where he installed the statistical system employed by the Small Arms Purchasing Division. After leaving the Commission in 1940, Mr. Caffall was associated with Moody's Investors Service as a municipal bond analyst. During the war years, he was a member of the Air Transport Command stationed at Washington, D.C., and made numerous trips overseas.

The firm of Wainwright, Ramsey & Lancaster specializes as consultants to States and municipalities as fiscal advisors. Recent projects include improvement of Montgomery, Alabama, was reorganized in connection with the competitive sale of $2,100,000 revenue bonds by the Water Works Board. A special study of the affairs of the Washington Suburban Sanitary District was recently completed. Among the numerous programs on which the firm is now engaged in various parts of the United States, is making a survey for the State of Tennessee of a long-range program for the elimination of the pollution of its rivers and streams affecting about 430 cities, towns and sewerage districts. Eventually, it is expected, it will involve an expenditure estimated between $150,000,000 to $200,000,000.

N. Y. Inv. Ass'n Forms New Speakers' Group

Formation of a new speakers' group by the Investment Association of New York to provide speakers for organizations in the metropolitan area, as a further contribution of that association to current efforts to bring public relations for the securities business, was formally announced by Blanche Noyes of Hemphill, Noyes, Graham, Parsons & Co., President of the association.

Better than 35 members of the association, which is comprised of some 200 of the younger men in upwards of 80 investment banking and brokerage houses in Wall Street, have offered their services as speakers and will participate in the program. They will be available through Edward F. Swenson, Jr., of Clark, Dodge & Co., 61 Wall Street, to address social organizations, educational institutions, clubs and other groups. Mr. Swenson is chairman of the association's education committee and heads the speakers' bureau.

Well qualified by education and experience to discuss the securities business, the speakers will hold a series of meetings to formulate the material to be presented to the public. The aim of the association in setting up the bureau, according to Mr. Swenson, is to convey to the public a clearer understanding of the essential services performed by the securities industry in the nation's economic life. Speakers will use the motion picture, "Money at Work," produced by March of Time for the New York Stock Exchange, to present the functions of the securities markets in our free enterprise system. They will also be prepared to conduct question and answer periods about the securities business.

Celanese Corporation of America Marks its 25th Year of Operations

(From the 1949 Annual Report to Stockholders)

From the Chairman

The report for 1949 marks the completion of twenty-five years of successful operations. Some measure of the growth and development of our Company may be had by referring to the Company's report for the year 1925, the first full year of cellulose acetate yarn production at our Amelle plant.

As of December 31, 1925

| Total Assets | $9,823,713 |
| Sales         | 1,642,126  |
| Net Profit    | 305,360    |

As of December 31, 1949

| Total Assets | $254,885,948 |
| Sales         | 171,292,005  |
| Net Profit    | 20,640,826   |

In reviewing the year's operations in 1925 for our shareholders, I took the occasion to write:

"The Company's products, 'CELANESE' Brand Yarn, Fabrics, etc., have met with increased demand by the trade from day to day, and with the new uses in which they have found a market, it is expected that the Company will have a very prosperous future and no difficulty will be experienced in readily disposing of the entire production of the Company's plant and the increase from its present production should be readily absorbed by the trade."

These words bear reaffirmation today as we look forward to another quarter century of operation which should prove to be equally productive of progress and growth.

From the President

EARNINGS: The earnings per share of Common Stock is 1949, after providing for Preferred Stock dividends, were $2.19.

DIVIDENDS: The dividends on the Common Stock totaled $2.60 per share represented by four quarterly dividends of 60c per share, which dividend having been in effect from the second quarter of 1948. The total dividends paid on the 5,514,107 shares of Common Stock outstanding amounted to $3,123,640. The dividends on the Preferred Stocks amounted to $3,032,544. The total payment for dividends in 1949 was $6,156,180.

TAXES: While the earnings amounted to $3.19 per share of the Common Stock and the dividends $2.60 per share on the Common Stock, the total direct taxes paid by the Company to Federal, State, and Municipal governments were equal to $3.09 per share of Common Stock.

FINANCIAL POSITION: The Company continues to be in a strong financial position, with net current assets at the end of the year of $60,339,823 of which $41,570,548 was represented by cash. Inventories are at a low level for the volume of business being done. During the year the Company remitted $2,475,000 of its funded debt.

PLANT EXPANSION: During 1949 all departments of the Celanese plant were brought into operation. Initial operations were commenced at this plant late in 1948. No further large expansions in the United States have been authorized in the meantime, but plans are being considered for future expansions in the event that general economic conditions justify such steps.

MARKET TRENDS: The most significant trend of the year was the development of the summer-weight marketings for both men's and women's apparel. This was pioneered by several of our yarn customers who took the leadership in the styling and technological development of entirely new classes of fabrics combining acetate filament yarn and staple fiber with other chemical yarns and fibers. Through their efforts the summer-weight suits business achieved a sound and profitable foundation.

OUTLOOK FOR 1950: The high level of textile operations in the last quarter of 1949 is currently being maintained. So far as can be foreseen, the Company's operations give promise of continuing at a high rate of productivity for some time. Depending upon psychological factors affecting consumer purchasing, general economic conditions and governmental action on taxes, we anticipate a year of satisfactory results.

CHRONICLE 16, 1949

CELANESE CORPORATION OF AMERICA

180 Madison Avenue, New York 16, N. Y.

CHEMICALS ... PLASTICS ... AND TEXTILE YARNS AND FIBERS
Mutual Funds

BY ROBERT E. RICH

E. W. AXE & CO. TO MANAGE REPUBLIC INVESTORS FUND

The stockholders of Republic Investment Corporation, owners of the existing mutual funds with leverage, which was formed in 1932, voted on February 27 to transfer to E. W. Axe & Co., Inc., as investment managers, all net assets and general corporations, as general distributors.


Mr. Bull, President, states that the officers and directors of Republic Investment Corporation, Inc., have for a period of several months endeavored to find a satisfactory solution to the more permanent management problem, and especially to provide supervision for the Fund. After careful investigation of the proposal, the Fund's directors recommended E. W. Axe & Co., Inc., to the shareholders. This new management firm has a national reputation, and has an established record of investment company portfolio management. In addition to being able to provide the Fund with particularly well qualified management service, Axe & Co., Inc., could offer the facilities of an established national distribution organization through an affiliate, Leffler Corporation.

**Keystone Notes It's Not Hard to Be Wrong**

Investors have a tendency to pick the right issues out of the many thousands of rising markets, according to the latest issue of Keystone, made public by the Keystone Company of Boston. Keystone notes that while the Dow-Jones Industrial Average showed a gain of 13% in 1949, a period of generally rising prices, five of the thirty individual stocks comprising it showed losses of more than 15%.

The publication also shows how the thirty individual stocks ranked in the Dow-Jones list in 1949 to further emphasize that investors have a tendency to participate in the general market rise and still achieve their investment objectives through diversified stock ownership.

The five that did the thirty-Dow Jones Industrial stocks which showed losses in 1949, even though market prices in general rose, were Bethlehem Steel with a decline of $3.13, American Telephone & Telegraph, minus 2%, Standard Oil of California, minus 3%, International Nickel, minus 6.2%, and Standard Oil of New Jersey, minus 7.5%. Of the five showing the most gain, DuPont led the list with a gain of 33.6% followed by Procter & Gamble with a plus 31.0%. American Can, Penn Central, Westinghouse Electric, plus 29.8%, and Johns-Manville, plus 25.9%.

The way the top five and bottom five ranked in 1949 showed another pattern of variation. DuPont moved from 11th place in 1948 to 1st in 1949. Procter & Gamble, which placed 1st place to 2nd; American Can, from 8th place to 3rd; Westinghouse Electric, from 28th to 4; and Johns-Manville, from 46th to 5th, to the five at the bottom of the list. Bethlehem Steel went from 10th place in 1948 to 25th in 1949. American Telephone & Telegraph, from 17th to 29th, and Steel & Iron, from number two at the top of the list, way down to number 21.

**Texas Fund Appoints Pacific Coast Distributor**

Braddock & Co., sponsors of the Texas Investment Fund with headquarters in Houston, announced the appointment on March 16 of Victor D. Perkinson as its sales manager in California, and he will work out of San Francisco.

The new manager has been with the company since 1942, and has been a salesman in the West Coast. He is a graduate of the University of Washington and has had experience with western companies. He is a member of the San Francisco Club.

**Northeast Investors Trust**

Northeast Investors Trust, Boston, Mass., filed March 2, 1950, in California, for shares of interest. The company will make its investments in the rapidly growing industrial area of the Southwest. Among its holdings are electric utilities, gas and transmission and gas distribution companies, oil and natural gas producers, chemicals, banks and insurance companies, and general industries. The directors of its management company are James M. Pentland, E. J. Andrews, Thomas D. Anderson, John H. Blaffer, Rorwe cyan, Victor Dykes, Edward Rotan and George W. G. Hamm of Houston, E. R. Hult, Robert K. Hutcheson of Galveston, and Ernest T. Skinner of Boston.

**The George Putnam Fund of Boston**

“Time and Time Again?” When?

The Home Owners Loan Corporation was successful in terms of dollars and cents. It was much more important, it was successful in terms of human values—in helping hundreds of thousands of families to maintain themselves as self-reliant home owners, securing their hard-earned property, and free from the threat of eviction through no fault of their own.

“We should all be proud of this demonstration of bold and constructive Government action for the good of the whole country,” Mr. Robeson said.

The record of the Home Owners Loan Corporation illustrates the lesson that has been proved time and time again in recent years. It is that by wise use of its powers, the Government can help programs of social benefit—and conduct them efficiently and without waste of public funds.”—President Harry S. Truman.

Possibly—and we say POSSIBLY; only a full audit of confused accounts would bring full assurance—this particular corporation has a record of the kind the President gives it.

But, it is an almost-truth—not quite alone.

Nothing of the sort the President speaks of “has been proved time and time again in recent years.” Of that we may be sure.

The Irving Trust Co. of New York, with its annual Quarter Century Club Dinner at the Ritz Carlton Hotel, on March 9 honored 200 men and women who had been with the company for 25 years or more. Included in this number were 127 men and 73 women, who became eligible this year, as well as 215 who were eligible last year. The company offered this year a meeting prior to the dinner to those eligible.

Mr. Robeson was an assistant executive vice-president and treasurer of the company. His company was an affiliate, and the company was an affiliate of the Central-Penn Bank of Philadelphia, where Mr. Robeson was vice-president and secretary.

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which states that on new of Treasurer Chamber an March 7 V. Hancock, Secretary of the Department. It has been announced March 1. Mr. Hall replaces Frank C. Martens, Vice-President of Crocker First National Bank, retired, who has served the Association since Secretary since 1941. Mr. Martens, in turn, succeeded George S. Morelli of Farmers and Merchants Savings Bank, predecessor bank in Oakland, to Crocker First National, who had been Secretary since the organization of the Association in 1905. Mr. Hall joined Crocker First National Bank in 1915 and became a Vice-President in 1941. In 1947, following the merger with Farmers and Merchants Savings Bank of Oakland he was named head of the Oakland office.

**H. G. Shal cres Mgr. Of Parrish Co. Depl.**

The Life Insurance Association of America moved into its new offices at 455 Madison Avenue, in New York City, on March 12, occupying all of the eighth floor one part of the ninth, while the Institute of Life Insurance, which is to occupy the seventh floor of the same building, will move into its new quarters March 24.

Facilities to be shared by the Association and the Institute, include a director's room and a series of three conference rooms, with removable partitions which will enable a large meeting room to be set up. These will be on the seventh floor, where the executive offices and departments of the Institute will be located.

**Bache Adds Three**

(Special to The Financial Chronicle)

CINCINNATI, OHIO—Frank J. Andrea, Jr., John M. Gorman and James E. O'Brien have been added to the staff of Bache & Co., Dixie Terminal Bldg.

**R. H. Johnson Adds**

(Special to The Financial Chronicle)

BOSTON, MASS. — Donald A. Bye has been added to the staff of R. H. Johnson & Co., 70 State Street.
The Security I Like Best

T. M. STERLING
Partner, Wall & Watt, St. Louis, Mo.
(Interpipeline Pipe Line Co.)

Because business activity has been well above normal for an appreciable time, the prudent investor is today seeking investments which have de-

fensive qualities. At the same time a growth po-
tential exists in a number of companies, of course, across the sinking of the

growing interest in public

getAs

equally

divided

between the oil companies and the

Limited. A sparse detailed report on this company, so that only the highlights can be
touched upon.

The service is a thorough, fully

integrated unit, from exploration for oil through the physical drill-
ing of wells, production, refining, and marketing. The company operates a modern refinery with a capacity of 22,000 barrels of crude oil per day. It is completely equipped with modern wells despite proration, almost equal to the projected development of the

Recent results are excellent. The current earnings are increased materially in the past months. Our close association with this corporation lends us to be-

lieve that it is still one of the biggest growth situations available today. We feel that Lion Oil will continue to develop due to its ex-
cellent and young management, and because of its strategic loca-

tion so far as raw materials are con-

cerned.

The $17 million of Interpipro-

line's stock is divided into two

shares for each $100 principal

amount in and the prospectus le-

gue maximum (six pump-

The company's total ownership of two

questions to be outstanding when all de-

bents are converted. Accord-

ingly, the company will certainly earn $25-$30 per share when the

number of pumping stations is increased and, as I have implied, the earnings are absolutely conservative. This would mean $50-$60 earnings on each $100 of debentures. The interest cost of $1.80, the saving in taxes and the leverage supplied by

$72 million of 3½% First

Mortgage and Collateral Trust

bonds accounts for the sharp in-

crease in net income. The foregoing indicates to me why leading American oil com-

panies and investment trusts have taken large holdings in this stock.

Public Utility Securities

BY OWEN ELI

North American Company

North American Company recently announced that the manage-

ment had been authorized to develop promptly a program to merge the three operating companies, Missouri Power & Light, Mis-

couri, thus terminating North America's existence as a holding com-

pany. A 1½-for-1 exchange of Missouri Power & Light stock (subject to liabilities) to Union Electric, and a share-for-share exchange of stock. Union Electric's outstanding shares would be reduced from 7,800,000 to 6,000,000.

President Freeman of North American Co. disclosed that Union Electric would receive $114,000,000 in the exchange, including estimated net assets, including the equity interest in its 60 Broadway building (New York). Other North American assets include a substantial interest in North American Utility Securities Co., an investment trust which is currently involved in litigation. Missouri Power & Light would receive the equity interest in Union Electric under an earlier program, if the SEC approves.

It had been formerly announced in the Street that North Ameri-
can would complete the distribution of its remaining assets (other than Union Electric and Missouri P. & L.) to its own stockholders before effecting the merger. But the present value of these assets had been added (in estimating break-up value) to the worth of its major utility holdings. With an increase in market price of about 30%, the company's net worth will increase by another 25%, and Union Electric will naturally improve company's financial setup and aid in financing the future construction program, which has been forecast at close to $400 million over the next 15 years. Union Electric's outstanding shares will have to come, thus avoiding the dilution of earnings which occurs so frequently these days.

Union Electric in 1949 had consolidated net income of $131,160,000 compared with $107,797,741 in 1948. Adding the net income of Missouri Power & Light would have increased the total to $164 million, bringing the total for the two companies up to $14,048,000. This would be equivalent to $1,04 a share on North American stock. Assuming a market increase of 25%, the per share break-up value of North American would approximate $27; and if a multiplier of 15 is used, the result would be about 34½.

The multipliers of 14 and 15 may seem a little high but Union Electric is an important utility and, with Missouri Power & Light, will have a $1.1 billion rate base. It competes with companies like Boston Edison, Cleveland Electric Illuminating, Virginia Electric, etc., but none of these companies is as large as the Union Electric and North American Gas of Baltimore, Consumers Power, Pacific Gas and Philadelphia Electric, which sell currently at multiplies of 14 to 16 times earnings.

Some recognition must be given to the fact that Union Elec-

tric's earnings in 1949 reflected unusually good weather conditions (the company generates about ¾ of its electricity from hydro). As the result of generous rainfall last year hydro generation was 29% above normal, permitting the company to save about $1,650,000 in production expense as compared with the previous year. After adjusting for the surplus water, earnings rose from $1,050,000 in 1948 to $1,700,000, or $20 per share, equivalent to 12 cents a share on North American stock. Capital structure is conservative. The company has authorized $1,000,000, equal to 12 cents a share on North American stock.

Another plus factor is the fact that the annual earnings from certain properties of West Kentucky Coal which were transferred to Union Electric during 1949 are not fully reflected in the company's 1949 statement. Coal earnings in 1950 will be, it is true, affected by the current increase in coal for southern factories, but I am not sure. But in mining operation plus the operation of Union Electric fuel adjustment clause in its rate schedules may offset this factor.

Union Electric obtained tax savings of $60,000 last year (about $7 million), besides filing a consolidated Federal income tax return with North America for 1949, which is not quite $25 million. Union Electric and the other companies' programs are $431 million. Budgeted construction expenditures for 1950 total $37 million, and for the five years ending in 1954, $137 million. Included is $26 million for the development of the Winter and Superior mines in the Heavy Water Project, built in St. Louis County, including the first, including 110,000 kw. generating capacity.

With Waddell & Reed

Special to The Business Chronicle

KANSAS CITY, Mo.—Edwin E. Rippstein is with Waddell & Reed, Inc., 1112 Baltimore Avenue. He has been associated with J. Arthur Warner & Co., Inc., 89 Downtown Street.

Two With J. Arthur Warner

Special to The Business Chronicle

BOSTON, Mass.—Jack Fuss-
Securities Salesman's Corner

By John Dutton

"Without any obligation, of course." The other day we received an interesting letter from William F. West, of Chicago, Illinois, who has written to us on several other problems connected with the securities business in times past. Mr. Healy concludes with the fact that there is too much friction. He says, "Why shouldn't there be an obligation for information and advice?" As I receive in connection with this is if you or I, or any investment securities salesman, wants the same service from a physician, attorney, architect, or other so-called professional man? Why the fear that a business will be consummated will drive business away, or that a profit is expressed, will be held in contempt, in time to come.

He states several other facts, such as that many people will obtain information that has been freely offered and then go elsewhere to buy because of the fee charged, and will be under no obligation to anyone. Also, that some firms have "taken the chance," and offer them, and demanded and surprised enough are doing quite well. He suggests that it might be a good thing for the industry to put definite prices on services and make it unanimous, then all would be on the same footing.

This question of "free" is not new. And it is just a simple matter of time. They care to all alike in oil, and there are firms that are going to everywhere to render service and are going to pay in a big way. I know of a small firm that makes portfolio analysis, and gives clients quarterly check-ups; they make up state tax forms, Federal income tax forms, and practically every phase of their clients' affairs. Some of their customers even ask for advice on real estate transactions and occasionally it is given to them (especially as regards the tax angles).

One of the partners in this firm told me the following little story, and although he may have been kidding, it seems as if his results will show that there is another side to free service. A salesman, who started about two years ago from scratch, and last year earned a little $10,000, commission basis, came into the office one day and sort of complained. "You know old John Simmons, down in South Jersey," he said. "Well, he's getting to be quite a nuisance. I don't mind calling for him once a month, then taking him to the post-office, then to the grocery, and then over to the fish store where he always buys his smelly fish. That's all right. But this time he wanted me to take him to the hardware store and see if the fellow over there could help him repair his truss." "You shouldn't complain," replied the partner, "in fact I am surprised at you. You should carry a tool chest along and when any of our partners have that particular difficulty again, you go right to work and repair it yourself. We must keep up our reputation for service; don't let it happen again.

There are two approaches to this matter it seems to me. You can render every service, you can personalize your business, you can go to extremes to obtain and hold accounts. If you do it properly it will be paid. But there is also a way you can educate your customers to pay for special services. Both methods of building business are sound. People will pay for services if they understand that they obtain more benefits and that it pays them to do so. The thing to do is to educate your customers. Don't jump around. If you are going to make a service charge, give something in return for the cost of doing it for free, do it well and make enough profit to make it pay. Under today's regulated profit margins (as Mr. Healy rightly observes) you must have a large volume if you want to keep it in the black. That means building a business step by step, and block on block. Even flit the old fellow's trust once in a while, I guess.

Reports Gains for National Banks in 1949

Proctor Delano, Comptroller of Currency, announces increase of more than $2 billion in national bank deposits in 1949. Deposits in year rose from $31,648 million to $38,344 million, a gain of more than $6,696 million, while U. S. bonds held by banks increased $3,363 million in 1949. National banks ended 1949 with an increase for the year of more than $2,000,000,000 in total assets, Comptroller of the Currency Proctor Delano reported on Mar. 8. The increase shown despite the fact that the number of national banks declined during the year.

Total deposits in the nation's banks for the end of 1949 were higher by $691,502,187 than the total for the end of 1948. The totals were Dec. 31, 1949, $18,344,018,000; Dec. 31, 1948, $17,652,515,813.

Loans and discounts at the end of 1949 were nearly $24,900,000,000 and included $13,900,000,000 for possible future losses. The drop to $11,800,000,000 more than the comparable figure for the end of 1948. Commercial and in-

ST. REGIS PAPER COMPANY

REPORTS ON 1949

SUMMARY OF CONSOLIDATED INCOME FOR THE YEARS ENDED DECEMBER 31, 1949 AND 1948

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<tr>
<td>1949</td>
<td>$127,353,301.27</td>
<td>$118,719,146.39</td>
<td>$6,614,195.14</td>
<td>$1,647,762.17</td>
<td>$10,238,211.96</td>
<td>$2,191,661.18</td>
<td>$5,478,202.70</td>
<td>$2,023,255.00</td>
<td>$9,042,499.64</td>
<td>$5,478,202.70</td>
<td>$14,859,802.57</td>
<td>$703,575</td>
<td>3,102,429.00</td>
<td>$5,367,928.00</td>
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<td>1948</td>
<td>$126,672,925.94</td>
<td>$132,402,144.56</td>
<td>$24,270,731.08</td>
<td>$1,144,210.13</td>
<td>$25,415,000.21</td>
<td>$1,453,297.85</td>
<td>$8,066,527.78</td>
<td>$2,939,702.36</td>
<td>$9,420,499.64</td>
<td>$8,066,527.78</td>
<td>$13,659,802.57</td>
<td>$820,200</td>
<td>4,136,571.00</td>
<td>$8,066,527.78</td>
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* Provisions for depreciation and depletion charged against income amounted to $5,367,928.00 for 1949, and $14,606,416 for 1948.

ST. REGIS PAPER COMPANY

230 Park Avenue, New York 17, N. Y.

Offices in Principal Cities, In Canada: St. Regis Paper Co. (Can.) Ltd., Montreal

Products—Multivall Bag and Bag Filling Machines... Printing, Publication, and Converting Papers, Bleached and Unbleached Kraft Paper and Board... Bleached and Unbleached Kraft Pulp... Panelyte Laminated Plastics.
Investment Planning for Women

will then be able to consider
investment programs, including the
theory of diversification and the
promise of a given return on any
investment. This will give us an
understanding of the nature of
your investments, as well as the
potential for growth.

The Two Investment Goals

As an investor you are inter-
twined in two principal goals—
primarily to make as much money as
possible, while also trying to
reduce risk. What we refer to as
the "Two Investment Goals." These
goals are intertwined. To achieve
the first, you must be able to
reduce the risk and the second,
which is to make a profit,
is only possible if you can
reduce risk. This is the
fundamental problem of
investment management.

Types of Securities

As time is running on, we must
now leave our introductory re-
duction to the two principal
types of securities. We will
describe each of these securities
and then discuss the different
ways in which they can be
used to achieve our investment
goals.

The Basic Relationship between the Issuer and the Bondholder is

The basic relationship between
the issuer and the bondholder is
defined by the terms of the
contract. The bondholder is
considered to be a creditor of the
issuer, and the issuer is considered to
be a debtor of the bondholder.

The Issuer

The issuer is the entity that issues
the bond, usually a corporation
or government. They borrow money
by selling bonds to investors, and
promise to pay the bondholders a
specific amount of money, called
the principal, plus interest, at the
date specified in the bond.

The Bondholder

The bondholder is the entity that
purchases the bond. They invest
money in the issuer's business, and
in return, the issuer agrees to
pay the bondholder a fixed amount of
interest and principal at the
specified dates.

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investment management.
Preferred Stock

The preferred stock's preference as to dividends is usually its principal characteristic. This preference generally assures a preferred stockholder of dividends before any common stockholders may receive payments. However, it is important to recognize that this does not mean that dividends will necessarily be paid to preferred stockholders if the common stockholders (who are the owners of the corporation) have the legal right to receive dividends. The corporation is obliged to pay the dividends as required by its charter and approved by its board of directors. If the corporation does not pay dividends, preferred stockholders are not entitled to receive payment on their stock. Thus, if, for example, the preferred shares of Preferred Railroad Company are 
$s127 in arrears. This cost, as we have explained, assures the company's preferred shareholders of $127 but does not mean that the payment of dividends will be made to the company's common shareholders until those dividend arrears have been eliminated. The reason is that an unlimited dividend unless declared as due and payable preferred stock provides only a right to receive dividends that accumulate and the payment of dividends is generally referred to as "dividends in arrears." Thus, for example, if the preferred shares of Preferred Railroad Company are 
$s127 in arrears.

Participation and Conversion

Participation in dividends and conversion into common stock are other important characteristics of preferred stock dividends. If a company is able to make a higher profit than anticipated, the preferred stockholders are entitled to a share of that profit. This is because the value of preferred stock is usually determined by the value of the company's common stock. Therefore, if the common stock increases in value, the preferred stock must also increase in value. This increase in value is calculated by multiplying the number of preferred shares outstanding by the market price of common stock.

Dividends

The yield on preferred stock is usually much higher than the yield on common stock. Preferred stock is considered a more secure investment than common stock because preferred stockholders have priority in the event of liquidation. This means that preferred stockholders are paid before common stockholders. Preferred stock also generally has a higher rate of return than common stock.

Conversion

Conversion is a feature of many preferred stocks, allowing the holder to exchange their preferred shares for a certain number of common shares. This conversion feature is important because it allows the holder to benefit from the appreciation in the value of the company's common stock.

Redemption

Preferred stock is generally redeemable at the option of the company. The company may choose to redeem the preferred stock at any time, usually at a price equal to the par value of the stock. Redemption occurs when the company chooses to terminate the preferred stock's agreement to pay dividends and to give up its right to participate in the company's profits.

Preferred stock is an excellent investment for investors who are seeking a steady stream of income. It is also a good choice for those who are looking for a lower-risk investment than common stock. Preferred stock is generally considered to be less risky than common stock because preferred stockholders have priority in the event of liquidation. This means that preferred stockholders are paid before common stockholders.

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Railroad Securities

Chicago, Rock Island & Pacific

As the week's railroad stocks again came to favor, with buying noted pretty much throughout, there was a marked contrast to its position well up among the leaders for some time previously. Apparently there have been some hopes among investors that once the company's refunding was out of the way there was a good chance that the US government might decid...
Atlantic City Line

Atlantic City Line has been fitted greatly from the industrialization of the area and the great growth of Florida. Last year, the line handled almost $123 a share was earned on the stock, of which is than $29 per share was paid to stockholders. Close to $123 million in the retained in the company—despite an extraordinary program of main- tenance, which included rapid expansion of almost all rail. Freight density is relatively low. The territory is tem- pered relatively heavy, average has been $123 in the past 10 years, efficiency indices have not been outstandingly good, although re- cepted much better recently.

However, this disadvantage is off- set by the growth just mentioned also by the fact that non-operating income, dividends of equal amount, and direct and indirect shop labor, to produce certain specified produc- tions. Assuming that products are not change in design, we find that the efficiency of the men who went up during the war and is now falling back to the level of 1939 or actually at a level lower than that of 1939. In other words, in spite such methods being employed, the output per man-hour is lower, not higher, than it was 10 years ago.

When we consider that only an increase in the output per man-hour on the average make possible a higher standard of living in the United States, this is a shocking situation and one which deserves the careful attention of every thoughtful citizen.

This Association has prepared a market entitled "Computing Re- turn on Invested Capital" which outlines an extremely simple method which the determination of a metalworking concern can appreciate the value of its own capital and improvements. New and modern tool machines take up a large part of the present machine tool business; they say they haven't a problem they sell a dozen machines could have been told. It is a different story about the outstanding men in the govern- ment, who have gone there for the purpose of doing a good job. According to the kind of a country that has made a big mistake in the past, they will talk with them quietly, and they will agree on a kind of a job. But if they see a businessman calling upon them to tell them what a good job is, then they would like to be- able to give him a solution, and then they could sell a dozen machines.

Lerner, Sturte Offers
Pennsylvania Md.f. Bd.

Halsey, Stuart Offers
Pennsylvania Bd. Rs.

In an address to the National Toy Industry Association at the New York City on Feb. 28, Herman W. Steinkraus, President and Chairman of the Board, Bridgeport Brass Co., said:

President of the Chamber of Commerce of Pittsburgh, Pa., recently explored the fact that busi- ness is "standing behind the present and or- ganization in cultivating better public understanding and in discretizing politi- cal attacks on American busi- ness."

"All you have to do to is look at the polls of public opinion from time to time, the public concerns to see what the people are thinking today," Mr. Steinkraus said. "When a poll was taken as to whom did the American public believe did the most good for the country last year, union leadership—or was it busi- ness—and the percentage ran close to this one: 43% government, 42% union, and 15% business."

"Isn't it quite a headline to have been outed by others on the biggest selling job before this country that we could have been doing?"

"Now, why is that true?" Mr. Steinkraus continued. "Are we facing this situation? Because, unless we do something, we are going to go up against, it's pretty hard to organize a sales campaign to swing the tide the other way.

"Don't know whether you are aware of the fact, but there are some extremely well-organized selling organizations, including door-to-door, and probably larger than any organi- zations represented in the National Sales Executives."

"For example, the Hoover Com- mission. Mr. Steinkraus concluded. "Anybody who talks about the fad of a diversified list of business, the total assets at market value were $4,854,130 as of Dec. 31, 1949.

With Merrill Lynch

SAN FRANCISCO, Calif. — Edward M. Baker has become president of the company, and will replace Fenn, Beane & Co., 201 Montgomery Street, New York, and San Francisco Stock Exchange.

Schenck & Webster

disintegration started: with the national policies and with the ideologies responsible for them.

**Started by Hitler**

It is no longer necessary to define disintegration. We are familiar ever since Hitler came to power by the definition of Dr. Schacht, the type of national economy known as National Collectivist. It is the belief in the efficacy of a rigid system of exchange control, state monopolies, bilateralism, subsidies, fiscal socialization and the strange mixture of the remaining national intervention and of public waste which goes under the name of Germany. The degree and the thoroughness with which this National Collectivism was developed to the point that the German economic thinking is the basis of all European countries, varies from the milder form of the Benelux, which, by the way, would never be known without the help of the exceptional example of Belgium and the strange mixture of the remaining national intervention and of public waste which goes under the name of Germany. The degree and the thoroughness with which this National Collectivism is practiced by the Dutch and the Belgians, varies from the milder form of the Benelux, which, by the way, would never be known without the help of the exceptional example of Belgium and the strange mixture of the remaining national intervention and of public waste which goes under the name of Germany.

The Illusion of International Collectivism

The belief in international collectivism is founded on false reasoning. In practice, there is no other type of collectivism than national. The reason is that the pressure of national economy is an inherent part of the national life of the European countries. The economic, political, and social life of the countries, and the survival of the states, has always been governed by the national economy. It is impossible to separate the national economy from the national life of the states. The national economy is an integral part of the national life, and cannot be separated from it.

The paradox of collectivism can be stated in a different way. It is argued that it is a Road to Serfdom. Others have shown that it is a way to economic paralysis and disorder.

With idle forces, it can be compared to the path to Supermonopoly from which there is no escape. But the question is: is that the condition of Europe? Is that, in all in Europe from the national economy and international life of the states, under/in/in and in the worst possible kind. If this is not the most distressing thing, what is more? It is not perhaps the most dispiriting. It is merely the most palpable. It is not a genuine sense of a free, multi-national system, but when we try to mend this by any conceivable of international cooperation we find that collectivism is once more the ruling form. What formerly was believed to be mortal reveals itself as dynamite.

**Practical Consequences**

The consequences of disintegration are to show clearly how practical policies in Europe are as important as national ones. Our first must be that the over-extended reasoning which we analyzed pervades a bad perestrojka, a bad political economy which has been characterized by a rigid system of exchange control and a fair measure of repudiated inflation. After the

The price of National Collectivism, cheap as it is, the international sphere, national autonomy and international anarchy. That is no obvious that the more intelligent people try to turn the reins of the economy of Europe (cf. its report, "Economic Survey of Europe in 1944,") to the benefit of National Collectivism. It is the time when they have become the policy which, by methods enshrined in the title of the book, "The Reich, is bound to be easily fort in international integration, a union of the various national economies will be impossible until the national level could be made a suer on the political and national level. This tie, however, is nothing else than the flight from bankruptcy into bankruptcy.
Looks to Aggressive Selling
To Revive Securities Industry

Looking to attract new investment to an industry that has seen only modest gains in the last year, some believe that the securities business is due for a comeback. They think that, if the securities business can regain the public's confidence, it could become a major source of capital for the country.

However, the securities business has not always been a major source of capital for the country. The securities business has been characterized by a series of scandals and congressionally mandated reforms that have often been implemented in a piecemeal manner. The most recent reform was the Securities Investor Protection Act of 1982, which was implemented in the wake of the failure of a number of large investment firms. The act was intended to provide greater protection for individual investors, but it has not been without its problems. For example, the act has been criticized for being too costly for the securities firms that it is intended to protect.

In addition to the scandals and reforms, the securities business has also been characterized by a lack of innovation. The business has been slow to adopt new technologies, such as the electronic trading platforms that are now widely used. This has made it difficult for the securities business to attract new investors, and it has also made it difficult for the business to compete with other industries that are more innovative.

Despite these challenges, some believe that the securities business has the potential to become a major source of capital for the country. They point to the fact that the securities business is a large and diversified industry, with a wide range of products and services. They also point to the fact that the securities business is a major source of employment for millions of people.

The securities business is not without its problems, however. The business has been characterized by a lack of transparency and accountability. This has led to a number of scandals and controversies, and it has also made it difficult for investors to trust the securities business.

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the real nature of these programs, asked himself carefully in what sense the benefits are really free, to whom these free benefits accrue, and who it is that furnishes them.

Two programs now being pressed by the Administration—the bill to subsidize housing for the "middle income" groups and the "restraining" plan of the Social Security Administration—the latter called the 'welfare' plan of the Administra¬tion—serve well as cases in point. Of course, disguise as it may, what is being distributed under these plans is money. And the politician who is building his campaign on these programs has little interest in them. But those who are in the best position to profit by their provisions are too good of their country at heart, and who understand how things work themselves out in everyday life, are quick to grasp the significance of the different elements, and to state which had better be interested. In this scheme of things, as in others, everything depends upon continued extraordinary productivity of these elements. Why should they go on indefinitely producing more of what they produce taken away from them?

Basic Flaws

Both the measures are open to attack at many points—as are the many which have preceded them to the statute books—but it seems to us more important that the rank and file understand the basic weakness of all such schemes as these, in the laws of these specific measures be laid bare. In essence, any single idea behind any other measures since the initiation of the New Deal, is to divorce what an individual or a family unit gets from what it produces. At least it is attempted so far as the vast numbers are concerned—the vast numbers who have vast votes of numbers.

The basic philosophy appears to be that each individual is a member of the human race, is entitled to food in amounts and of the kind to keep him properly nourished, clothing to keep him comfortable, housing to shelter him "in decency," medical care when he needs it, "education" in liberal arts, and numbers, and much else. If it happens to be indelible and not disposed to obtain all this for himself and family; if he is without those traits which enable him to be an efficient producer, then it insures unemployment—no matter what he does earn in his lifetime; if he through his union pursues policies which cut seriously into his annual earnings—none of this is particularly important.

He is a human being and as such is entitled to live in a manner suitable to his status as a member of human society.

Talcing a Closer Look

It is doubtful, of course, if any of those who now plan the hodge-podge of socialist nonsense in Washington would pull all this in quite this way. Indeed they would probably insist that it is likely that most of them are not even aware that socialism is underlay what it is that are advocating, or that a complete, logical defense of it would require postulates of this sort. It is, however, impossible to do less than state the logical defense of much of what they propose except on the basis of some such reasoning. Indeed, proponents often come very close in such statements, if the implications of what they say as well as their precise language is taken into full account.

But there are other questions which arise. If these low, or "middle income," groups—which apparently are to be defined as those who, even under present conditions, are not producing what the politicians and the professional social workers around the Administration believe they need for a "decent" existence—are as a matter of right entitled to receive the difference between what they provide for themselves and what they "need," then, obviously, there is one somewhere or somewhere else in the population which are by the same process of reasoning obligated to supply this difference. Otherwise the majority premise has no logical foundation. The politician who regularly produce more than they consume will bear the whole burden.

Reduced to Essentials

The fact of the matter is that most of these social philosophers in private do not hesitate to say that such problems as these can be solved very simply by "progressive" taxation. That is to say, that the funds required for the purposes in hand should be obtained—and as a matter of hard fact are now larger than can be obtained by a tax which are extraordinarily productive. Thus it all comes down to this: These services and this aid are really for the middle income groups, which are free only because it is extracted from some one else. It is in no sense free to the economy or to the public. If we will be excused for using a blunt analogy, it is "free" to the recipient of the benefit, but to the producer of his brother's loot is free to him—hardly free to his victim.

Of course, the extraordinarily productive are not numerous, and hence in all there is a relatively larger part of the community. And the politician who is building his campaign on these programs has little interest in them. But those who are in the best position to profit by their provisions are too good of their country at heart, and who understand how things work themselves out in everyday life, are quick to grasp the significance of the different elements, and to state which had better be interested. In this scheme of things, as in others, everything depends upon continued extraordinary productivity of these elements. Why should they go on indefinitely producing more of what they produce taken away from them?

Some Economic Problems: Arising From Expanded Pensions

excess of what might be absorbed by expanded productivity.

Consumers are no longer accepting the price, because of urgent shortages. Excess purchasing power in construction industries, our present policy to produce in excess of existing demand in certain fields, even in the two industries favored by public policy, has led to the growing steadily more considerable relative increase in "wages" in turn, more severe. Unlike the early postwar years, a further expansion of consumer purchasing power results from greater output per man hour is not only in the public interest, but also in the interest of the unemployed today rather than to increase the total cost of living or prices as in the past. Producers would attempt to pass on higher labor costs in their finished goods. These attempts would be resisted and the probable outcome, in my opinion, would be diminished sales, a subsequent curtailment of output as demand decreased, with less employment as the final outcome.

Thus far the year, for example, the second half of 1950 is already producing a higher level of sales than in the initial months. A further increase in the wage-price equation and the associated re¬traction of markets would accelerate this tendency, and perhaps amount to a fourth and half.

In summary, expanded pension payments are to be heavier than in the past. They are to be heavier labor costs, particularly where the bill is footed by the employer in whole or in good part. Such ex¬penditures are necessarily re¬flected in the cost structure of in¬dustries. At our present stage, in which the government has not yet established any new balance between productive and non-productive costs, these heavier labor costs would result in reduced profits and reduce the outlook for business. In so far as employer contributions would not be recoverable from payments to employees, there might be a curtailment of payments to employees, which would in turn offset to this decline through excess consumption expenditures for personal consumption.

The second major area to which I would advert is the particular effort to the hope of provoking further dis¬cussion. Today, one of the problems which is the problem of the existing reserve policy arising from extended pensions. It is brought to the background, under H.R. 6000, it is estimated that the actuarial loss—to the retirement of $100 billion to $125 billion "and an insurance company would have to hold reserves of comparable amounts to meet its legal liability under similar circumstances." The Advisory Council on Social Security is in striking con¬flict over the language of the statement made by Marlon B. Fol¬kerth, chairman of the Council at the Conference Board's pension meeting in New York, that "in the forseeable future anywhere approaching this magnitude would be a tem¬porary measure to the benefit of the consumer at the expense of the producer (or both)." Thus, he concluded, other alternative methods, such as the replacement against both the strictly as pay¬you-go method and the full re¬serve method of financing, the logical solution would be a combination of the two. The same final cost of some reason of a reasonable contingent reserve during the early years. Before the fund reached large proportions, a deci¬sion could be made as to whether to continue to increase the payas-you-go basis or to use the proceeds of the plan to establish a reasonable contingent reserve. At any event, even if we give up the possibility of a personal account, it is certain that any form of insurance for survivors, for the unemployed, and medical care.

But what of the investment de¬mand created by these pension pro¬grams? Last year, only about $700 million was added to the reserves of companies for annuities premiums. As I suggested earlier, the target of raising average and below average employer contributions to existing above average payments might produce about $4 billion to $5 billion in large reinsurance pension funds, s e e k i n g insurance. The report of the Guaranteed Life Assurance Society has emphasized that it would cost about $5 billion a year to guarantee all of our working force with a pension of $100 per week. The social security benefits under the Social Security Acts go beyond this to a total of $5 billion at age 65, 2½% average cost $100 per week. Shading either figure is the interest of conservatism and there would be considerable opposition to the fair question of the possible demand for riskless funds, if the government is to pay the cost of it, or perhaps still more, the government is to pay the cost of the future piecemeal, or serially, to establish and extend the cost of government as an entity.

Several of the decades of the future will be marked by periods of economic expansion, and yet, even in that decade, the rise in local, State, and Federal expenditures, and the growth of our national product. Despite the decade, taxes took a heavier percentage of our national
The State of Trade and Industry

well filled through the second quarter. This is significant because wartime expansion of steelmaking capacity was held back by the prospect of peace. Steelmakers say the resurgence of demand for steel is caused by continued shortages of raw materials, which keep prices high and force them to cut back on production. The rise in prices is expected to continue as long as the shortages persist.

Until we have had more experience with economic expansion, it is difficult to say how much of the expansion has been achieved. The key to the expansion is the continuing rise in industrial production. As long as production remains strong, we can expect the expansion to continue.

However, there are some indications that the expansion may be slowing down. For example, the weekly report of the Federal Reserve Board indicates that industrial production in the last week of September was down slightly from the previous week. This is the first time in several weeks that the weekly report has shown a decline in production.

In conclusion, the state of the trade and industry is generally healthy, with some signs of slowing down. The expansion is likely to continue for some time, but we should remain vigilant for any signs of a slowdown.

Continued from page 5

Federal Reserve Bank of St. Louis
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Farm Surpluses Passing Their Peak

quotations would be the most cheerful sign at a time when we hear almost daily of a new market run on the export market prices. After all, out of a total harvested acreage of 175,000,000 acres, 1949, feed grains accounted for 148,000,000 acres and oil crops for 105,000,000 acres. Corn is still our most important crop.

Animals on Farms

The figures for animals on farms of the United States in 1951 show a decline in the number of horses, cattle, and hogs. This decline in the number of cattle was larger than assumed in January, 1949, and thus has been steadily declining since their peak in 1945. During the first half of 1949, beef cattle numbers had increased somewhat, but dairy cattle were still below their peak on Jan. 1, 1949, the number of dairy cows being about 2,000,000 first time below the prewar level. In view of the population increase of 15%, this was then a source of worry to a number of people, though surely not of such magnitude as to milk per cow and the decrease in the number of milk cows per cow, presumably could not have been reversed to any great extent in a limited period. Unnecessary, the fact that the dairy cattle numbers have fallen even below the small, but the increase in milk production is promising in view of the increase in the milk consumption. For this reason, because they represent mostantly labor and fixed costs which have not been shown to a tendency to go down thus far.

Per capita consumption of liquid milk is expected to rise by an average of 4% in retail prices over the year, has not risen by 10c. The average consumer price of 387 pounds per person in the past year. The reason is that the store expects a further decline in 1950 to 270 pounds per person used goes into the manufacture of butter. The government has set prices to the butter that the market does not permit and the CCC bought 114 million pounds at 60-62c per pound, at a selling good deal of it back to the market in the winter time, at about 3-4c per pound too expensive to sell even expensively, the CCC has only sold 14 million pounds through the stores. The budget is deteriorating. Already the CCC has a loss of CCF for sale, although it bought only 250,000 bushels. The deficit is so great that it is impossible to come into the milk line soon as the same happened with the milk this winter. The price of its stocks before the flush season starts will rise. It will rise, be so high this year that it will have been the surplus and cattle surpluses as well, because of higher transport costs. The increased demand is unlikely to be as much a as the larger production. Butter prices will have increased as well, because milk is the substitute for butter. The average cow is producing 20% more milk than a year ago. The production, according to Federal statistics, has increased 27% from January 1, 1949, to May 15, 1950.

The increase of beef cattle numbers was, of course, not reflected in the supply of beef last year. But the marketing conditions of beef have a great deal to do with the increase of beef cattle numbers. The increased population, the increase in the number of beef cattle numbers will have a great deal to do with the increase of beef cattle numbers. The increased population, the increase in the number of beef cattle numbers will have a great deal to do with the increase of beef cattle numbers. The increased population, the increase in the number of beef cattle numbers will have a great deal to do with the increase of beef cattle numbers. The increased population, the increase in the number of beef cattle numbers will have a great deal to do with the increase of beef cattle numbers.
Another difficulty already mentioned is that public capital is always in some degree of uncertainty, which means that it has to be risked in order to bring in permanent investment. Here is the major unolved financial problem of our time, and the crisis is not due to the wrong way, that is, by loans rather than by grants, but in a way which is often prejudicial to private investment.

Elements of Point Four Program

The details of the different elements of Point Four as it stands today are not yet determined, but they may be divided into four main groups. These are the (1) technical assistance program, (2) investment and business proposals, (3) bilateral investment treaties, and (4) private foreign investment.

The technical assistance program is embodied in a Four-Member Policy proposal introduced both by Chairman Keas of the Foreign Affairs Committee and Congressman Herter of Massachusetts. This proposal contains two earlier proposals, one an administration measure and the other a congressional proposal, as an integrated measure for implementing Point Four. In the form of a bill, it is a compromise reached in committee by both House and Senate.

The President's budget contemptuously referred to this appropriation for the purpose of overhauling the whole program.

The important feature of the bill is the point of view of American business is the statement of the international policy which precedes and conditions the authority to extend technical assistance. The policy emphasizes fair treatment of countries classified as underdeveloped, and the standards for assistance to foreign countries whether of technical aid or of other kinds, is that the Congress intends that repayment or private enterprise. Some of us had hoped that the United States might also carry a delimitation of the field in which technical assistance might be given. The point is that the great powers should not be left to their private endeavor. Some of us had hoped that the United States might also carry a delimitation of the field in which technical assistance might be given. The point is that the great powers should not be left to their private endeavor.

The amount suggested for technical assistance is $1,000,000,000. The measure has strong bipartisan support and, in the event of its passage, would add $1,000,000,000 to the national income of the United States.

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The commercial and financial chronicle
Thursday, March 16, 1950

Federal Reserve Bank of St. Louis
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Pro and Con of Point IV Program

Extractive industries is to find stronger incentives to produce raw materials in order to maintain and expand operations. With respect to oil, this may be a declining commodity. The ruling motive in the large international companies is to jump over trade barriers through the creation of foreign subsidiaries in order to hold existing markets and conquer new ones. Thus, the difficulties of direct export from United States plants to foreign countries may make this motive affecting manufacturers somewhat stronger rather than weaker over the years.

Whether the rate of total new investment abroad by American corporations will continue at $1 billion per year is problematical; whether it will rise to some higher annual rate is even more problematical. Incentives to foreign investment are blunted by persistent deterrents to investment. Some of these are the decline of economic nationalism affecting many foreign governments, the negation of private enterprise or expropriation of private property, the exchange controls that are almost everywhere in effect, and the protectionist policies that may very well be indefinitely to the future. Overhanging all this is the oth...
The Commercial & Financial Chronicle

Volume 117 Number 4890

We Have Best of Gold Standards

To give the community a mone¬
y, well managed, and
one which has a golden standard,
that works.

Don't get frightened by this
leng word "managed money." If
would do with the concept of
money is the same as the concept of
the government, it is the same as the
concept of running a business.
The A&P case is a good example
of what can happen.

The Federal Reserve System is
in charge of managing the money
for the American people. It is
in charge of making sure that
the money is stable and that
it is working for the benefit of
the American people.

Gold in International Relations
Now, on the international side,
what is it that we want to in¬
ter in when an American bank
fails? I think it is stability in the
market, not just for the American
people, but for the whole world.

There are several reasons why
the gold standard is important
in international relations.

First, the gold standard provides
a stable basis for international
trade. It allows countries to
exchange goods and services
in a predictable and reliable
way.

Second, the gold standard helps
to prevent inflation. Because
the value of gold is fixed, the
value of the dollar is also fixed.

Third, the gold standard helps
to prevent deflation. Because
the value of gold is fixed, the
value of the dollar is also fixed.

Fourth, the gold standard helps
to prevent the creation of
artificial debts. Because the
dollar is tied to gold, it is
more difficult to create new
debts.

The gold standard is not per¬
fected, but it is the best system
we have for managing the
money of our country.

Within the last two years, five
New York City banks have been
already been absorbed by this
realignment.

The realignment would be to
self-correct the system, to
the circumstances, that banking
is a natural monopoly,
being forced into realignment. Cap¬
ital in banking is capitalizing
the capital of retarding bank.
\( \text{Earning Power of N.Y. City Banks} \)

This pressure naturally varies
from country to country, and
the importance of the Deposit-capital ratio, while av¬
aging 20\% of the New York City
range from a high of 16.5% to
a low of 4.2 to 1.

Why is there such variations
here? The condition, while strik¬
ing uniform, that many circum¬
stances, is one that has become
variant. After all, these circum¬
stances have become increasingly
sensible.

The realignment process re¬
duces the duplication of facilities and
results in more efficient and
operation and more effective
services. It also provides a
greater stability in the econ¬
omy.

Of more importance in the
process is the fact that surviving
banks increase their deposit-capital
ratio and with the additional
deposits and facilities acquired,
immediately improve their earn¬
ing power on management
is eased.

While this process offers a so¬
hard of way toward better banking,
when carried too far it can be con¬
trolled by the power of the
best interest. The country's business
requires that our New York City
banks remain strongly capital¬
ized. To attract and hold banking
capital, earning power is required
large enough to provide a reasona¬
ble accumulations of capital for
as well as a fair return to in¬
vestors. In good times like these, there is no occasion
to cushion the shocks and readjust¬
ments in currency and banking
authorities and to reduce the extend to which their policies and decisions
are restricting banks from realiz¬
ing their true functions. The capital supplied by these in¬
stitutions is not only necessary
properly be raised, the neces¬
s of a bank under the conditions of
wars, which can be given to
the banks in New York City on a
reserve requirement.

The long range solution to the
problem of maintaining the
currency, with the public interest, can only be conducted by an intes¬
tion of practical, realistic gov¬
ernmental agencies and of for¬
mation of the association's directors,
their responsibilities to the stockholders and the country's business.
moving both up and down even though the general trend of price movements was relatively small.

Organization of the study
A class of about 40 students in economics was used as a sample for this study. From this group, 33 usable sets of data were obtained. Each member of the class was given a theoretical fund of $20,000 which he was free to use as he saw fit. The data were derived from the six-month period ending May 31, 1949, for each of five stock indices. The five stock indices were: C, D, E, and F. The dividend paid by each stock was indicated as well as the dividend yield. The prices of the stocks were recorded at the midpoint of each period. Dividend dates were marked as an ex date, an in date, a record date, and the day of payment.

The stocks were also assigned to two different rating scales and the same conclusions were made concerning the price trend of each of the six stocks for the preceding 12 months. In no case were these ratings and dividends announced to the students.

The purpose of these ratings and dividends was to provide information that was not included in the original paper. The students were interested in investor-speculation, which is a major component of the theoretical initial fund of $20,000. Thus, the students were presented with a sheet of mimeograph general instructions and an adequate supply of monthly record sheets.

The students were paid to be those of the students; records were kept of all stocks purchased by the students of the Stock Market 1 and Stock Market 2, as well as the amount of dividends paid, the dates of payment, and the amounts of stock that were sold in each period. It was assumed that no stock was sold at a price below the ex-dividend date.

As soon as all stocks were purchased, the students were instructed to record the amount of money spent on stocks for Stock Market 1 and Stock Market 2, as well as the amount of money spent on dividends. The stocks were purchased, and the dividends were recorded. In addition, the students were instructed to keep a blank summary sheet of stocks purchased, dividends received, and the amount of money spent on each stock.

At the same time that the prices for Stock Market 2 were purchased on the basis of dividends, the students were furnished with a blank summary sheet on which to record price, dividend, and dividend yield data. The students were instructed to record the amount of money spent on stocks in Stock Market 1 and Stock Market 2, as well as the amount of money spent on dividends. The stocks were purchased, and the dividends were recorded. In addition, the students were instructed to keep a blank summary sheet of stocks purchased, dividends received, and the amount of money spent on each stock.

TEST OF HYPOTHESES
Hypothesis 1: If students prefer low-priced stocks to high-priced stocks where stock yields are roughly equal, then students will purchase stocks where yields are roughly equal.

Other factors refer to dividend yields and other general measures of quality. This experimental evidence does not indicate that students prefer low-priced stocks to high-priced stocks where stock yields are roughly equal.

Hypothesis 2: That is, there is a strong tendency to purchase the dividend, provided that the dividend is paid on a stock that is not in an ex-dividend status.

Hypothesis 3: That is, there is a strong tendency to purchase the dividend, provided that the dividend is paid on a stock that is not in an ex-dividend status.

Hypothesis 4: That is, there is a strong tendency to purchase the dividend, provided that the dividend is paid on a stock that is not in an ex-dividend status.

Hypothesis 5: That is, there is a strong tendency to purchase the dividend, provided that the dividend is paid on a stock that is not in an ex-dividend status.

Hypothesis 6: That is, there is a strong tendency to purchase the dividend, provided that the dividend is paid on a stock that is not in an ex-dividend status.

Hypothesis 7: That is, there is a strong tendency to purchase the dividend, provided that the dividend is paid on a stock that is not in an ex-dividend status.

Hypothesis 8: That is, there is a strong tendency to purchase the dividend, provided that the dividend is paid on a stock that is not in an ex-dividend status.

Hypothesis 9: That is, there is a strong tendency to purchase the dividend, provided that the dividend is paid on a stock that is not in an ex-dividend status.
that stocks distinctly in fused dend. substantial operator. it be relatively unfavorable fact that dividends centrate or the the The confirmation the pure these. It is entirely small stock.

Altitude of Most Successful Group Toward Buying Dividends
And thus it is clearly that the most successful speculators were relatively indifferent in dividend. This group did not tend to conc.

We may conclude, then, that this experimental evidence indi-

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We may conclude, then, that this experimental evidence indi-

Blyth Underwrites Jamaica Water Supply Common Stock Offering

Stockholders of Jamaica Water Supply Corporation, which owns and operates a water distribution system for the city of Kingston and its environs in Jamaica, N. Y., are being offered rights to subscribe for an additional $5,000,000 worth of its common stock. The price is to be determined by the underwriters, Blyth & Co., Inc. The offering will begin on March 7. The offer to purchase the additional shares is expected to be priced at $21.50 per share.

In the meantime, you’re still long on the Dow—Bessmer and Mead Corp. The former, bought at 24, has a stop at 22, and on the latter at 15 it has a stop at 14%. Neither is the best stock in the world but they’ll do until something better comes along.

The virus expressed in this article do not necessarily apply to those of the Chronicle’s readership or writers who are not the author of this article.

Two With Draper Sears

(Special to The Financial Chronicle)

Peabody, Mass.—Draper & Draper, Inc., Old Orchard, Maine, and Boardman & Freeman, Inc., Hempstead, N. Y., have again combined to announce a new line of leisure suits to be known as Draper Sears.

With Link, Gorman

(Special to The Financial Chronicle)

CHICAGO, ILL.—Jordan I. Link, Gordon, Peck, Co., 208 South LaSalle St., members of the Chicago Stock Exchange, have formed a new partnership, with Bond & Goodwin, Inc., for a number of years.

With Link, Gorman, Cavanagh & Co.

(Special to The Financial Chronicle)

BOSTON, MASS.—Gardner, Cavanagh has opened office at 32 State Street to engage in the securities business under the name of Bond & Goodwin, Inc., for a number of years.

With Hamilton Manage.

(Special to The Financial Chronicle)

DENVER, COLO.—Jack Adams has resigned as manager of the central office of the Management Corporation, Boston Building.

SPECIAL CALL OFFERINGS

• Pending

Kensington Corp. @ 50% Jan. 13 $375.50
J. Harvier @ 30% June 13 $225.00
Glen Scott, Inc. @ 50% June 13 $237.50
Continental Oil Co. @ 50% Apr. 12 $237.50
Amer. Woolen @ 32% Jan. 31 $242.50
S. B. Shaller @ 35% Dec. 13 $256.00
A. W. Shearer @ 30% Feb. 13 $225.00
Tonsleyco, Inc. @ 30% May 13 $350.00
S. Nichols @ 30% Nov. 13 $225.00

Willy Winkle Joins Dempsey-Tegeler Co.

(Special to The Financial Chronicle)

LOS ANGELES, CALIF.—Willy Winkle has joined the staff of Dempsey-Tegeler Co., 210 West Seventh St. He will handle the firm’s advertising and sales activities. The firm has, in recent years, been associated with H. F. Winkle & Co., Inc., in the New York office.

With Coffe & Carkner

(Special to The Financial Chronicle)

GRAND ISLAND, N. Y.—Ambrose E. Evans is now associated with the law firm of Donnell, Carkner, Inc., of Kansas City, Mo.

Francis H. Geer Dead

Francis H. Geer, partner in Farry & Co., New York City, died in his sleep at the age of 56.

Pacific Coast Securities

Orders Executed on Pacific Coast Exchanges

Schwabacher & Co.

New York Exchange
New York, N. Y.
New York Stock Exchange
New York, N. Y.
New York Stock Exchange
New York, N. Y.
Chicago Board of Trade

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Battlefronts of the Cold War

proving conditions of living, and encouraging the development of a more cooperative, more harmonious, more understanding, and more friendly world. We believe that this goal is best achieved through closer international cooperation that will help to ensure a more prosperous future for all nations. We therefore call for

other actions in the United Nations, the Inter-American Agreements, the Baghdad Plan, and the Atlantic Pact.

Cold War Requires Joint Partici-
pation by All Non-Communist Nations

renergy, of which the Chinese are a part, is one of the most important factors in the struggle against totalitarianism and its various forms. The Chinese have played a key role in this struggle and have made significant contributions to the cause of freedom and democracy.

Tactics of Kremlin

We believe that the tactics of the Kremlin are based on the assumption that the world is divided into two camps, with the United States and its allies on one side and the Communist countries on the other. The Kremlin seeks to strengthen its position by不断扩大 its influence, both by direct military action and by indirect means such as political propaganda and economic pressure. We believe that the best way to defeat the tactics of the Kremlin is by working together with other nations to promote peace and prosperity世界各地.

In Asia, the leaders of Russia are trying to force their will on the world. We believe that the United States is starting a process of rearmament in Asia, and that this process is essential for the defense of the free worlds from the forces of communism. We believe that the United States should continue to support the efforts of the free people of Asia to maintain their freedom and independence.

In Africa, the leaders of Russia are trying to spread their influence. We believe that the United States should continue to support the efforts of the free people of Africa to maintain their freedom and independence.

In Latin America, the leaders of Russia are trying to spread their influence. We believe that the United States should continue to support the efforts of the free people of Latin America to maintain their freedom and independence.

In the Middle East, the leaders of Russia are trying to spread their influence. We believe that the United States should continue to support the efforts of the free people of the Middle East to maintain their freedom and independence.

In Europe, the leaders of Russia are trying to spread their influence. We believe that the United States should continue to support the efforts of the free people of Europe to maintain their freedom and independence.

As we look to the future, we see a world that is more dangerous than ever before. The world is divided into two camps, with the United States and its allies on one side and the Communist countries on the other. The Kremlin seeks to spread its influence by不断扩大 its influence, both by direct military action and by indirect means such as political propaganda and economic pressure. We believe that the best way to defeat the tactics of the Kremlin is by working together with other nations to promote peace and prosperity世界各地.
**Indications of Current Business Activity**

The following statistical tabulations cover production and other figures for the latest week or month available. Dates shown in first column are either for the week or month ended on that date, or, in cases of quotations, as of that date:

**AMERICAN IRON AND STEEL INSTITUTE:**

![Table of data](image)

**AMERICAN PETROLEUM INSTITUTE:“**

![Table of data](image)

**CIVIL ENGINEERING CONSTRUCTION — ENGINEERING NEWS:**

![Table of data](image)

**CIVIL SERVICE:**

![Table of data](image)

**COAL OUTLOOK (E. R. BUREAU OF MINES):**

![Table of data](image)

**DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM:**

![Table of data](image)

**EDISON ELECTRIC INSTITUTE:**

![Table of data](image)

**FURNACE (COMMERCIAL AND INDUSTRIAL)—DUK & BRAD-STEED INC.:**

![Table of data](image)

**FUEL AGE COMPOSITE PRICES:**

![Table of data](image)

**METAL PRICES (E. & J. N. QUOTATIONS):**

![Table of data](image)

**MOODY'S BOND PRICES DAILY AVERAGES:**

![Table of data](image)

**MOODY'S BOND YIELD DAILY AVERAGES:**

![Table of data](image)

**MOODY'S COMMODITY INDEX:**

![Table of data](image)

**NATIONAL PAPERBOARD ASSOCIATION:**

![Table of data](image)

**STEEL PRODUCTION:**

![Table of data](image)

**OIL, PAINT AND DRUG REPORTER PRICE INDEX—1906—06:**

![Table of data](image)

**STOCK TRANSACTIONS FOR THE GOOD-LIST ACCOUNT OF GOOD-SALESMEN AND SPECIALISTS ON THE N.Y. STOCK EXCHANGE—SECURITIES EXCHANGE COMMISSION:**

![Table of data](image)

**WHOLESALE PRICES NEW SERIES—U. S. DEPT. OF LABOR:**

![Table of data](image)
Status of Savings and Mortgage Business

Almost doubled; in the savings and loan business, from $4 billion to $13.7 billion, or almost 100%, while the mortgages held by insurance companies increased from $3.9 billion to $12.9 billion, or more than 200%. Both savings deposits, banks have em- ployed, increased, but primarily the rates paid against all share accounts, savings and loan associations have been raised to a level up to a little under 100%, and insurance companies hold 25% of the mortgage business. This favorable change in the ratios found against the mortgage business. Thus, savings and loan associations have now moved into the mortgage field to a considerable extent.

Relations with Savings and Loan Associations

A discussion of the status of the savings and mortgage business. There is a great deal of interest about the variations in the savings and loan associations, and the mortgage business in the past. It is a period where there have been drifted relations between the savings and loan industry and our community. We find that many people have made investments in shares of savings and loan associations on the assumption that they were investing their money in banks. I am glad to report that as a result of the recent conference of representatives of the U. S. Savings and Loan League and the Federal Home Loan Bank Board, that a number of the prominent leaders in the savings and loan associations have appeared on programs and writing articles in various newspapers and magazines, between savings and loan associations, and banks, are pleased to see the endeavors to maintain the savings and loan field operating as a separate field, and to encourage such practices.

If the current negotiations continue or, if not, and if the supervisory and legislative authorities are in accord, I believe that in the near future our two industries will be able to work in harmony and with better service to the public.

The Choice Between Retirement Benefits or Superannuation Plans

In the first class of pension plans, by which and large includes the vast majority of the employees who are being negotiated by unions, the retirement benefit and the union's support is being sharply emphasized. It is a carrier from the emphasis in the past on the pension plans, with the fact that for no other complete re- valuation. It is designed to re- place the retirement of the retirement benefits of the type spread upon the contributions must be made and funds established to meet these needs. The plan is basically aimed at improving the status of the individual, the individual's retirement, and the plan which will be the best for the individual, the individual's retirement, will vary from one plan to another.

The principal plan proposed by the Social Security Board is the plan which would replace the retirement benefits of the type spread upon the contributions. It is a plan which would replace the retirement benefits of the type spread upon the contributions. It is a plan which would replace the retirement benefits of the type spread upon the contributions. It is a plan which would replace the retirement benefits of the type spread upon the contributions. It is a plan which would replace the retirement benefits of the type spread upon the contributions.
The Choice Between Retirement Benefits or Superannuation Plans

care of the immediately pressing problems within an organization. To the extent that implementation of Federal pensions is likely to continue, and it is probable that such supplements will continue in a way whereby there are variations in earnings and rewards, and many prosperous companies and individual employers of the future systems will finally have to be supplied by some kind of a pension program which seeks to take care of the great many employees, it must be a system which currently credits retirement benefits to all workers and not merely to the select few aged which have the specific qualifications within a particular industry or plant.

If the present discussion has produced any new basic concepts of what we are trying to do, it is that Federal pensions is a deferred wage. The nature of the recent collective bargaining programs has highlighted this fact. The pension program has been substituted for a wage increase. The benefits have to be widely shared by all workers in the system and agreed upon after the emergency created by past failings has been overcome. The deferred wages must be paid to all. The voluntary pension program must establish pension rights for all, both young and old.

It is therefore likely that we shall find in the next few years a radical change in the nature of our pension programs, not negotiated by trade unions. The present ones will be supplemented by and in addition to Federal programs implemented by a retirement benefit plan which guarantees retirement benefits to all engaged in the class of employment where a Federal system has been established. The students of private systems and the Federal authorities who are responsible for thinking of the problems of integration and supervision must be given attention in this direction. We must begin to examine the procedures for such systems and the power of the mechanisms which will serve as a demand for permanent retirement benefits as supplements to a liberal federal program.

Initial progress has been made in this direction in one of the private programs through the vesting provision. Under such plans the employee who terminates his employment before he is eligible for retirement gains a right to a part or all of the benefits already purchased by the employer's contributions in his behalf. In certain cases this is an additional requirement that the employee leave the contributions and the interest thereon within a specified period of time or he is not eligible for a paid-up annuity. The plans now differ as to the period after which they gain these vested rights. Few of the plans have vesting of all contributions in the interest of the employee at age 62 and common practice is to defer the vesting until an employee has been a member for a number of years or to graduate the percentage of the annuity according to service.

But this type of vesting provision has been used in only a limited number of plans. In addition, the period of deferment until the claims are established have been held by the courts as at initial attempts at establishing true retirement benefits. But since they were conceived to meet the emergency of some kind of a retirement plan, the vesting privileges have been limited.

An additional plan of pensions developed by the private pension program is that Plan 35 is the same as the pension plans 21 of the individual with each period of service. They are deferred wage systems, but the realization of the mechanics which will serve as a demand for permanent retirement benefits as supplements to a liberal federal program.

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**NEW ISSUE CALENDAR**

**March 20, 1950**
Jamaica Water Supply Co., noon (EST) Bonds
Lone Star Steel Co., 11 a.m. (EST) Bonds

**March 21, 1950**
Appalachian Electric Power Co., 11 a.m. (EST) Bonds
Texas Utilities Co., 11 a.m. (EST) Bonds

**March 22, 1950**
Alberta (Province of), Debentures

**March 23, 1950**
Seaboard Air Line R.R.

**March 24, 1950**
Northeastern Virginia Public Service Co.

**March 25, 1950**
Cook Coffee Co., Common

**March 26, 1950**
Montgomery Power Co., Preferred Northern Indiana Public Service Co.

**March 27, 1950**

**March 28, 1950**

**March 29, 1950**

**March 30, 1950**

**March 31, 1950**

**April 1, 1950**
Gundel (J. B.) & Co., Common

**April 4, 1950**
Georgia Power Co., 11 a.m. (EST) Bonds
United Representative Inc., Debentures

**April 5, 1950**

**April 6, 1950**

**April 7, 1950**

**April 10, 1950**

**April 11, 1950**

**April 12, 1950**

**April 13, 1950**

**April 14, 1950**

**April 15, 1950**

**April 16, 1950**

**April 17, 1950**

**April 18, 1950**

**April 19, 1950**

**April 20, 1950**

**April 21, 1950**

**April 22, 1950**

**April 23, 1950**

**April 24, 1950**

**April 25, 1950**

**April 26, 1950**

**April 27, 1950**

**April 28, 1950**

**April 29, 1950**

**April 30, 1950**

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**Georgia Power Co. (4/4)**
March 3 filed $15,000,000 of 30-year first mortgage bonds due 1980, to be sold in denominations of $1,000 or multiples thereof, at public bidding. Probable bidders: Halsey, Stuart & Co., Inc.; Brown, Byrd & Co., Inc., and those who wish to be issued notification. The First Boston Corp.; Union Securities Corp. and Equitable Securities Corp. (jointly); Shibles & Co. and Spence, Brox & Co. (jointly); Drexel & Co.; Morgan Stanley & Co.; Harriman Ripley & Co.; and Security Wholesale Corp. Bids will be received until 11 a.m. (EST) April 7. Price—to be filed by amendment. Proceedings—To be extended for working capital.

**Glidden Co., Cleveland, Ohio.**
Feb. 24 filed 178,025 shares of common stock (no par) to be offered to common stockholders at $28.75 per share, the price being at the rate of one new share for each 10 held at $28.75 per share. Rights—A, B, C. Underwriter—Blyth & Co., Inc., New York. Proceeds—for additional working capital.

**Grand Rapids Stadium, Inc.**
Jan. 25 filed memorandum of 536,945 shares of 6%, non- cumulative participating preferred stock at $100 per share. No underwriter. Proceeds to pay costs of erecting, equipping, and furnishing the stadium and related facilities, and to pay other expenses. Office—874 Texas Avenue, Grand Junction, Colorado.

**Granville Mines Corp., Ltd., British Columbia, Canada.**
Feb. 7 filed 100,000 shares of common non-assessable stock (par $0c). Price—$5c per share. Underwriter—N. Y. & W. Grand Rapids, Mich.

**Gramercy Petroleum Co., Inc.**
Jan. 25 (letter of notification) 2,293 shares of common capital stock at $100 per share. No underwriter. Proceeds to pay cost of erecting, equipping, and furnishing the camp and related facilities, to pay other expenses, and to pay current obligations and to provide working capital.

**Gulf Atlantic Transportation Co., Jacksonville, Florida.**
May 31 filed 620,000,000 shares of class A participating ($1 par) stock and 270,000 shares (25c par) common stock. Offering—$100,000,000 to be offered for subscription by holders on the basis of one for two at $25 per share. Underwriter—will accept an amendment and may include John J. Bergen & Co. and A. M. Kidder & Co. Underwriters will also take the remaining 135,000 shares plus unsubscribed shares of the new common. Offering price of class A $5 Proceeds—To complete an ocean ferry, to finance stock and terminal facilities, to pay current obligations and to provide working capital.

**Gundel (J. B.) & Co., Inc., N.Y. City (4/1)**
March 8 (letter of notification) 10,000 shares of class A common stock of $25 par, for subscription by holders on the basis of one for two at $20 and $25 per share. That $10 of the $25 price may be utilized to purchase or subscribe for 2,500,000 shares of common stock to be offered at $20 and $25 per share, respectively, in three months. Proceeds—$500,000 to be used for purchase of various houses and for other realty transactions. Office—209 West 125th Street, New York 27, N. Y.

**Hahn Co., Inc.**
March 3 (letter of notification) 150,000 shares of common stock, class A (par $1) and 18,000 shares of 5% cumulative preferred stock (par $100) to be issued in exchange for 3,264 shares of Roberts Public Markets, Inc., at the rate of one share of preferred for each share of Roberts. Any additional shares not needed for the exchange will be sold at $10 each. No underwriter. Proceeds—For working capital.

**Hoffman Aviation Products, Inc., Philadelphia.**
Sept. 10 (letter of notification) 100,000 shares of common stock to be offered at $15 per share. Proceeds to be used for development of model, etc. Office—20 Wall Street.

**Hahn Co., Inc.**
March 9 (letter of notification) 100,000 shares of capital stock to be offered at $1 per share. Proceeds for the manufacture of a dirigible airship. Office—304 No. Huntington St., San Francisco.

**Hoffman Radio Corp., Los Angeles, Calif.**
March 9 filed 50,000 shares of 6% parity preferred stock and 10,000 shares of 5% cumulative preferred stock to be purchased at $20 and $25 per share, respectively. Proceeds—Preferred at par and class A at $1.50 per share. Underwriters—free of charge. Proceeds—For development of model, etc. Office—2500 E. 7th St., Los Angeles 6, Calif.

**Housecraft Co.**
March 12 (letter of notification) 50 participation units at $900 per unit. Proceeds to be used to produce the play, tentatively entitled "House on the Cliff."

**Howe Sound Co.**
Feb. 28 filed 76,083 shares of 4% cumulative preferred stock (par $50) to be issued in exchange for 86,616 shares of common stock. Office—For sale publicly.

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**Continued on page 44**
**continued from page 43**

**Hyron Radio & Electronics Corp., Salem, Mass.**
March 12 filed 200,000 shares of 6% cumulative convertible preferred stock (par $50) at $100,000,000, to be used to acquire stockholders of the common stock (par $1), of which 49,000 shares of common stock are held by corporate stockholders in the company. Underwriters—Barrett Herrick & Co., Inc., New York, and Merriam, Harris, Inc., Chicago. Proceeds are for the preferred; the common stock price to be filed by amendment. Proceeds—To finance expansion of Hyron's operations.

**Incorporated Investors, Boston, Mass.**
March 13 filed 860,858 shares of common stock (par $5). Underwriters—Ghirardelli & Co., Inc., New York, and C. C. & Co., Providence, R.I. Proceeds will be used to redeem $100,000 of 4 1/4% convertible preferred stock at $102.50 per share.

**Iowa Electric Light & Power Corp., Cedar Rapids, Iowa**
March 13 filed 108,834 shares of cumulative preferred stock (par $50) and $250,000 of common stock (par $1). The new stock will be used to retire and to acquire and retire 45,326 shares of series B 5% preferred stock and 43,639 shares of C 6% preferred stock. All unmaintained preferred stock will be paid at 105. Underwriters—The First Boston Corp., New York, and G. H. Walker & Co., Providence, R.I. Proceeds will be used to redeem 43,649 shares of preferred stock at $102.50 per share.

**Iowa Public Service Co. (5/22)**
Feb. 17 filed 50,000 shares of preferred stock (par $50) and $5,000,000 first mortgage bonds, series C, due March 1, 1984, at $101.66 per bond. Underwriters—Equity & Continental Securities Co., Boston, and 44079 Corp., Chicago. Proceeds are for the purpose of refinancing the company's own bonds. Underwriter—None. Proceeds—To retire the company's own bonds. Proceeds of the sale of the bonds will be $1,666,666.

**Jamaica Water Supply Co. (3/20)**
Feb. 17 filed 50,000 shares of common stock (no par) and $7,995,000 first mortgage bonds, series C, due March 1, 1984, at $101.666 per bond. Underwriters—Equity & Continental Securities Co., Boston, and 44079 Corp., Chicago. Proceeds are for the purpose of refinancing the company's own bonds. Underwriter—None. Proceeds—To retire the company's own bonds. Proceeds of the sale of the bonds will be $7,995,000.

**Kansas City Power & Light Co. (4/21)**
March 3 filed 1,094,003 shares of common stock (no par) to be offered by United Light & Ry. Co., Chicago, at $25 per share, and 40,000 shares of common stock (par $1) to be offered by Union Securities Co., New York, at $25 per share. Underwriters—Bear, Stearns & Co., Inc.; Harriman Rigby & Co., Merrill Lynch, Pierce, Fenner & Beane (jointly); Kidder, Peabody & Co.; and Blyth & Co. (jointly). Proceeds of the sale are for the purpose of increasing the capitalization of the company. Underwriter—None. Proceeds—To increase the capitalization of the company. Proceeds of the sale of the common stock will be $26,850,000.

**Lincoln Telephone & Telegraph Co., Lincoln, Nebr.**
March 2 (letter of notification) 15,000 shares of common stock (par $100). Price—$20 per share. Underwriter—None. Proceeds—For working capital and expansion.

**Lit Brothers, Philadelphia, Pa.**
March 15 filed 1,550,000 shares of common stock (par $1) to be sold at $10 per share under a power-of-attorney tax exemption plan. Underwriters—Stratton & Blomser, Dallas Bupe & Son, and Estabrook & Co. Proceeds of the sale are for the purpose of refinancing the company's own bonds. Rights are to expire April 20. Underwriter—None.

**Lowell Electric Light Corp., Lowell, Mass.**
Dec. 22 filed 5,000 shares of preferred stock (par $100) at $100 per share. Underwriter—None. Proceeds—To improve the company's power facilities and to meet its working capital needs.

**Lyfton (Henry C.) & Co., Chicago, III.**
March 1 (letter of notification) 7,000 shares of common stock (par $10) for the purpose of increasing the capitalization of the company. Underwriters—None. Proceeds—To improve the company's power facilities and to meet its working capital needs.

**Metropolitan Edison Co.**
Jan. 22 filed 5,000 shares of preferred stock (par $50) at $50 per share. Underwriter—None. Proceeds—To meet the company's working capital needs.

**Piladesis Nepheline Mining Co., Ltd.**
Feb. 20 filed 1,000 shares of preferred stock (par $1) at $1 per share. Underwriter—None. Proceeds—For mining costs. Business—Nepheline nephelite mine. Deposits are located in March 27, or earlier.

**Pepsi-Cola Co.**
March 8 (letter of notification) 750 shares of capital stock (par $1) at $25 per share. Underwriter—None. Proceeds of the sale are for the purpose of increasing the capitalization of the company. Proceeds of the sale of the capital stock will be $18,750.

**Petroleum Ltd., Toronto, Canada.**
April 25 filed 1,150,000 shares (par $1) of which 1,000,000 on behalf of company and 150,000 by New York Stock Exchange. Proceeds are for the purpose of refinancing the company's own bonds. Underwriter—None. Proceeds—To retire the company's own bonds. Proceeds of the sale of the bonds will be $1,150,000.

**Radioactive Products, Inc., Detroit, Mich.**
March 29 (letter of notification) 25,000 shares of capital stock (par $1) at $100 per share. Underwriter—None. Proceeds of the sale are for the purpose of increasing the capitalization of the company. Proceeds of the sale of the capital stock will be $2,500,000.

**Remington Rand Inc.**
Feb. 20 (letter of notification) 26,000 shares of capital stock (par $1) at $100 per share. Underwriter—None. Proceeds of the sale are for the purpose of increasing the capitalization of the company. Proceeds of the sale of the capital stock will be $2,600,000.

**Rutabaga, N.J.**
Feb. 17 filed 1,000 shares of common stock (par $1) at $100 per share. Underwriter—None. Proceeds of the sale are for the purpose of increasing the capitalization of the company. Proceeds of the sale of the common stock will be $100,000.

**Sacramento Gas & Electric Co., Sacramento, Calif.**
March 3 filed 7,900 shares of common stock (par $20) at $20 per share. Underwriter—None. Proceeds of the sale are for the purpose of increasing the capitalization of the company. Proceeds of the sale of the common stock will be $158,000.

**Southern New England Telephone Co.**
March 9 filed 400,000 shares of common capital stock (par $25) at $25 per share. Underwriter—None. Proceeds of the sale are for the purpose of increasing the capitalization of the company. Proceeds of the sale of the common capital stock will be $10,000,000.

**Standard-Thomas Corp.**
Jan. 1 filed (letter of notification) 21,500 shares of common stock (par $1) at $1 per share. Underwriter—None. Proceeds of the sale are for the purpose of increasing the capitalization of the company. Proceeds of the sale of the common stock will be $21,500.

**Stanwood Oil Corp., N. Y. City.**
March 8 (letter of notification) 15,000 shares of capital stock (par $1) at $1 per share. Underwriter—None. Proceeds of the sale are for the purpose of increasing the capitalization of the company. Proceeds of the sale of the capital stock will be $15,000.

**Texas Co., Provo, Utah**
March 7 (letter of notification) 100,000 shares of capital stock (par $1) at $100 per share. Underwriter—None. Proceeds of the sale are for the purpose of increasing the capitalization of the company. Proceeds of the sale of the capital stock will be $10,000,000.

**Trendco, Inc.**
March 8 filed 1,175,000 shares of common stock (par $1) at $1 per share. Underwriter—None. Proceeds of the sale are for the purpose of increasing the capitalization of the company. Proceeds of the sale of the common stock will be $1,175,000.

**Western Union Co., Inc., New York, N. Y.**
Feb. 23 filed 40,000 shares of common stock (par $1) at $25 per share. Underwriter—None. Proceeds of the sale are for the purpose of increasing the capitalization of the company. Proceeds of the sale of the common stock will be $1,000,000.

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**Arkansas & Ohio Power Co., Inc.**
**Boston.**
March 2 filed 10,000 shares of preferred stock (par $100) at $125 per share. Underwriter—None. Proceeds of the sale are for the purpose of increasing the capitalization of the company. Proceeds of the sale of the preferred stock will be $1,250,000.

**Carlson Steel Co., Dallas, Texas.**
Jan. 25 filed 352,185 shares of common stock (par $1) of which 27,150 are subject to the power of attorney tax exemption plan. Underwriters—Bear, Stearns & Co. and Bear, Stearns & Co., Dallas Bupe & Son. Proceeds of the sale are for the purpose of increasing the capitalization of the company. Rights are to expire March 20. Underwriter—None.
Sister Bond & Mortgage Co., New Ulm, Minn., Feb. 27, 1953, $27,500,000 7 5/8% serial maturing in 2015, bearing interest at the rate of $1,312,500 annually, $1,000,000 of which is a sinking fund series to be called at not less than $1,000,000 at any time after Feb. 27, 1983, the certain sinking fund series to be included in the trust certificate. Interest coupons to be offered to holders of common stock in the Zenith Telecommunications Corp., which has been formed to carry out the business of the company. The common stock will be offered at a price of $12.50, to be paid in cash, to be offered for sale in the United States and Canada, and to be paid in cash, to be offered for sale in the United States and Canada, and to be paid in cash, to be offered for sale in the United States and Canada.

Sudere Gold Mines Ltd., Toronto, Canada, June 1953, 275,000,000 shares of common stock. Price—$1 per share. Proceeds—To be used for the development of new mines and the expansion of existing mines. The company has been formed to carry out the business of Sudere Gold Mines Ltd., which has been developing gold mines in the Sudere area of Ontario, Canada.

Teico, Inc., Chicago, Nov. 21, 1952, 100,000 shares of common stock (par $10), to be offered to the public at $15 per share. Proceeds—To be used for the expansion of the company's business and the acquisition of additional property. The company's stock is expected to be listed on the New York Stock Exchange.

Texas Utilities Co. (3/21), Feb. 16, 1952, 400,000 shares of common stock (par $10), to be offered to the public at $20 per share. Proceeds—To be used for the acquisition of additional property and the expansion of the company's business. The company has been formed to carry out the business of Texas Utilities Co., which has been operating a large electric utility system in Texas.

Tennessee Coal, Iron & Steel Co., Birmingham, Ala., March 9, 1953, 213,306 shares of common stock (par $5), to be offered to the public at $25 per share. Proceeds—To be used for the expansion of the company's business and the acquisition of additional property. The company's stock is expected to be listed on the New York Stock Exchange.

United Representatives, Inc. (4/4), March 11 (letter of notification) $500,000 10-year 4 1/2% debentures. Proceeds—To be used for the expansion of the company's business and the acquisition of additional property. The company has been formed to carry out the business of United Representatives, Inc., which has been operating a large insurance agency.

U. S. Thermo Control Co., Westinghouse Electric Corp., East Pittsburgh, Pa., Feb. 2, 1953, 5,000,000 shares of common stock (par $1), to be offered to the public at $15 per share. Proceeds—To be used for the acquisition of additional property and the expansion of the company's business. The company has been formed to carry out the business of U. S. Thermo Control Co., which has been operating a large manufacturing facility.

Wall Street Investing Corp., N. Y. City, March 6, 1953, 20,000 shares of common stock (par $1), to be offered to the public at $25 per share. Proceeds—To be used for the acquisition of additional property and the expansion of the company's business. The company has been formed to carry out the business of Wall Street Investing Corp., which has been operating a large investment counseling agency.

West Virginia Water Service Co., Charleston, W. Va., March 10 (letter of notification) subscription warrants for 17,647 shares of common stock (no par) and a like number of 5-year 4% bonds (par $100), issued under an agreement with the state of West Virginia that requires the company to acquire a minimum of 15% of the stock in the West Virginia State Water Co. before July 1, 1953. Proceeds—To be used for the acquisition of additional property and the expansion of the company's business. The company has been formed to carry out the business of West Virginia Water Service Co., which has been operating a large water utility system in West Virginia.

Western Uranium Cobalt Mines, Ltd., Vancouver, B. C., Canada, Feb. 28 (filed) 80,000,000 shares of common stock (par $1), to be offered to the public at $20 per share. Proceeds—To be used for the acquisition of additional property and the expansion of the company's business. The company has been formed to carry out the business of Western Uranium Cobalt Mines, Ltd., which has been operating a large uranium and cobalt deposit.

Worldwide Electric Corp., Jersey City, N. J., Feb. 22, 1953, 1,000,000 shares of common stock (par $10), to be offered to employees and other interested parties at a price of $25 per share. Proceeds—None. Proceeds—To be used for the acquisition of additional property and the expansion of the company's business. The company has been formed to carry out the business of Worldwide Electric Corp., which has been operating a large electrical equipment manufacturer.

Prospective Offerings

American Can Co., New York, N. Y., March 3 announced a new program of long-term financing for working capital. Probable underwriters: Morgan Stanley & Co.; Clark, Dodge & Co.; F. S. Mosley & Co.; and American Electric & Gas Co., New York, N. Y., May 10, 1953, to sell $27,500,000 of serial notes (to mature in 1971 and 1972), to be offered to the public at $25 per share. Proceeds—To be used for the acquisition of additional property and the expansion of the company's business. The company has been formed to carry out the business of American Electric & Gas Co., which has been operating a large electric utility system in New York City.

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with other funds, will be used to finance the company's manufacturing and distribution activities. The proceeds from the offering of $150,000,000 of preferred stock are expected to be used to retire the company's outstanding preferred and common stock at a premium of approximately $1,000,000.

**Southern California Gas Co.**
Dec. 19 reported company plans to issue and sell preferred stock to finance operations. Probable bidder: Halsey, Stuart & Co.; 18.75% preferred stock; 7,500,000 shares; 18.75% preferred stock.

**Wisconsin Public Service Corp.**
July 28 reported company plans to sell common stock to finance operations. Probable bidder: Halsey, Stuart & Co.; 7.5% preferred stock; 7,500,000 shares; 7.5% preferred stock.

**Wilson & Co.**
March 10 reported early registration with SEC is expected of an offering of approximately $100,000,000 of common stock. Probable underwriters: First Boston Corp., and Coggenhall & Hicks, Inc.

**Public Service Electric & Gas Co.**
Feb. 7 announced company plans to offer $26,000,000 of convertible debentures due in 1960. Probable bidder: Halsey, Stuart & Co.; 7.5% convertible debentures; 2,600,000 shares; 7.5% convertible debentures.

**San Diego Gas & Electric Co.**
March 4 reported company is expected to issue the SEC of approximately 10,000,000 shares of common stock. Proceeds-Non-cumulative dividend; 100,000 shares; 100,000 shares.

**Laclede Gas Co.**
Feb. 6 reported company plans issue of some $12,000,000 of bonds due in 1958. Probable bidder: Halsey, Stuart & Co.; 7.5% bonds; 1,500,000 shares; 7.5% bonds.

**Missouri-Kansas-Texas RR.**
Feb. 7 announced company plans issuance of a basis for one-for-one basis. Union Securities Corp. may be underwritten.

**Montana Power Co.**
Dec. 29 reported the company may issue in a few months approximately $25,000,000 of bonds. Probable bidder: Halsey, Stuart & Co.; $25,000,000 of bonds; $25,000,000 of bonds.

**Southern California Edison Co.**
March 4 reported company expects to issue this summer $55,000,000 of bonds. Probable bidder: Halsey, Stuart & Co.; 7.5% bonds; 7,500,000 shares; 7.5% bonds.

**Southern California Gas Co.**
Dec. 19 reported company plans to issue and sell preferred stock at the current rate. Probable bidder: Halsey, Stuart & Co.; 7.5% preferred stock; 7,500,000 shares; 7.5% preferred stock.

**West Coast Transmission Co., Ltd.**
Feb. 10 reported that Eastman, Dillon & Co. and the First Boston Corp. have been on the list of potential investors who have shown an interest in the 1,400 mile pipeline project proposed by the West Coast Transmission Co., Ltd., of Montreal, Canada, and Wood, Gandy & Co. of Toronto, Canada. The financing would be divided 75% to bonds and the remaining 25% to preferred stock. A large amount of the bonds are expected to be taken by life insurance companies. Arrangements will be made to place in Canada part of the securities. It is expected an American company will construct and operate the American end of the line in Washington, Oregon and California. The completed line, when completed, will be valued at $175,000,000.

**Wheeling & Lake Erie Ry.**
March 9 announced company plans to sell and issue preferred stock at the current rate. Probable bidder: Halsey, Stuart & Co.; 7.5% preferred stock; 7,500,000 shares; 7.5% preferred stock.

**Wisconsin Public Service Corp.**
July 28 announced company plans to sell at competitive bidding all of the 1,000,000 shares of common stock (par $10) of this subsidiary, and the total proceeds will be applied to the purchase of another common stock of Equitable Gas Co. to be outstanding as of the date of the offering (see above). It is the intention of the System to sell only approximately 10,000,000 shares of common stock: First Boston Corp. and R. W. Baird & Co. (jointly); W. E. Hutton & Co. and Glaze, Forgan & Co. (jointly); Harriman & Co. (jointly); Drexel & Co. (jointly); and Paul Revere Securities Co. (jointly). A bid of $1,000,000,000 was reported for 10,000,000 shares of common stock.
The recent lag in moving high-priced securities, according to the New York Board of Trade, was on the part of underwriting firms.

At any rate that appeared to be the case, but in the New York Board of Trade's results for this week's sale at competitive bid of $115,000,000 of new 48-year debentures of New Jersey Bell Telephone Co., הביאו את ה恺מנד במטרה перевести את הבנייה המאוחרת ב- $25,000,000,000 על בסיס בניה של חללי חברת אטלנטה,امر שהושג ב- 1949. הקאמנים של החברה, ו- 8,000,000 נותרו בבעלות הממשלה, עם סכום של 102.101,000 ב- 1949, ההון של החברה מחוון בח合うה של קבוצת דחק מחברות קרייזר.

The Southern Pacific activity for the "standby" bonds on Southern Pacific's book was $1,200,000 of convertible debentures last week, and the interest in underwriting circles for any additional issue was very small. It is expected, however, that on the resumption of business, there will be a marked demand for more of these bonds.

The group bid high, 100, less an underwriting of $70,000, costing a 3% coupon. The Southern Pacific activity for the issue was $464,949 for 3%. The issue is being advertised first to stockholders in this state and on record March 10, with unsubscribed debentures going to underwriters.

The latter, it is understood, have been getting active inquiry for the issue.

The first such operation involves the purchase of $275,000,000 of common stock to be in line with the redemption of the Commercial Credit's 6.125% preferred stock.

The Pacific Gas offering involves 1,850,000 shares, common to shareholders of record March 10, who will become entitled to 6.125% preferred stock for common stock. The shares, $10 each, will be sold at $100 per share.

The price of the preferred stock is $100 per share. The conversion privilege ends at the close of business on April 14, 1940. Any preferred shares remaining unconverted will be redeemed at the redemption price of $100.50 per share plus accrued dividends from April 1, 1940. As of March 15, 1940, there were outstanding 158,845 shares of 3.60% preferred stock and 27,978 shares of 6.125% preferred stock.
WASHINGTON . . .
And You

WASHINGTON, D. C. — It is doubted seriously and with no
exaggeration that the latest batch of 21 proposed government re-
organisations submitted to Con-
gress will cut as much as a dime
from the expense of running the
Federal establishment.

Instead these reorganisations if allowed to go into effect will
actually boost the cost of govern-
ment. The only thing which had
any bearing on costs was the
President's proposal that the de-
partmental administrative offi-
cers be given a subsidised status
with salaries not exceeding $14,000 per year.

These administrative assistants are powerful individuals, largely
anonymous, who actually handle a
great deal of the work for the
President and government depart-
ments. Whereas they get $10,000
or a little more now, they will be
boosted to $14,000, and then they
will be able to put their depart-
ment limousines to take them to
work and their wives shopping.
Complete with chauffeurs.

While Mr. Truman's pro-
posed reorganisations hold no
promise of saving any money, they
do show that Mr. Truman
knows what he is doing when,
shortly before the Hoover Committee on the Reorganisa-
tion of Government was ready to
report, he submitted to the Senate
President Hoover to the White
House, figuratively threw his
arm around the government, and
publicly, and declared what a won-
nerful work was Mr. Hoover
doing.

In this respect Mr. Truman's
selflessness was two-fold. In the
first place it helped him get the
law under which he can take the
initiative in reorganizing the
government. Without the presen-
tation of these proposals Mr.
Hoover the report would have been
jeered.

Second, the President has af-
firmed his control of the Senate
report to everything he has done. The law under which he can
work has been achieved by the
President's control of the Con-
gress to give him some power to
reorganise would have been di-
bious.

In the process, the President
did put the Congress to a lot of
tagging. Just to “eliminate
confusion” the President pro-
posed to kill all of the independent
General Council of the National
Labor Relations Board. While
the President had been in favor of
labor want to kill the Taft-
Hartley Act, the Senate Big
Labor boys want most is
to kill it. So with Robert De-
ham's independent status to
open cases before the NLIR.

Decham’s job is the chief target
of Labor. The President has been
strongly assisted by the Congress
to repeal Taft-Hartley.

But with this proposed “reor-
ganisation” out of the two Houses of
Congress must take positive action within 60 days and
a vote of a majority of one of the
two Houses (a majority of one is
house present), declare its dis-
approval of this trick or it will
 go into effect. In these busy tunes,
that won't take effect.

Behind the Administration's move to set up a commission to
study the "sick coal industry" is a variety of motives. These ma-
tives are primarily political, and
only secondarily economic.

For one thing, it is hoped that
such a study would tend to divert
attention from the news the Ad-
mnistration made of the coal
situation. It was expected to get
so far out of hand that it threatened
the nation's entire

For another thing, such a
study probably would divert at-
tention from the move spon-
sored by Senator A. Willis
Reed, D. Va. to subdue the
unions to the antitrust laws.

The coal strike was a
brute brought this idea to hear-
ings. Congress passed a political
line-up, sub-unions to the
inhibitions of the anti-
trist laws to protect union
rates union leaders.

If a commission is conducting a
full-scale study, this also will
tend to divert attention from the
operation of the Administration to
front the Taft-Hartley Act.

Finally, there are naturally
among the bright Ph.D.'s of the
administration a group of social-
ist doctrinaires who would like
to have the commission slant a report on nationalization of
the industry. It is doubted
whether it would: the White House or its closest aides have as yet
endorsed such a plan.

All in all, the proposed com-
mision would be so obviously
favorable to Big Business as to keep Congressmen and govern-
ment officials, as to dampen down re-
spect for its work. It is already
damnning down enthusiasm for
the idea in Congress and there
is a chance the commission will
not be set up.

A different interpretation of
the sick coal industry pub-
lished in the New York Times
of April 21 signs that the in-
mus industry in the whole
manufacturing increased from
4,000,000 to 6,000,000 in 1939
or 125%, coal miners' wages
increase from $23.50 to $36.52
or 55.4% whereas coal
accidents in the whole industry
increase from 20% in 1939 to
in manufacturing generally
they are in the neighborhood
and railroad actually increased
50%.

“Taking all these facts into
consideration,” observed Rep.
Mason, “the coal industry is a
sick industry largely because,
first, coal has been priced out of
the market, and second, the
inconvenience caused the public
through coal shortages artificially
created by the ruthless exploita-
tion of dictatorial powers by
one man, John L. Lewis.”

Senator Paul H. Douglas
(D. Ill.) has just learned what a
couple of hundred other legislators
have known all along, which is
that two million government 
employees can't be wronged. The
Senator got only 14 votes for his
motion to suspend the rules of the
Senate so as to cut three or four
days a year off the sick leave
employees can take. The opposi-
tion totaled 57. The Senator be-
lieves that if the sick leave abuses
and the long annual vacations
were done away with it the dunes
could be fired from the Federal payrolls, that the govern-
ment could save several hundred


Business Buzz

"When his cigar points up the market is good—when it drops down the market is bad."

How this business of possible
ties up to $5,000 per day for
violation of Federal Trade Com-
mision orders got into the final
draft of the oleomargarine tax
repealer as presented to President
Truman is an illustration of how
irrelevantly and whimsically the
Congress sometimes operates.

The main impetus for getting
the thing into the Senate bill
was the dairy blue. They hoped
that if they could get into the
oleo repealer a fine of $5,000 per
day for violation of any of
the FTC, whether on
representation in the sale of
oleo or anything else, they
would so scare the living day-
lights out of business generally
as to make possible the killing of
the oleo repealer. So the Senate adopted an FTC staff
proposal for this purpose.

It didn't work this way, how-
ever, largely because the story
did not get out generally until
the oleo bill was well along in
conference.

Then the southern conserva-
tives, who wanted oleo legalized
without penalty taxes, hesitated
to kill off this "sleeper" for fear
if they made a big effort to kill it,
also would fail to get passed.

Finally, there was a hope that
the proposed fine would not work
out to be as bad as it sounded, a
feeling of complicity that the
lawyers for the FTC sided and
abated, by pointing out never.
Oh, never, would they actually
think of asking for a fine any-
where near approaching as much
as $5,000 per day.

The work goes out, accord-
ing to the official explanation is
that such a stiff fine would in
any case will be applicable until
after an FTC order had been
affirmed by the court and 60
days there had elapsed, or unless
the victim business failed to ap-
tly and promptly.

The FTC $5,000-a-day fine
would apply to orders issued
under the FTC and similar acts.
The "liberals" are pushing the
proposal to murder it. "It is
from $5,000 to $50,000, the fines
for violation of the Clayton and
Sherman acts. This proposi-
tion has hurtled the Cellar subcom-
mitee of the House Judiciary
committee. It may get out of the
subcommittee, in which case it
will run into a pretty good fight on the floor of the
House with a little of the odds
in favor of passage. The "life-
styles" are so afraid of hard to
get the Senate to take up the
Refraker bill subletting to the
 FTC ban, the acquisition by one
company of the other company
where such acquisition has the
effect of "substantially lessen-
ing competition." This proposi-
tion passed the House last year.

Despite the limited rent control
of the Administration, its chances of success are hardily
rated as even. This being an elec-
tion year, the Administration
would like to say that it had rent
control continued, for the sake of
the big city vote. However, the Administration is willing, it will re-
port, to submit to a still fur-
ther broadening of the present
law, so long as it has something
which it can call a rent control law on the books after June 30.

G. Wesley Roberts to Form Own Company

C. Wesley Roberts will shortly
form C. W. Roberts & Co., Inc.,
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tive for G. H. Walker & Co.

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